

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

**ORDER UNDER SECTION 12(3) OF THE SECURITIES AND EXCHANGE BOARD
OF INDIA ACT, 1992 READ WITH REGULATION 30A OF SEBI
(INTERMEDIARIES) REGULATIONS, 2008**

Name of Noticee	Registration No.	Address of the Noticee	PAN
Ms. Perna Sharma	INA000007304	3/391 Kala Kaun, Housing Board, Aravali, Vihar Alwar Rajasthan – 301001.	BJEPS7547A

S. No.	Index	Page No.
1.	Background of the Case	1
2.	Show Cause Notice And Reply	2
3.	Absence of valid NISM Certificates Since Year 2021	2
4.	Failure To Make Periodic Submissions of Half Yearly Reports for Half Years Ended On March 31, 2024 And September 30, 2024	4
5.	Directions	8

1. BACKGROUND OF THE CASE

Pursuant to the on-site joint inspection by SEBI and BSE Limited (hereinafter referred to as ‘**BSE**’) for the period April 01, 2024 to June 30, 2025 on July 30, 2025 of Ms. Perna Sharma (hereinafter referred to as “**Noticee**” or **by name** or **IA**) who is registered with Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”), having SEBI registration no. **INA000007304** as an ‘Individual Investment Adviser’ with effect from March 17, 2017 in terms of Section 12(1) of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act, 1992**”) and SEBI (Investment Advisers) Regulation, 2013 (hereinafter referred to as “**IA Regulations**”), BSE shared Preliminary Observations Report with respect to the non-compliance observed during inspection of IA. The IA was then asked to offer its comments and the IA submitted its comments on such non-compliances. Pursuant to the said inspection, certain irregularities were observed by the Inspecting Authority in the inspection report. Based on the findings in the inspection report, SEBI initiated Summary Proceedings against the Noticee.

2. SHOW CAUSE NOTICE AND REPLY

2.1. Show Cause Notice No. SEBI/WRO/JS/OW/P/5816/2026 dated February 13, 2026 (hereinafter referred to as “**SCN**”) was issued to the Noticee to show cause as to why the certificate of registration granted under the Act or the regulations made thereunder, should not be cancelled in terms of Regulation 30A of the SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as “**Intermediaries Regulations**”) read with Sections 12(3) of the SEBI Act, 1992.

2.2. The SCN so issued also advised the Noticee to file her reply along with documentary evidence, if any, within 21 days from the date of receipt of the SCN, failing which it would be presumed that the Noticee had no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record.

2.3. I note that the SCN issued to the Noticee was duly served upon her by Speed Post Acknowledgement Due (hereinafter referred to as “**SPAD**”) on February 19, 2026. The Noticee submitted her reply vide letter dated March 05, 2026.

2.4. I have carefully perused the SCN, written submissions of the Noticee and other material available on record. The allegations against the Noticee, reply of the Noticee and my findings thereon are as under:

3. ABSENCE OF VALID NISM CERTIFICATES SINCE YEAR 2021

3.1. **Allegation:** Ms. Perna Sharma, vide her email dated August 01, 2025, submitted her reply to Pre-Inspection Questionnaire dated July 31, 2025, (herein after referred to as ‘**PIQ Reply**’) to BSE. It is observed from the PIQ Reply that Ms. Perna Sharma herself is the Principal officer as well as the Compliance officer of IA and only she is engaged in providing investment advice. It is also observed from the PIQ Reply that NISM Series-X-A: Investment Adviser (Level 1) Certification and NISM Series-X-B: Investment Adviser (Level 2) Certification (herein after collectively referred to as ‘**Level 1 &**

2 Certifications') held by Ms. Prerna Sharma expired on September 14, 2021 and December 14, 2021, respectively.

3.2. **Reply:** Noticee vide her reply dated March 05, 2026 to the SCN admitted that her NISM Series-XA certification expired on September 14, 2021 and her NISM Series –X-B certification expired on December 14, 2021. Noticee, further submitted that she has neither undertaken investment advisory services since 2021 nor on boarded any clients.

3.3. **Findings:** Regulation 7(2) of IA Regulations provides that an individual IA, a principal officer of a non-individual IA and persons associated with investment advice are required to have at all times relevant NISM certification as specified Board from time to time. Further, proviso to regulation 7(2) of IA Regulations provides that a fresh relevant NISM certification as specified by the Board from time to time shall be obtained before expiry of the validity of the existing certification to ensure continuity in compliance with certification requirements.

3.4. In terms of sub-regulation (2) of Regulation 7 of the IA Regulations, SEBI had issued Notification No. LADNRO/GN/2013-14/13/6109 dated June 19, 2013 and Notification No. LAD-NRO/GN/2013-14/42/118 dated January 27, 2014, as per which investment advisers and their associated persons, including their partners and representatives, offering investment advice, were required to obtain certification(s) from the National Institute of Securities Markets by passing NISM Series-X-A: Investment Adviser (Level 1) Certification Examination and NISM Series-X-B: Investment Adviser (Level 2) Certification Examination respectively. Fresh certificates were required to be obtained before expiry of the validity of existing certifications.

3.5. I am of the view that NISM certification serves as a benchmark for validating the competency and professional ethics of investment advisers, thereby ensuring that they possess the requisite knowledge to provide sound financial guidance. Without this certification, investors face heightened risks as they may

receive advice from unqualified individuals lacking the necessary expertise to navigate complex financial instruments. This undermines investor confidence and jeopardizes the integrity of the financial advisory ecosystem.

3.6. Furthermore, the absence of a standardized certification mechanism contributes to the proliferation of fraudulent practices, where unscrupulous advisers exploit uninformed investors. From a regulatory perspective, non-compliance with NISM certification requirements can lead to a deterioration of market efficiency and stability. Investors may experience increased volatility in their portfolios, resulting from misguided investment choices rooted in inadequate advisory practices. Thus, the imperative for stringent adherence to NISM certification is undeniable, as it is essential for fostering a trustworthy investment environment, protecting investors' interests, and upholding the smooth functioning of capital markets.

3.7. I note that, in terms of the Regulation 7(2) of IA Regulations read with Notification No. LADNRO/GN/2013-14/13/6109 dated June 19, 2013 and Notification No. LAD-NRO/GN/2013-14/42/118 dated January 27, 2014, the Noticee was obligated to meet the certification requirements at all times, and was supposed to obtain fresh certification before the expiry of the validity of the existing certification. Admittedly, the Noticee failed to do so. In view thereof, I hold that the Noticee has admittedly violated provisions of Regulation 7(2) of IA Regulations read with Notification No. LADNRO/GN/2013-14/13/6109 dated June 19, 2013 and Notification No. LAD-NRO/GN/2013-14/42/118 dated January 27, 2014.

[4. FAILURE TO MAKE PERIODIC SUBMISSIONS OF HALF YEARLY REPORTS FOR HALF YEARS ENDED AS ON MARCH 31, 2024 AND SEPTEMBER 30, 2024](#)

4.1. **Allegation:** SEBI has recognized BSE as Investment Adviser Administration and Supervisory Body (**IAASB**) for a period of five years starting from July 25, 2024 and mandated all SEBI registered IAs to submit periodic reports to IAASB

in such manner as may be specified by IAASB. Further, BSE as an IAASB mandated all IAs to submit periodic reports within timelines as specified above. In view of the same, the Noticee, being a SEBI Registered IA, was required to submit half yearly periodic report starting from the period ending on March 31, 2024. However, it is alleged that the Noticee has admittedly failed to submit two consecutive periodic reports for the periods ending on March 31, 2024 and September 30, 2024. The aforesaid non-submission was also confirmed by BSE vide its email dated December 03, 2025.

4.2. **Reply:** The Noticee submitted that during those periods she was not operating any advisory business. There were no active clients, no transactions, no income, and no advisory activity. As there was no activity to report, the periodic filings were not made. There was no intention to conceal any information or avoid compliance. Subsequently, periodic reports dated March 31, 2024 and September 30, 2024 were submitted on the BSE portal, demonstrating her continued cooperation with the regulatory authorities.

4.3. **Finding:** I find that regulation 15 (12) of IA Regulations provides that Investment advisers shall furnish to the Board information and reports as may be specified by the Board from time to time. Further, 28(d) of IA Regulations provides that an investment Adviser who does not submit periodic returns or reports as required by the Board shall be dealt with in the manner provided under the Intermediaries Regulations. In terms of the IA Regulations, registered Investment Advisers were required to take membership of the Investment Adviser Administration and Supervision Body (IAASB). It was a pre-requisite to keep their registration in force as an Investment Adviser. SEBI had mandated all SEBI registered IAs to submit periodic reports to IAASB in such manner as may be specified by IAASB. BSE, as an IAASB, has also mandated all IAs to submit periodic reports within timelines.

4.4. The aforesaid periodic reports include important information like registered Name of IA as per SEBI registration certificate, SEBI Registration Number, Enlistment/Membership Number of IAASB, details of bank account/s for

receiving advisory fee, total number of Persons associated with Investment Advice, NISM certification details, details of last inspection and details of the complaints against Investment Adviser, etc.

4.5. I am of the view that the aforesaid non-submission of information in the periodical reports by the Noticee has profound implications for the financial ecosystem. IA Regulations were instituted to ensure transparency, accountability, and investor protection. When investment advisers fail to submit these critical reports, they undermine the regulatory framework designed to safeguard investor's interests. Firstly, the absence of periodical reports hampers the visibility of investment advisers' activities, thus diminishing the level of oversight. This lack of transparency can lead to potential malpractices, as clients are deprived of essential information regarding the adviser's performance and compliance with regulatory norms. Consequently, investors may find themselves exposed to unnecessary risks, which contradicts the very essence of advisory services meant to guide informed investment decisions. In conclusion, adherence to submission of periodical reports is vital for maintaining robust investor confidence and fostering a transparent investment environment.

4.6. Clause 4.6.iii of Master Circular No. - SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/50 dated May 21, 2024 inter alia provides that all SEBI registered IAs shall submit periodic reports to IAASB in such manner as may be specified by IAASB.

4.7. Further, SEBI vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2024 /38) dated May 07, 2024 inter alia mandated as under:

“6. IAs shall submit periodic report in the format specified in Annexure I from the half yearly period ending on March 31, 2024. The timelines for submission of periodic reports by IAs shall be as under:

6.1. IAs shall submit the periodic report for the half-yearly period ending on March 31, 2024 to IAASB within a period of fifteen days from the date of issuance of circular by IAASB.

6.2. For the subsequent half-yearly periods, IAs shall submit periodic reports within seven working days from the end of the half-yearly period for which details are to be furnished.”

4.8. I am of the view that the Noticee has admittedly failed to submit two consecutive periodic reports for the periods ending on March 31, 2024 and September 30, 2024, respectively and hence, I find that the Noticee has violated regulations 15 (12) and 28 (d) of IA Regulations read with Clause 4.6.iii of Master Circular No. - SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/50 dated May 21, 2024 and Clauses 6, 6.1 and 6.2 of SEBI vide circular no. SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2024/38) dated May 07, 2024.

4.9. Since the aforesaid violations mentioned in the SCN stands established, it is also important to deal with other submissions of the Noticee. The Noticee has submitted that she sincerely regrets any procedural lapses that may have occurred. The Noticee further submitted that she does not wish to continue as a SEBI registered investment adviser going forward as she has not conducted advisory activities since 2021 and requested to consider her request for voluntary surrender of her registration.

4.10. With regard to the submission of the Noticee that she sincerely regrets any procedural lapses that may have occurred, I am of the view that the impact of procedural lapses by investment adviser significantly affects both investors and SEBI as a regulator. When investment adviser fails to adhere to established procedures, the consequences can be severe, leading to financial losses for investors. Regret often arises when clients realize that they have acted on flawed advice or insufficiently disclosed information, resulting in erratic investment decisions and diminished trust in the financial advisory ecosystem. This erosion of confidence not only undermines individual portfolios but also detracts from the overall stability of the financial markets. From the regulator's perspective, the violations committed by the Noticee to meet the certification requirements at all times, and failed to obtain fresh certification before the expiry of the validity of the existing certification as well as non-submission of

periodical reports are not procedural lapses but are grave and serious violations which requires stringent view in the matter.

4.11. With regard to the submission of the Noticee that she does not wish to continue as a SEBI registered investment adviser going forward as she has not conducted advisory activities since 2021 and requested to consider her request for voluntary surrender of her registration, I am of the view that had the intention of the Noticee was so honest to surrender her Investment Adviser registration certificate, she would not have waited since 2021 till the time inspection conducted by SEBI and BSE jointly on July 30, 2025 and subsequent her reply to SCN dated March 05, 2026. It shows that the intention of the Noticee was malafide.

4.12. It is a trite law that when provisions of law prescribe certain acts to be done in a particular manner, the same is required to be honoured in letter and spirit. Law does not provide any exception to anyone to perform such acts as per her whims and fancies that is not permissible under an extant legal framework. I am of the view that the submissions of the Noticee are afterthoughts which should be dealt with iron hands.

5. DIRECTIONS

5.1. In view of the foregoing, I, in exercise of the powers conferred under Section 12(3) read with Section 19 of the SEBI Act, 1992 and Regulation 30A of the Intermediaries Regulations I hereby, cancel the certificate of registration of Ms. Prerna Sharma, Investment Adviser (SEBI Registration Number: INA000007304) with effect from today.

5.2. Irrespective of the cancellation of certificate of registration, the Noticee shall continue to be liable for anything done or omitted to be done as Investment Adviser and continue to be responsible for payment of outstanding fees and dues and interest, if any, due to SEBI.

- 5.3. This order does not absolve the Noticee from any violation of the securities laws committed by the Noticee as registered Investment Adviser.
- 5.4. The Noticee shall ensure to arrange for maintenance and preservation of records and other documents required to be maintained under the relevant regulations; redressal of investor grievances; transfer of records, funds or securities of its clients; continuity of service to its clients; and necessary actions with respect to the defaults or pending action etc., if any.
- 5.5. The Noticee shall abide by the provisions referred in Regulation 30A.(10) of Intermediaries Regulations, 2008.
- 5.6. This Order shall come into force with immediate effect.
- 5.7. A copy of this order shall be served upon the Noticee and BSE Limited (being Investment Adviser Administration and Supervisory Body) to ensure necessary compliances.
- 5.8. This order is passed without prejudice to any other action that SEBI may initiate under the securities laws, as deemed appropriate, against the present Noticee.

Date: June 11, 2026

Place: AHMEDABAD

**VIKAS SUKHWAL
COMPETENT AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA**