



QJA/BS/MIRSD/MIRSD-SEC-5/32816/2026-27

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**FINAL ORDER**

**UNDER SECTION 12 (3) OF SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 27 OF SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008.**

**In respect of:**

| <b>NOTICEE</b>                        | <b>SEBI Registration No.</b> | <b>PAN</b> |
|---------------------------------------|------------------------------|------------|
| Ms. Veena Sharma (Investment Adviser) | INA000005507                 | CCCPS4149A |

**In the matter of inspection of Ms.Veena Sharma, Proprietor – Research Guru (Investment Adviser)**

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## **A. BACKGROUND**

1. The present matter emanates from post enquiry show cause notice dated February 18, 2026 (“**SCN**”) issued to Ms. Veena Sharma (Investment Adviser) (“**Noticee**”) under regulation 27 (1) of SEBI (Intermediaries) Regulations, 2008 (“**SEBI Intermediaries Regulations**”). The Noticee is registered with the Securities and Exchange Board of India (“**SEBI**”) as an Investment Adviser (“**IA**”) having SEBI registration No.INA000005507.
2. SEBI conducted a surprise onsite inspection of the Noticee from July 14, 2022 to July 18, 2022 for the period from April 01, 2021 onwards (hereinafter referred to as the “**Inspection Period**”) concerning various compliance requirements that need to be ensured by the Noticee as a registered Investment Advisers.

## **B. PROCEEDINGS BEFORE THE DESIGNATED AUTHORITY**

3. Pursuant to the findings / observations made in the course of inspection, SEBI initiated enquiry proceedings under Chapter V of the SEBI Intermediaries Regulations against the Noticee and appointed a Designated Authority (“**DA**”).
4. The DA issued a show- cause notice dated June 25, 2024 (“**Pre-Enquiry SCN**”) to the Noticee under Regulation 25 (1) of the SEBI Intermediaries Regulations to show cause as to why appropriate recommendation should not be made against the Noticee under Regulation 25 and 26 of the SEBI (Intermediaries) Regulations, 2008 for the violations alleged to have been committed by the Noticee.
5. SEBI’s inspection, *inter alia*, concluded that the Noticee had violated various provisions of SEBI (Investment Advisers) Regulations, 2013 (hereinafter referred to



as “**IA Regulations**”) read with SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “**PFUTP Regulations**”) as listed here:

| <b>Alleged violations (summarised)</b>                                                                                                                                                                                 | <b>Regulatory provisions allegedly violated</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Misrepresentation by IA to clients and failing to act in fiduciary capacity.<br>Operations run by Mr. Abhishek Sharma by distributing franchisees.<br>Investment advice provided by employees having no certification. | <ol style="list-style-type: none"><li>1. Regulation 15(1) and clauses 1, 2, 3, 4, 5, 6, 7 and 8 as specified under Third Schedule of Code of Conduct for Investment Advisers read with Regulation 15(9) of SEBI (Investment Advisors) Regulations, 2013 (‘IA Regulations, 2013’).</li><li>2. Schedule II of SEBI (Intermediaries) Regulations, 2008 (‘Intermediaries Regulations, 2008’) read with regulation 7(2)(e) of Intermediaries Regulations, 2008.</li><li>3. Regulation 3(a), (c) and (d), and 4(2)(o) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (‘PFUTP Regulations, 2003’) read with Section 12A(a), (b) and (c) of SEBI Act, 1992.</li></ol> |
| Qualification/ certification of employees of Research Guru                                                                                                                                                             | Regulation 7 of the IA Regulations, 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



|                                                                                        |                                                                                                                                                     |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Violations of conditions of certificate                                                | Regulation 13(a) and 13(b) of the IA Regulations, 2013                                                                                              |
| Failure to furnish information to SEBI                                                 | Regulation 15(12) of IA Regulations, 2013                                                                                                           |
| Failure to carry out Risk Profiling and Suitability Assessment of clients              | Regulation 16 and 17 of IA Regulations, 2013                                                                                                        |
| Failure to disclose to prospective client on terms and conditions of advisory services | Regulation 18(1) of the IA Regulations, 2013                                                                                                        |
| Failure to maintain records                                                            | Regulation 19(1) and 19(2) of IA Regulations, 2013 read with clause 2(vi) of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020. |
| Receiving fees in Bank accounts other than Bank account of Research Guru               | Clause 1(iii) of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019.                                                              |

6. In response to the Pre-Enquiry SCN dated June 25, 2024 issued by the DA, the Noticee filed her reply vide letter dated August 15, 2024 and November 26, 2024. On receipt of said replies, an opportunity of personal hearing was granted to the Noticee on December 27, 2024 which was availed by the Noticee through his authorized representative (“**AR**”). Thereafter, based on the allegations levelled against the Noticee in the Pre-Enquiry SCN, reply filed by the Noticee, submission made during the personal hearing and the material available on record, the DA concluded the Enquiry Proceedings and submitted the Enquiry Report (“**Enquiry Report**”) dated January 23, 2026 in terms of Regulation 26 of the SEBI Intermediaries Regulations.

7. The DA in his report has observed the following against the Noticee:



- (i) The Noticee misrepresented the clients and the registered Investment Adviser is not running the affairs of the intermediary and a Mr. Abhishek Sharma in charge of the advisory services business.
  - (ii) The employees present during the inspection have no qualifications as required as per IA Regulations.
  - (iii) The IA failed to abide by IA Regulations by misrepresenting to clients, failing to ensure qualification of employees, not performing risk profiling, suitability and failed to maintain records.
  - (iv) The IA failed to give information to the inspecting team of SEBI. The hard disk from computer systems is removed and damaged records to ensure that information is not available to inspecting officers. The IA was not found in the office during inspection and the employees present failed to co-operate with the inspection.
  - (v) Failure to carry out Risk Profiling and Suitability Assessment of clients.
  - (vi) Receiving fees in the bank accounts other than the registered accounts of IA. Money from clients towards investment advice was also collected in an account in name of one Monika Sharma.
  - (vii) The Noticee failed in its statutory obligation to comply with the applicable circulars, rules and regulations.
8. Based on the aforesaid findings, the DA held that the violations pertaining to IA Regulations and PFUTP Regulations stood established against the Noticee. Accordingly, the DA recommended the following:

*“after taking into consideration the facts and circumstances of the case, material available on record, having regard to orderly functioning of the securities market and protection of interest of investors, I recommend that the certificate of registration of the Noticee i.e., Mrs. Veena Sharma (Investment Adviser), SEBI Registration No: INA000005507 be cancelled--”*



### **C. SHOW CAUSE NOTICE, REPLY AND HEARING**

9. Pursuant to the submission of the Enquiry Report, a show cause notice (“**SCN**”) dated February 18, 2026 in the matter was issued to the Noticee. *Vide* the abovementioned SCN, the Noticee was called upon to show cause as to why action as recommended by the DA or any other action as contemplated in the SEBI Intermediaries Regulations should not be taken against him. The Enquiry Report of the DA dated January 23, 2026 was also forwarded to the Noticee along with the SCN. Therefore, any reference in this Order to the allegations made in the SCN must also be read to include the conclusions arrived at in the Enquiry Report.
10. In response to the SCN, the Noticee submitted her reply *vide* email dated March 25, 2026. Subsequently, the Noticee was granted an opportunity of personal hearing on May 19, 2025. On the said date, the AR of the Noticee appeared before me and reiterated the submissions made *vide* the Noticee’s email dated March 25, 2026. Additional submissions were made on May 22, 2026.
11. The AR while primarily reiterating the submissions made by the Noticee *vide* email dated March 25, 2026 highlighted that:
  - (a) Pursuant to an inspection conducted by SEBI, adjudication and enquiry proceedings were initiated against the Noticee. In the adjudication proceedings, a monetary penalty of INR 12 lakh was imposed which was duly paid. The penalty payment ought not to be construed as an admission of all the allegations levelled against the Noticee. Rather, by paying the penalty the Noticee acknowledges that there may have been minor lapses. In any event, the alleged non-compliances are not of such severity so as to warrant cancellation of registration / license.



- (b) The SEBI inspection was conducted without prior intimation. The Noticee was not present at the office premises at the relevant time. Subsequent to conclusion of the inspection, the Noticee received a call from SEBI alleging that there had been a data theft at the office.
- (c) The case primarily relies upon statements recorded of the Noticee and certain employees. The said statements were obtained under coercion and under the impression that the inspection would not be concluded unless the statements were signed. Further, statements of employees were recorded in the absence of the Noticee, and such employees have not been made available for cross-examination. The Noticee was unaware that such written statements could be relied upon as the basis for issuance of a show cause notice, had the Noticee been aware, the Noticee would not have provided such statements. Apart from the aforesaid statements, no independent corroborative material / evidence (including franchise agreements or similar documentation) has been placed on record to support the allegations.
- (d) None of the employees were engaged in giving investment advice. They were mainly engaged in sales. Even assuming that the alleged conduct, such as entering into franchise arrangements or employees not holding NISM certification, constitutes a contravention, the SEBI (Investment Advisers) Regulations, 2013 ("**IA Regulations**") do not expressly stipulate such prohibition in the manner alleged. Further, the SCN does not invoke any particular provision of the IA Regulations as having been violated on this count.
- (e) There is no material on record to substantiate the allegation that the IA operations were controlled by the Noticee's nephew, or that advisory fees were collected in multiple / different bank accounts not owned by the Noticee.
- (f) Since the inspection, no complaint has been filed against the Noticee on the SCORES portal or the ODR platform by her clients.



- (g) Cancellation of registration / license would have a severe permanent impact on the business of the Noticee. Such an extreme measure is unwarranted and is disproportionate in the facts and circumstances of this case.

- 12.** The AR further submitted that subsequent to the inspection, the Noticee stopped the IA business. The AR further submitted that the Noticee intends to seek conversion of the IA license from individual category to corporate category to obviate any allegations regarding the business being controlled by the Noticee's nephew.
- 13.** The Noticee further states that she has already faced the regulatory action and a penalty has been imposed against the activities as mentioned therein and hence no other direction shall be imposed and the Notice requests not to cancel certificate of registration as she is already being served with the SEBI's adjudication order and she undertakes to improve her workings going forward.

#### **D. CONSIDERATION OF ISSUES AND FINDINGS**

- 14.** I have perused the pre-enquiry SCN, Enquiry Report and other material available on record. After considering the allegations levelled against the Noticee in the instant matter, the issues listed below arise for consideration. At the outset, I must note that while the DA report categorized the allegations against the Noticee into 8 separate ones, after having perused these allegations I am of the view that some of them overlap. Therefore, with the aim of avoiding repetition, I have consolidated and crystallized the allegations into 4 separate ones.

##### **14.1 Whether the employees of Research Guru complied with the qualification/ certification norms specified in the IA Regulations, 2013**



**(I) Relevant Extracts of the allegation from the DA report**

*"I note from the Explanation of the definition of "persons associated with investment advice" states that all client-facing persons such as sales staff, service relationship managers, client relationship managers, etc., by whatever name called, shall be deemed to be persons associated with investment advice.*

*I note from material available on record that staff of 79 persons of the Noticee were in the Sales department. Further, employees of IA were involved in soliciting payments from clients and were using personal mobile to call clients. In my opinion, said act of soliciting payments from clients and calling clients will fall under 'client facing persons' as per the Explanation of the definition of "persons associated with investment advice" and shall be deemed to be persons associated with investment advice.*

*Noticee in her undertaking during the inspection admitted that "there were around 100 employees who were present during the time of visit of officials of the board..... None of the Employees are NISM complied and certain no. of employees also do not possess educational qualification laid down in IA Regulations."*

*Noticee's submission as part of reply to the SCN is in nature of admission so far as Noticee has inter alia submitted that "The Noticee humbly agrees to the said violation".*

**(II) Legal provision alleged to be violated**

SEBI (Investment Advisers) Regulations, 2013 (as on the date of inspection)

*"7. (1) An individual investment adviser or a principal officer of a non-individual investment adviser registered as an investment adviser under these regulations, shall have the following minimum qualification, at all times -*

- (a) A professional qualification or post-graduate degree or post graduate diploma (minimum two years in duration) in finance, accountancy, business management, commerce, economics, capital market, banking, insurance or actuarial science from a university or an institution recognized by the Central Government or any State Government or a recognised foreign university or institution or association or a professional qualification by completing a Post Graduate Program in the Securities Market (Investment Advisory) from NISM of a duration not less than one year or a professional qualification by obtaining a CFA Charter from the CFA Institute;*
- (b) An experience of at least five years in activities relating to advice in financial products or securities or fund or asset or portfolio management; 1 decision*



- (c) *Persons associated with investment advice shall meet the following minimum qualifications, at all times -*
- (i) a professional qualification as provided in clause (a) of sub-regulation (1) of regulation 7; and*
  - (ii) an experience of at least two years in activities relating to advice in financial products or securities or fund or asset or portfolio management:*

...

*(2) An individual investment adviser or principal officer of a non-individual investment adviser, registered under these regulations and persons associated with investment advice shall have, at all times a certification on financial planning or fund or asset or portfolio management or investment advisory services -*

*(a) from NISM; or*

*(b) from any other organization or institution including Financial Planning Standards Board of India or any recognized stock exchange in India provided such certification is accredited by NISM:*

...

### **(III) Reply from Noticees**

*"The Noticee would like to clarify that she is registered as an individual investment adviser and possesses the necessary NISM certifications. The Noticee's employees, however, are not involved in any aspect of investment advice for clients. Their sole responsibility was on boarding new clients. All other activities pertaining to investment advice, including risk profiling and rendering investment advice, were exclusively performed by the Noticee himself. The Noticee affirms that no employee has ever been appointed as an "Investment Advisor" or any other role involving investment advice provision. Consequently, the Noticee was in of the opinion that requirement for NISM certifications for employees does not apply in this case. Further, based on the clarification obtained during the inspection, the Noticee realized and had since as the employees were not having requisite NISM certifications.*

*Mr. Abhishek Sharma was employed as a Senior Manager and was handling administration and back-end work as the Noticee being a proprietor cannot single handedly control and manage all the aspects of the organization.*

*The core function viz. rendering investment advice, carrying out research, analyzing risk profile of the investors were done solely by the Noticee herself."*



#### **(IV) Findings**

I note that the Noticee has admitted both before the DA and before me, through its written submissions, that the qualifications/certification of employees of the Noticee IA were not in compliance with the IA regulations. The Noticee has not placed before me any specifics of how many employees were engaged by her, what their respective qualifications were and whether they were in compliance with the mandate *inter alia* under regulation 7 of the IA Regulations read with the definition of 'investment Adviser' and 'persons associated with investment advise'. For these reasons, I find that this allegation is not controverted. Therefore, I agree with the DA's conclusions in this regard and find the Noticee to be violation of Regulation 7 of the IA Regulations.

#### **14.2 Whether the Noticee failed to perform risk profiling, suitability, maintain records and submit information to SEBI**

##### **(I) Relevant Extracts of the allegation from the DA report**

*"...it was observed by SEBI that Research Guru had not issued any joining or appointment letters to the employees and salaries of majority of employees are being paid in cash. At the time of inspection, there were 100 employees in the premise of registered office address of Research Guru. However, it was observed from payment receipt issued by Employees' Provident Fund Organisation (EPFO) that Research Guru has paid Provident Fund for only 13 employees. Thus, no records are being created and maintained in respect of majority of employees of Research Guru and it was submitting false information to EPFO in respect of actual number of its employees...employees of Research Guru were using their own mobile to call and interact with the clients which made it impossible to maintain call records.... Mr. Abhishek Sharma in his undertaking during the inspection stated that the Investment Advisor Research Guru was operating from Plot No. 79 having 5 floors and each floor were dedicated to franchise owners. These franchise owners were*



*having their own staff. The employees were reporting to these franchisee owners and were using the firm name in lieu of an arrangement in the form of 70:30 of the entire revenue earned. In this regard, I note that Noticee has not submitted any documentary evidence to prove that Noticee had informed to SEBI in respect of aforesaid material change in the information already submitted.*

*...it was inter alia observed and alleged that during the course of inspection of Research Guru, Inspecting Authority sought for data from IA in respect of RPF, Suitability Assessment, KYC, CRM etc. However, IA failed to furnish the same...I note that Noticee has not submitted any documentary evidence to prove its allegation in respect of SEBI that the data loss occurred during the Noticee's absence while SEBI inspection officers were present. Instead I note from material available on record that Noticee in her undertaking (jointly signed by Noticee and Mr. Abhishek Sharma) during the inspection stated that the entire data of clients which included Client Records, Call Records, Payment Details, Risk Profiling details, etc in the hard disk had been taken away by some of her employees purposefully so as to ensure that the Inspection team of the board could not lay its hands on the crucial evidences...*

*...it was inter alia observed and alleged that Noticee in her undertaking to Inspecting Authority submitted that she did not have copies of risk profiles and suitability assessment of clients of Research Guru as Franchise Owners/ Research Guru were not carrying out any Risk Profiling and suitability assessment of its clients in terms of IA Regulations, 2013... ..Noticee has not submitted documentary evidence with details such as medium through which the said risk profiling was obtained by Noticee through its auditor. Further, Noticee has not provided any documentary proof i.e payment receipt, KYC etc to prove whether the said client was Noticee's client. In absence of satisfactory evidence, I am inclined not to accept the submissions of Noticee in this regard....*

*...it was inter alia observed and alleged that IA had failed to produce any documents showing that it had disclosed in respect of its franchise arrangement to its prospective clients. In view of the same, it was observed that Noticee had violated Regulation 18(1) of the IA Regulations, 2013...I note that Noticee has*



*not submitted any documentary evidence to prove that it had disclosed in respect of its franchise arrangement to its prospective clients. In absence of any documentary evidence, I am inclined to conclude that IA had failed to produce any documents showing that it had disclosed in respect of its Franchise arrangement to its prospective clients...*

*...it was inter alia observed and alleged by SEBI that Noticee in her undertaking submitted that she was not in a position to provide any risk profile, invoice documents, suitability assessment document, call recording of her clients. Noticee had failed to secure and provide hard drive of its system containing customer relationship management software along with data in it.... Noticee as part of reply to the SCN has submitted that "The Noticee affirms that all required records were diligently maintained. Regrettably, data loss occurred during the Noticee's absence while SEBI inspection officers were present. The Noticee asserts that the loss was attributable to the oversight of the inspecting team and cannot be imputed to the Noticee, who was not on the premises at the time... Noticee has not submitted any documentary evidence to prove its allegation in respect of SEBI that the data loss occurred during the Noticee's absence while SEBI inspection officers were present."*

## **(II) Legal provisions alleged to be violated**

### SEBI (Investment Advisers) Regulations, 2013

#### 13 Conditions of certificate

*The certificate granted under regulation 9 shall, inter alia, be subject to the following conditions:-*

- (a) the investment adviser shall abide by the provisions of the Act and these regulations;*
- (b) the investment adviser shall forthwith inform the Board in writing, if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any material change in the information already submitted*

#### *16. Investment adviser shall ensure that-*

*It obtains from the client such information as is necessary for the purpose of giving investment advice*

#### *17. Investment adviser shall ensure that-*

*All investments on which investment advice is provided is appropriate to the risk profile of the client;*

#### *19. Maintenance of records*



- (1) An investment adviser shall maintain the following records, -
  - (a) Know Your Client records of the client;
  - (b) Risk profiling and risk assessment of the client;
  - (c) Suitability assessment of the advice being provided;
  - (d) Copies of agreements with clients, incorporating the terms and conditions as may be specified by the Board;
  - (e) Investment advice provided, whether written or oral;
  - (f) Rationale for arriving at investment advice, duly signed and dated;
  - (g) A register or record containing list of the clients along with PAN, the date of advice, nature of the advice, the details of products/securities in which advice was rendered and fee/consideration, if any charged/received for such advice;
  - (h) Records of communication including emails, call recordings etc. with all clients including prospective clients, as may be specified
- (2) All records shall be maintained either in physical or electronic form and preserved for a minimum period of five years: Provided that where records are required to be duly signed and are maintained in electronic form, such records shall be digitally signed

SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182, 23 September, 2020

2. In addition to the above, Investment Advisers shall ensure compliance with the following guideline

(vi) Maintenance of record

Regulation 19 (1) of the SEBI (Investment Advisers) Regulations, 2013 provides that IA shall maintain records with respect to his activities as an investment adviser. In this regard, it is clarified that:

- a. IA shall maintain records of interactions, with all clients including prospective clients (prior to on boarding), where any conversation related to advice has taken place inter alia, in the form of:
  - i. Physical record written & signed by client,
  - ii. Telephone recording
  - iii. Email from registered email id,
  - iv. Record of SMS messages,
  - v. Any other legally verifiable record.
- b. Such records shall begin with first interaction with the client and shall continue till the completion of advisory services to the client.
- c. IAs shall be required to maintain these records for a period of five years. However, in case where dispute has been raised, such records shall be kept till resolution of the dispute or if SEBI desires that specific records be preserved, then such records shall be kept till further intimation from SEBI.

### **(III) Reply from Noticees**

*“Further, the Noticee has consistently disbursed salaries to all employees through electronic transfer to their respective bank accounts only and it is a standard practice that initially the employees are hired on probation/internship basis, then thereafter they are appointed as employees and then appointment letters are being issued to them.”*



*“The Noticee would like to state that the Noticee has maintained all the requisite records as required by the SEBI Regulations, which was also duly submitted to the BSE in the subsequent inspection held by them. Further, the loss of data had occurred during the Noticee's absence while SEBI inspection officers were present, for which the Noticee is totally unaware that how it happened.”*

*“The Noticee had duly enclosed in its reply all the supporting documents such as risk profiling, suitability and client agreement, which does suffice that the Noticee had diligently followed the compliances and had maintained the records of risk profiling, suitability and client agreements.”*

*“All the data were duly maintained by the Noticee and the data was lost prior to the Noticee reaching the office, in which the Noticee had no control.”*

#### **(IV) Findings**

- (i) I note that central question arising from the set of allegations made by the DA above, is whether the Noticee maintained records. Without records being shown to SEBI, particularly in these proceedings, an adverse presumption would have to be drawn against the Noticee. The Noticee's main defense is that it did maintain records but those records were lost while SEBI's inspection was ongoing. The Noticee has chosen to blame the loss of data on the inspecting team.
- (ii) The Noticee has not brought forth any reason for how it lost all its data on the date of the inspection. It has not made any claims of whether it even attempted to seek retrieval of data using professionals for this purpose. It has not mentioned whether it kept any physical copies of records that it could have been used to support its claim of having maintained records. From the Enquiry report and the submissions made before the DA, I note that the Noticee appended risk assessment forms and investment advisory agreements of 3



persons purported to be clients of the Noticee. In the said submissions, the Noticee claimed that these records were obtained from its auditor. She also claims that certain information was provided to BASL in October of 2022. None of these records were produced before me in writing or in oral submissions. Also, while the Noticee claims that these pertain to his clients, she has not submitted any written communications with such 'clients' or bank statements demonstrating receipt of monies from such 'clients'. What was submitted to BASL is also not clear. It appears the Noticee is relying on unsubstantiated claims to support its defence that it had maintained records and that it carried out risk/suitability assessment etc in compliance with the IA Regulations. Even basic records pertaining to the Noticee's employees are found wanting. Despite so much time having elapsed between the inspection and these proceedings, it appears the Noticee took no efforts to retrieve its data or furnish reasons for how its data was lost or create a crystallised backup using data from multiple credible sources. All this does not lend confidence to the claim that the Noticee's actions were in compliance with the IA Regulations.

- (iii) The absence of sufficient records renders the entire regulatory oversight into disarray. It also begs the question whether, the Noticee was effectively communicating material information to the Noticee's client or not. The proprietorship – a registered Investment Adviser cannot claim to be ignorant about maintaining its records. In view of all of the above, I agree with the DA's conclusions in this regard and find that the Noticee has violated Regulation 13, 16,17 and 19(1) &(2) of the IA Regulations as well as clause 2(vi) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020



### 14.3 Whether the Noticee failed to comply with the mandate against receiving fees in the bank account other than its own bank account

#### (I) Relevant Extracts of the allegation from the DA report

*“it was inter alia alleged and observed that Noticee submitted that as per arrangements, which she was aware of, M/s Research Guru had been receiving payments from the client towards advisory fees in various accounts including in the name of Arnav Exxxxxxxxxs, Mxxxxh Kxxxr Txxxxxi, Gxxxxxxxxm, Yxxxxh Kxxxr Vxxxxxxxxxa, Bxxxxy Rxj and various other accounts. Therefore, it was alleged that receiving of fees in the Bank accounts of other entities than own bank account of IA was in violation of clause 1(iii) of SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019.*

*I note from material available on record that money has been collected from various clients in the bank account of Ms. Mxxxxa Sxxxxa. I note that the bank statements of Ms. Mxxxxa Sxxxxa were provided to Noticee as part of Annexures to the SCN and Noticee has neither denied nor disputed that the money received by Ms Mxxxxa Sxxxxa does not belong to the client of Noticee.*

#### (II) Legal provisions alleged to be violated

SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169) dated 27 December, 2019

*1. Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (IA Regulations) provides for code of conduct to be followed by IAs. In order to further strengthen the conduct of IAs, while providing investment advice and to protect the interest of investors seeking their advice, the IAs shall comply with the following:*

*(iii) Receiving fees through banking channel only*

*It is observed that investment advisers are receiving advisory fee in the form of cash deposit in their bank accounts or through payment gateways which does not provide proper audit trail of fees received from the clients. To bring transparency in dealing with the clients, IAs shall accept fees strictly by account payee crossed cheques / demand draft or by way of direct credit into their bank account through NEFT/ RTGS/IMPS/UPI. It is clarified that, IAs shall not accept cash deposits.*



### **(III) Reply from Noticees**

*“...the Noticee categorically denies having collected any payments from clients of 'Research Guru' into bank accounts other than those officially designated for the firm. This allegation is entirely baseless and unsupported by evidence. Furthermore, all clients were explicitly instructed to remit fees exclusively to the firm's bank account details as provided on the website ....”*

*“...there is no concrete evidence with the SEBI that the Noticee has collected fees in another bank account, they have just relied upon the undertaking which was obtained under coercion. The Noticee has explicitly collected the payments in her own bank accounts and moreover, upon the website and agreements it was clearly stated to all the clients to make the payment in the Noticee's bank account only...”*

### **(IV) Findings**

I note that to substantiate the aforesaid allegation, *inter alia*, along with the SCN issued by the DA, records of credit of fees into the account of one Ms. Monika Sharma, said to be an employee of the Noticee was also enclosed. This piece of evidence illustrated that fee charged by the Noticee for services rendered by the Investment Adviser were infact being collected into an account other than that of the Investment Adviser. Therefore, the Noticee's claim that the evidence for this allegation is solely based on the undertaking/statement given by the Noticee, is incorrect. The Noticee has not disputed this specific allegation; no clarification regarding the payments made into the account of Monika Sharma, who was described as an employee in the Annexure to the SCN issued by the DA, and whose account statement was enclosed in the said Anenxure has been submitted to me. In the absence of any specific rebuttal or clarification I am compelled to take an adverse view of the matter. Even a single demonstrable instance of credit of fee into an account other than that of the investment adviser is clear violation of the mandate of the IA Regulations and



circulars issued thereunder. Therefore, I agree with the DA's conclusion in this regard and find that the Noticee has violated clause 1(iii) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019.

#### **14.4 Whether the Noticee IA misrepresented to its clients and failed to discharge its fiduciary duties towards all its clients?**

##### **(I) Relevant Extracts of the allegation from the DA report**

Relevant extract of DA observations are as follows:

*"In this regard, I note from the archives of Noticee's website wherein it was mentioned that "...Research Guru" is an Investment Advisory having a team consists of highly qualified analysts who are skilled and impeccable in their analysis. These analysts, using their experience and latest software tools, are able to predict the movements in share market on time and with high accuracy...". Further I note from the section "Why Choose us" from the archives of the website of Noticee which stated that "Thanks to our highly experienced research team, we have a high customer retention value."*

*However, I note that Noticee in her undertaking during the inspection stated that "there were around 100 employees who were present during the time of visit of officials of the board and I myself along with Mr. Abhishek Sharma have provided the details of all these Employees as enclosed in an Excel sheet. None of the Employees are NISM complied and certain no. of employees also do not possess educational qualification laid down in IA Regulations."*

*Further, I Note that Noticee in her undertaking during the inspection stated that "...the entire operations of Research Guru are controlled by Mr. Abhishek Sharma including Recruitment of Employees, HR policies and all activities under the SEBI (IA Regulations). Prop. Mrs. Veena Sharma seldom attends the office and has delegated the task to be looked after by Mr. Abhishek Sharma, Nephew of Mrs. Veena Sharma. Mr. Abhishek Sharma is not the Prop. Of Research Guru. I had taken registration from SEBI declaring that all the Operations will be looked after by myself, which is not true and correct as per the current practice in my firm.....On the basis of IA Registration*



*obtained from SEBI I have entered into arrangements with various persons i.e Mr. Sxxxxt Hxxxxd, Sxxxxxi Sxxxxxxa, lxxxxxm, Pxxxxe Txxxxxxi etc. As per the aforesaid arrangements, the entire activities of Investment Advisory would be carried out by respective persons whereby the amount collected from clients would be split between Research Guru and the respective persons in the ratio of 70:30.”*

*...I find that Noticee has failed to act with honesty and fairness and in the best interests of its clients as Noticee did not make adequate disclosures of relevant material information while dealing with its clients with respect to qualification of employees of Noticee. The archived webpages of website of Research Guru [www.researchbhaskar.com](http://www.researchbhaskar.com) inter alia stated that “Research Guru is an Investment Advisory having a team consists of highly qualified analysts who are skilled and impeccable in their analysis”. However, none of the employees had the requisite qualification and certification requirement of IA Regulations....*

*In this regard, I note that Noticee has not submitted any documentary evidence to prove that it had disclosed in respect of its franchise arrangement to its prospective clients. In absence of any documentary evidence, I am inclined to conclude that IA had failed to produce any documents showing that it had disclosed in respect of its Franchise arrangement to its prospective clients.... I note that Noticee has not submitted any documentary evidence to prove that it had disclosed in respect of its franchise arrangement to its prospective clients. In absence of any documentary evidence, I am inclined to conclude that IA had failed to produce any documents showing that it had disclosed in respect of its Franchise arrangement to its prospective clients.”*

## **(II) Legal provision alleged to be violated**

SEBI (Investment Advisers) Regulations, 2013

### **15. Generally responsibility**

*(1) An investment adviser shall act in a fiduciary capacity towards its clients and shall disclose all conflicts of interests as and when they arise.*

*(9) An investment adviser shall abide by Code of Conduct as specified in Third Schedule:*

#### **1.Honesty and fairness**

*An investment adviser shall act honestly, fairly and in the best interests of its clients and in the integrity of the market*



## *2. Diligence*

*An investment adviser shall act with due skill, care and diligence in the best interests of its clients and shall ensure that its advice is offered after thorough analysis and taking into account available alternatives.*

## *3. Capabilities*

*An investment adviser shall have and employ effectively appropriate resources and procedures which are needed for the efficient performance of its business activities.*

## *4. Information about clients*

*An investment adviser shall seek from its clients, information about their financial situation, investment experience and investment objectives relevant to the services to be provided and maintain confidentiality of such information.*

## *5. Information to its clients*

*An investment adviser shall make adequate disclosures of relevant material information while dealing with its clients.*

## *6. Fair and reasonable charges*

*An investment adviser advising a client may charge fees, subject to any ceiling as may be specified by the Board. The investment adviser shall ensure that fees charged to the clients is fair and reasonable.*

## *7. Conflicts of interest*

*An investment adviser shall try to avoid conflicts of interest as far as possible and when they cannot be avoided, it shall ensure that appropriate disclosures are made to the clients and that the clients are fairly treated.*

## *8. Compliance*

*An investment adviser including its 155 [partners, principal officer and persons associated with investment advice] shall comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.*

## *18. Disclosures to clients*

*(1) An investment adviser shall disclose to a prospective client, all material information about itself including its business, disciplinary history, the terms and conditions on which it offers advisory services, affiliations with other intermediaries and such other information as is necessary to take an informed decision on whether or not to avail its services.*

## *SEBI (Intermediaries) Regulations, 2008*

## *7. Consideration of application*



(2) Any application for grant of certificate:-

(e) where the applicant is not a 'fit and proper person' as stated in Schedule II:

The 'fit and proper person' criteria shall apply to the following persons:

(a) the applicant or the intermediary;

(b) the principal officer, the directors or managing partners, the compliance officer and the key management persons by whatever name called; and

(c) the promoters or persons holding controlling interest or persons exercising control over the applicant or intermediary, directly or indirectly: Provided that in case of an unlisted applicant or intermediary, any person holding twenty percent or more voting rights, irrespective of whether they hold controlling interest or exercise control, shall be required to fulfill the 'fit and proper person' criteria

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2008

3. Prohibition of certain dealings in securities

(a) buy, sell or otherwise deal in securities in a fraudulent manner;

(c) employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange;

(d) engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.

4. Prohibition of manipulative, fraudulent and unfair trade practices

(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves any of the following:-

(o) fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income

SEBI Act, 1992

12A. No person shall directly or indirectly—

(a) use or employ, in connection with the issue, purchase or sale of any securities listed or proposed to be listed on a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of this Act or the rules or the regulations made thereunder;



- (b) *employ any device, scheme or artifice to defraud in connection with issue or dealing in securities which are listed or proposed to be listed on a recognised stock exchange;*
- (c) *engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made thereunder;*

### **(III) Reply from Noticees**

*“The contents in the Paragraph 13 of the Enquiry Report, are denied in toto and it is humbly submitted that the statements/undertakings obtained by SEBI during the inspection were made under duress and undue influence exerted by the SEBI Officer. Further, the Noticee was not aware that based on the said statement/undertaking, an enquiry will be held against her or else she could have immediately raised her voice against it.”*

*“The Noticee had not entered into any Franchise agreement with any person. There is no supporting evidence with regard to the said allegation.”*

*“The Noticee would like to state that the Noticee has maintained all the requisite records as required by the SEBI Regulations, which was also duly submitted to the BSE in the subsequent inspection held by them. Further, the loss of data had occurred during the Noticee's absence while SEBI inspection officers were present, for which the Noticee is totally unaware that how it happened.”*

*“The Noticee had duly enclosed in its reply all the supporting documents such as risk profiling, suitability and client agreement, which does suffice that the Noticee had diligently followed the compliances and had maintained the records of risk profiling, suitability and client agreements.”*

*“All the data were duly maintained by the Noticee and the data was lost prior to the Noticee reaching the office, in which the Noticee had no control.”*

### **(IV) Findings**

- (i) The aforementioned allegation of violation of IA regulations and PFUTP Regulations detailed in the Enquiry Report arise from two alleged facts – one,



that the Noticee engaged franchisees who did not comply with the norms specified under the IA Regulations and two, that the Noticee engaged employees who were not qualified as per the requirements of the IA Regulations. The Enquiry report goes on to use these alleged facts to further contend that the Noticee induced investors to deal in securities based on the false claim (made on its website), that it engaged qualified analysts to render exceptional investment advise.

- (ii) With respect to the first alleged fact, I note that the material on record to support the allegation is limited to the 'undertaking' inter alia made by the Noticee's proprietor- Veena Sharma. I have perused the 'undertaking'. It reads as a detailed signed statement, in which it has been admitted that the Noticee was not being run by the qualified investment adviser- Veena Sharma, that it had engaged unqualified employees and franchisees to render investment advise, that it did not maintain records etc. The statement is itself unequivocal. However, unlike statements recorded during the course of investigation, it is not in an objective question-answer format. More importantly, the claim made in the statement regarding use of franchisees are not supported by other corroborating evidence. For the instant purpose of alleging that advise was being rendered by franchisees, there are no franchise agreements or bank transactions or proof of any other financial relationship with these franchisees that are on record. No details of how the franchisees functioned, who were the clients serviced by such franchisees etc that could adequately support the allegation that advise was being rendered by franchisees, is available on record. Considering that the specific factual allegation in this case leads to an allegation of fraud, the standard of evidence required to prove this fact must also be sufficiently strong.



(iii) Notwithstanding this, as discussed and concluded earlier in this Order, it is fact admitted by the Noticee that the employees of the Noticee did not satisfy the requirements in the IA regulations with respect to educational qualification. Therefore, the claims publicised on the Noticee's website were patently false. Messages making exaggerated claims regarding the superior quality of the registered IA's services citing the high standards of qualification/experience of the IA's staff has the obvious effect of inducing investors to seek the services of the said IA. These acts clearly violate the prohibition against fraudulent conduct laid down in the PFUTP regulations. In view of the above, I agree with the DA's conclusions in this regard and find that the Noticee violated-

- Regulation 15(1) of the IA Regulations and clauses 1, 2, 3, 4, 5, 6, 7 and 8 as specified under Third Schedule of Code of Conduct for Investment Advisers read with Regulation 15(9) of IA Regulations, 2013;
- Schedule II of Intermediaries Regulation, 2008 read with regulation 7(2)(e) of Intermediaries Regulations, 2008; and
- Regulation 3(a), (c) and (d), and 4(2)(o) of PFUTP Regulations, 2003 read with Section 12A(a), (b) and (c) of the SEBI Act, 1992

## **E. CONCLUSION**

**15.** For the reasons mentioned in the preceding paragraphs, I find that that the Noticee has violated the following provisions:

- (i) Regulation 7, 13, 15(1), 16,17 and 19(1) &(2) of the IA Regulations



- (ii) Clauses 1, 2, 3, 4, 5, 6, 7 and 8 as specified under Third Schedule of Code of Conduct for Investment Advisers read with Regulation 15(9) of IA Regulations, 2013
- (iii) Schedule II of Intermediaries Regulation, 2008 read with regulation 7(2)(e) of Intermediaries Regulations, 2008
- (iv) Regulation 3(a), (c) and (d), and 4(2)(o) of PFUTP Regulations, 2003 read with Section 12A(a), (b) and (c) of the SEBI Act, 1992
- (v) Clause 1(iii) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2019/169 dated December 27, 2019.
- (vi) Clause 2(vi) of SEBI Circular No. SEBI/HO/IMD/DF1/CIR/P/2020/182 dated September 23, 2020

**16.** In the replies filed by the Noticee, it has been submitted that the Noticee closed down its operations after the inspection conducted by SEBI in July 2022. It has also been submitted that an Adjudication Order was passed against her, that she will improve her workings going forward and that therefore the certificate of registration should not be cancelled. The Noticee has also contended that though the penalty has been paid, it ought not be construed as an admission of all the allegations levelled against the Noticee. The Record of Proceedings (ROP) of the personal hearing held on May 19, 2026 also records the submission of the Noticee – *“Rather, by paying the penalty the Noticee acknowledges that there may have been minor lapses. In any event, the alleged non-compliances are not of such severity so as to warrant cancellation of registration/license.”* I note that the AO order dated January 22, 2026 imposed 12 lakh penalty against the Noticee for the same set of allegations raised in the enquiry proceedings leading up to this Order. In its own reply, reproduced above, the Noticee yet again admits that there may have been *“minor lapses”*. Which of the lapses has been admitted to, has not been clearly specified by the Noticee. As is the case with



most of its other replies, this too has been ambiguous. The overall conduct of the Noticee appears to have been intentionally imprecise thereby raising serious questions about its integrity. An investment adviser plays a very important role in building confidence and bringing investors to the securities market ecosystem. Investment advisers that do not comply with even the basic requirements of educational qualification/certification of its staff, risk/suitability assessment process and record keeping mandated by securities law, are dangerous to the ecosystem. The claim that there are no investor complaints does not weaken the concern with such 'investment advisers'. Therefore, I agree with the recommendation of the DA to cancel the Noticee's registration.

#### **F. ORDER**

- 17.** In view of the foregoing, I, in exercise of the powers conferred upon me under sub section (3) of Section 12 and Section 19 of the SEBI Act, 1992 read with the sub-regulation (5) of regulation 27 of the Intermediaries Regulations, hereby direct cancellation of registration certificate of the Noticee Ms. Veena Sharma Investment Adviser (SEBI Registration No: INA000005507).
- 18.** As noted earlier, admittedly the Noticee has not has been carrying on business as an IA for the past 4 years. However, notwithstanding the cancellation of registration certificate, the Noticee shall ensure refund of any other pending dues to investors.
- 19.** The Order shall come into force with immediate effect.



20. A copy of this order shall be served upon the Noticee and on BSE Limited (being the Investment Advisers Administration and Supervisory Body) for its information and record.

Date: October 30, 2026

Place: Mumbai

Digitally signed  
by Biju S  
Date:  
2026.10.30  
16:14:46 +05'30'

BIJU S.  
QUASI JUDICIAL AUTHORITY  
SECURITIES AND EXCHANGE BOARD OF INDIA