QJA/BS/MIRSD/MIRSD-SEC-4/32714/2026-27

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:

NOTICEE	SEBI Registration No.	PAN
Ms. Prerna Sharma (Research Analyst)	INH000006819	BJEPS7547A

In the matter of inspection of Ms. Prerna Sharma (Research Analyst)

A. BACKGROUND

1. The present matter emanates from post enquiry show cause notice dated January 05, 2026 ("**SCN**") issued to Ms. Prerna Sharma Research Analyst **(**"**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 a Research Analyst ("**RA**") having SEBI registration no INH000006819.

2. SEBI conducted a surprise onsite inspection of the Noticee on March 20, 2023 to March 22, 2023 for the period from April 01, 2021 to March 22, 2023 ("**Inspection Period**") concerning various compliance requirements that need to be ensured by the Noticee

with respect to the provisions of SEBI (Research Analyst) Regulations, 2014 ("**RA Regulations**").

3. The inspection conducted by SEBI *inter alia*, revealed that the Noticee had violated various provisions of RA Regulations, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"), and SEBI (Research Analyst) Regulations, 2014 (hereinafter referred to as "**RA Regulations"**).

B. PROCEEDINGS BEFORE THE DESIGNATED AUTHORITY

4. 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**").

5. The DA issued a show cause notice dated May 06, 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 it for the violations alleged to have been committed by the Noticee.

6. In response to the Pre-Enquiry SCN issued by the DA, the Noticee filed its reply vide letter dated May 27, 2024. On receipt of said reply, an opportunity of personal hearing was granted to the Noticee on June 12, 2024 which was availed by the Noticee through the authorized representative ("**AR**"). The Noticee informed that she has opted to file Settlement Application and subsequently, the Noticee was given further opportunity for filing submissions in the matter. Accordingly, the Noticee submitted additional submissions vide email dated July 21, 2025. Thereafter, based on the allegations levelled against the Noticee in the Pre-Enquiry SCN, reply filed by the Noticee,

submissions 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 December 31, 2025 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 did not use the term "Research Analyst" in all her correspondences.
   (ii) The Noticee has not made disclosures such as material conflict of interest with subject company, as required under Regulation 19 of RA Regulations while sending recommendations.
   (iii) The Noticee has not provided information relied upon and has not defined / disclosed the terms mentioned in the recommendations to its clients.
   (iv) The Noticee misled clients though youtube videos to lure gullible investors which falls under the definition of "Fraud".
   (v) The Noticee has not maintained rationale for arriving at research recommendations.
   (vi) The Noticee took more than the time provided to redress investor complaints.
   (vii) The Noticee submitted false work experience as required to register as Research Analyst.

8. Based on the aforesaid findings, the DA held that the violations pertaining to RA Regulations and PFUTP Regulations are established against the Noticee. Further, with respect to the violations established above, the Noticee has been penalised vide Adjudication Order No. Order/SM/SM2025-26/31941 dated December 30, 2025. Accordingly, the DA recommended the following:

   "In view thereof 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., Ms. Prerna Sharma (Research Analyst), SEBI Registration No: INH000006819 be cancelled-"

C. SHOW CAUSE NOTICE, REPLY AND HEARING

9. Pursuant to the submission of the Enquiry Report, a show cause notice ("**SCN**") dated January 16, 2026 was issued to the Noticee in the matter. *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 her. The Enquiry Report of the DA dated December 31, 2025 with respect to the Noticee 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. The SCN dated January 16, 2026 is issued enclosing copy of report dated December 31, 2025 by the Designated Authority. In response to the SCN, the AR of the Noticee has sent email dated February 06, 2026 enclosing a letter dated February 06, 2026 which inter alia reads as under:

"*In reference to the above mentioned show cause notice issued under Regulation 27(1) of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, we would like to submit that we are in process of compiling the data and therefore require additional time to prepare the submission and supporting details.*

In view of the above and in the interest of natural justice, we humbly request your goodself to kindly adjourn the proceedings and grant additional time for filing of submission and details."

11. Further, the AR of the Noticee submitted another request for adjournment vide email dated February 20, 2026 enclosing letter dated February 20, 2026 stating as under:

"*In reference to the above mentioned show cause notice issued under Regulation 2791) of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 and we have received your mail dated 10.02.2026 to file submissions latest by 20.02.2026, we respectfully submit that we are in process of compiling the data and therefore require additional time to prepare the submission and supporting details. We humbly request your honour to consider our request and grant the necessary extension. Kindly do the needful and oblige*."

12. The Noticee and/or its Authorised Representative failed to file any reply to the SCN therefore a notice of hearing was issued vide letter dated May 06, 2026, directing the Noticee to appear before me on June 18, 2026. The Notice of hearing specified that in case of failure to appear before me on the said date, it would be presumed that the Noticee has nothing further to state in the matter, and the matter would be proceeded with on the basis of material available on record. However, the Noticee and its Authorised Representative failed to appear on the said date of hearing and also failed to submit any reply till date. Eight months have elapsed from the date of report of the DA and the Noticee failed to give any cogent reply for the delay except seeking multiple adjournments. Even after adjournments and after providing opportunity of personal hearing, the Noticee chose to remain silent.
13. Therefore, it can be presumed that the Noticee has nothing further to say and is deemed to have agreed with the findings of the DA and his recommendation that the Noticee's certificate of registration as Research Analyst be cancelled. In this regard, I draw reference to the decision of the Hon'ble Securities Appellate Tribunal in the case of in the matter of Classic Credit Ltd. vs. SEBI (Appeal No. 68 of 2003 decided on December 08, 2006) has, inter alia, held that,

"…the appellants did not file any reply to the second show-cause notice. This being so, it has to be presumed that the charges alleged against them in the show cause notice were admitted by them".

D. CONSIDERATION OF ISSUES AND FINDINGS

14. The issues that arise for consideration in the instant matter are as following:

Issue No. I: **Whether the Noticee has violated the provisions of the SEBI RA Regulations, 2014, SEBI (PFUTP) Regulations, 2003 and SEBI (Intermediaries) Regulations, 2008, as alleged?**

15. The DA has noted that Noticee had made common submissions in its reply to the SCN vide common letter /email dated May 27, 2024 and July 21, 2025. In this regard DA noted that save for being differently worded, broadly speaking, the submissions made are common. Hence the same have been dealt with conjointly and references drawn, if any, are to the text per either of the letters and submissions dealt with accordingly.

15.1 Ms.Prerna Sharma did not use the term "Research Analyst" in all her correspondences

15.1.1 In this regard, it was inter alia observed by SEBI from the random sampling copies of correspondence that RA- Ms. Prerna does not use the term 'Research Analyst' in all the correspondences with her clients.

15.1.2 In this regard, Noticee in her reply to the findings of Inspection submitted to SEBI earlier that "I have used the term research analyst in all my correspondences with the clients. The same can be verified from the Annexure I. Further, upon my website, which is the main interaction point with the clients, all my registration details are properly disclosed along with the registration number. The same can be verified from Annexure II. Hence, I have not violated the said provisions."

15.1.3 SEBI in this regard observed that by submitting a single copy of email correspondence dated 26.04.2023 with clients, the Research Ananlyst – Ms. Prerna Sharma claimed that she used the term "Research Analyst" in all correspondences to the clients, which is not tenable for the simple reason that the RA was submitting only one correspondence with client and the period/time of the correspondence is outside the period of inspection. RA has refuted the inspection findings by relying on the contents of her correspondence sent to her client well after the inspection period.

15.1.4 In this regard, it is pertinent to refer text of the relevant provisions alleged to have been violated by the Noticee which reads as under:

"…
Conditions of certificate.
13. The certificate granted under Regulation 9 shall, inter alia, be subject to the following conditions: -
(i) the research analyst shall abide by the provisions of the Act and these Regulations;
….
(iii) research analyst registered under these Regulations shall use the term 'research analyst' in all correspondences with its clients 27[:]
…"

15.1.5 In this regard the DA noted that Noticee as part of reply to the SCN has submitted that "…I have used the term Research Analyst in all my correspondences to my clients. SEBI has overlooked the fact that my website, which is the primary forum of interaction with my clients unequivocally sets out my role as a Research Analyst, and includes my registration number, along with other necessary credentials. A copy of my correspondences is annexed to this Reply as Exhibit A. Moreover, a copy of my website is also annexed hereto as Exhibit B…".

15.1.6 The DA noted that Noticee has provided an email dated 26-04-2023 as Exhibit A and copy of screenshot of her website as Exhibit B to substantiate her contention that she has used the term Research Analyst in all her correspondences to her clients and that her website used the term 'Research Analyst' along with the registration number. In this regard, the DA noted that the date of aforesaid email (26-04-2023) falls outside the period of Inspection (April 1, 2021 to March 22, 2023) in the matter. Further, submission of mere one email and screenshot of website indicating that the term Research Analyst was used on website along with the registration number is insufficient to conclusively demonstrate that the Noticee consistently used the term Research Analyst in all correspondences to her clients.

15.1.7 Moreover, the DA also noted from material available on record that during the Inspection, Noticee submitted random sample copies of correspondence to SEBI as response to the Pre-Inspection Questionnaire issued by SEBI. It is noted from these random sample copies of correspondence (viz., emails dated October 23, 2022, October 31, 2022 and November 23, 2022) which were addressed to to Dr. Axxnxx Uxxxlx, Mr. xahxl Kxxyxxa and Mr. xxuxxxu Txxxrx, respectively, that Noticee did not use the term 'Research Analyst' in all these sample correspondences instead the term 'PS Invest' was used by Noticee.

15.1.8 As regards the allegation the Noticee further submitted that “There may be some correspondence personal in nature which I am not acting as a research analyst and hence the word: Research Analyst “may not have been added to the correspondence and the trail mail which are not material in nature or are inadvertently sent by auto reply software may have been the cause.” As noted earlier, the Notice has not made any submissions before me and is therefore assumed to have admitted to the allegations. I note that Regulation 13(iii) of RA Regulations clearly mandates that research analyst registered under these Regulations shall use the term ‘Research Analyst’ in all correspondences with its clients. Therefore, Noticee’s submission at the time of inspection cannot be accepted.

15.1.9 In view thereof, I hold that Noticee had violated Regulation 13(iii) of RA Regulations. Further, by failing to comply with the provisions of Regulation 13(iii) of RA Regulations, Noticee has failed to abide by the provisions of the Act and these Regulations and therefore, Noticee had violated Regulation 13(i) of RA Regulations, 2014.

15.2 **Ms. Prerna Sharma has not made disclosures such as material conflict of interest with subject company, as required under Regulation 19 of RA Regulations while sending recommendations.**

15.2.1 In this regard, it was *inter alia* alleged by SEBI that RA- Ms. Prerna Sharma had provided the services to her clients by sending recommendations through an algorithm named algologic based on multiple indicators and strategies. It was noted by SEBI that RA-Ms. Prerna Sharma sends her research recommendation to her clients through software, which works on multiple indicators and strategies. Therefore, software based recommendation may be considered as Research report as per the definition. It was observed that no such disclosures were made in the recommendation sent through software to clients.

15.2.2 In this regard, it is pertinent to refer the text of the relevant provisions of RA Regulations, 2014 alleged to have been violated:

"…

Disclosures in research reports.

19. A research analyst or research entity shall disclose all material information about itself including its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates and such other information as is necessary to take an investment decision, including the following:

(i)Research analyst or research entity shall disclose the following in research report and in public appearance with regard to ownership and material conflicts of interest:

(a)whether the research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest;

(b)whether the research analyst or research entity or its associates or relatives, have actual/ beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;

(c)whether the research analyst or research entity or his associate or his relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance;

(ii)Research analyst or research entity shall disclose the following in research report with regard to receipt of compensation:

(a)whether it or its associates have received any compensation from the subject company in the past twelve months;(b) whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;

(b)whether it or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months;

(c)whether it or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months;

(d)whether it or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months;
(e)whether it or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report.
(iii)Research analyst or research entity shall disclose the following in public appearance with regard to receipt of compensation:
(a) whether it or its associates have received any compensation from the subject company in the past twelve months;
(b)whether the subject company is or was a client during twelve months preceding the date of distribution of the research report and the types of services provided: Provided that research analyst or research entity shall not be required to make a disclosure as per sub-clauses (c), (d) and (e) of clause (ii) or sub-clauses (a) and (b) of clause (iii) to the extent such disclosure would reveal material non-public information regarding specific potential future investment banking or merchant banking or brokerage services transactions of the subject company.

(iv)whether the research analyst has served as an officer, director or employee of the subject company;
(v)whether the research analyst or research entity has been engaged in market making activity for the subject company;
(vi)Research analyst or research entity shall provide all other disclosures in research report and public appearance as specified by the Board under any other Regulations.
…".

15.2.3 The DA noted that Noticee as part of reply to the SCN during the instant proceedings has inter alia contended that "…SEBI has not considered my defense that I do not prepare Research Reports, but only make recommendations based on algorithmic predictions of prevailing market trends, which are distinct and separate from the issuance of a Research Report. In support of the same, I submit that Annexure A to SEBI Circular dated December 13, 2021 has distinguished between the same, a copy of which has been annexed to this reply as Exhibit C. In view of the same, I hereby deny any alleged violations of Regulation 19 and 20 of the RA Regulations, as the same would be inapplicable in the present case…"

15.2.4 The relevant extracts of definition of 'research report' under Regulation 2(1)(w) of RA Regulations is as under:

"…

2 (1) …

(w) "research report" means any written or electronic communication that includes research analysis or research recommendation or an opinion concerning securities or public offer, providing a basis for investment decision…"

15.2.5 The DA noted that in the instant matter, the recommendations were sent through an algorithm which is a form of electronic communication. The output of the algorithm which is based on multiple indicators and strategies constitute a research recommendation or an opinion concerning securities. The recommendations are related to securities providing a basis for investment decisions and the primary purpose of the recommendations is to guide the client's investment choices.

15.2.6 Taking the above into consideration, the DA found that by not including the technical analysis and other relevant disclosures which includes material information its business activity, disciplinary history, the terms and conditions on which it offers research report, details of associates, the compensation received by the Research Analyst or research entity and such other disclosures which needs to be sent to the clients, the Noticee had breached the provisions Regulation 19 of RA Regulations. As noted earlier, the Noticee has not made any submissions before me and is therefore assumed to have admitted to the allegations.

15.3 **Ms. Prerna Sharma has not provided information relied upon and has not defined/ disclosed the terms mentioned in the recommendations to its clients.**

15.3.1 In this regard, it was inter alia alleged by SEBI that RA-Ms. Prerna sends her research recommendations through algologic software to her clients. Further, the RA has submitted that she has not published any research reports since inception. However, SEBI observed that the software based research recommendation are considered as publication of research report but this form of research report sent by RA-Ms. Prerna to her clients does not define the terms used in it, as required in terms of Regulation 20 of RA Regulations, 2014.

15.3.2 In this regard, the provisions alleged to have been violated is reproduced below:

> *"… Contents of research report.*
> *20. (1) Research analyst or research entity shall take steps to ensure that facts in its research reports are based on reliable information and shall define the terms used in making recommendations, and these terms shall be consistently used. …"*

15.3.3 The DA noted that Regulation 20(1) of RA Regulations, 2014 states that RA shall ensure that facts in its research reports are based on reliable information and shall define the terms used in making recommendations, and these terms shall be consistently used.

15.3.4 In this regard, the DA also note that Noticee as part of reply to the DA SCN has contended that *"…All the words used in providing the recommendations were in layman language which any investor could easily understand… the* *recommendations made to the clients, didn't contained any such terms for which explanation/definition was needed. All the words used in providing the recommendations were in layman language which any investor could easily understand…*" In this regard, the DA noted that Regulation 20(1) casts a mandate upon an RA to ensure that facts in its research reports are based on reliable information and shall define the terms used in making recommendations, and these terms shall be consistently used. As noted earlier, the Noticee has not made any submissions before me and is therefore assumed to have admitted to the allegations.

15.3.5 I find no reason to differ with the DA's views in this regard. In view thereof, I hold that Noticee has violated the provisions of Regulation 20(1) of the RA Regulations.

15.4 **Misleading clients though youtube videos to lure gullible investors which falls under the definition of "Fraud".** The captions of the youtube videos viz. "Earn profit upto 5000/- with Algologic" &" How to make 5000/- profit daily? Check equity cash video" are self-explanatory and self-inducing which tends to lure gullible investors expecting fixed return. Such alluring and self-inducing captioned videos defeat the very purpose of Code of Conduct for RA. The above act on the part of Ms. Prerna Sharma, RA was alleged to fall under the definition of "Fraud" as defined under Regulation 2(1) (c) of SEBI (PFUTP) Regulations, 2003.

15.4.1 In this regard, it was inter alia observed and alleged that RA- Ms. Prerna Sharma ran a Youtube channel in the name of Algologic Live. From the contents of the videos uploaded in the said youtube channel, it was noted that the Noticee was luring investors by giving assured returns to them through the said channel. For instance, the thumbnail of one of her videos reads “Earn profit upto 5000/- with Algologic software equity cash”. Another thumbnail of video stated, “how to make 5000/- profit daily” Check quity cash video.” Therefore, RA- Ms. Prerna was alleged to be promising assured returns to the clients for the investment through Algologic software and in the process luring them to make higher investments.

15.4.2 SEBI in this regard observed that the captions of the youtube video viz. “Earn profit upto 5000/- with Algologic” &” How to make 5000/- profit daily? Check equity cash video” are self explanatory and self inducing which tends to lure gullible investors expecting fixed return. Such alluring and self-inducing captioned videos defeat the very purpose of Code of Conduct for RA.

15.4.3 Noticee as part of reply to the DA’s SCN has inter alia submitted that “…*This supposed violation stems from various titles of my YouTube channel, which SEBI has alleged constitute fraudulent practice in the present case. First, it is submitted that any such allegation must also factor in the nature of the words used on the YouTube channel. It is submitted that there were no instances of any promises made recklessly, nor were there any promises of assured returns. Any such captions were only indicative of investment advice made in light of prevailing market trends, and were in no way part of any scheme to defraud participants in the market. I additionally submit that SEBI has failed to consider the necessity of proof of knowledge on my part, for any violation of Regulations 4(2)(k), s(i) and s(iii) of the PUFTP Regulations. I submit that no statement made by me, nor any advice I tendered were made with any knowledge to the contrary, and that they were made in good faith…”*

15.4.4 In this regard, it is pertinent to refer to the provisions of Regulation 3(a), (b), (c) and (d), 4(1) and 4(2)(k), (o) and (s) of PFUTP Regulations read with Section 12A(a), (b) and (c) of SEBI Act, 1992 which inter alia states:

> *"Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(k) and (s) of PFUTP Regulations:*
>
> *3. Prohibition of certain dealings in securities*
> *No person shall directly or indirectly—*
> *(a) buy, sell or otherwise deal in securities in a fraudulent manner;*
> *(b) use or employ, in connection with issue, purchase or sale of any security listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;*
> *(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*
>
> *(1) …*
>
> *(2) Dealing in securities shall be deemed to be a [manipulative] fraudulent or an unfair trade practice if it involves [any of the following]:—*
> *(k) disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities;]*
>
> *(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;]*
>
> *(s) {mis-selling of securities or services relating to securities market;*

Explanation- For the purpose of this clause, "mis-selling" means sale of securities or services relating to securities market by any person, directly or indirectly, by—
knowingly making a false or misleading statement, or
…
(iii) knowingly concealing the associated risk, or”

15.4.5 The DA noted that Regulation 3 of the PFUTP Regulations prohibits certain dealings in securities wherein manipulative or deceptive methods are used or any entity employs any devise or scheme or artifice to defraud in connection with dealing in or issuing securities and also engage in any act, practice, course of business which operate as fraud or deceit upon any person in connection with any dealing in or issue of securities. Further, I also note that Regulation 4(2)(k) of the PFUTP Regulations provides that dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading and which is designed or likely to influence the decision of investors dealing in securities. Regulation 4(2)(o) of the PFUTP Regulations provides that dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it involves fraudulent inducement of any person by a market participant to deal in securities with the objective of enhancing his brokerage or commission or income. Also, Regulation 4(2)(s) of the PFUTP Regulations prohibits mis-selling of securities or services related to securities market. ‘Misselling’ has further been explained in the said Regulations to mean sale of securities or services relating to securities market by any person, directly or indirectly, by inter alia knowingly making a false or misleading statement; knowingly concealing the associated risk.

15.4.6 In this regard, the relevant extracts of definition of 'fraud' under Regulation 2(1)(c)(5) of PFUTP Regulations and definition of 'dealing in securities' under Regulation 2(1)(b)(ii) of PFUTP Regulations are as under:

Definitions

2(1)..,

(c) "fraud" includes any act, expression, omission or concealment committed whether in a deceitful manner or not by a person or by any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include—

…

(5) a representation made in a reckless and careless manner whether it be true or false;

…"

2.(1) In these regulations, unless the context otherwise requires,—
(b) 1["dealing in securities" includes:
…
(ii) such acts which may be knowingly designed to influence the decision of investors in securities; and
…"

15.4.8 Further as per Regulation 4(2) (k) of SEBI (PFUTP) Regulations, dealing in securities shall be deemed to be a manipulative, fraudulent or an unfair trade practice if it inter alia involves disseminating information or advice through any media, whether physical or digital, which the disseminator knows to be false or misleading in a reckless or careless manner and which is designed to, or likely to influence the decision of investors dealing in securities.

15.4.9 In this regard, from the combined reading of Regulation 2(1)(c)(5) and Regulation 2(1)(b)(ii) read with Regulations 3(a), (b), (c) and (d), 4(1) and 4(2)(k),(o) and (s) of PFUTP Regulations, it is noted that such captions of the youtube video viz. “Earn profit upto 5000/- with Algologic” &”How to make 5000/- profit daily? Check equity cash video” were used recklessly and carelessly by the Noticee to lure naive investors and the same were made to influence the decision of investors to invest in securities based on the advice of the Noticee despite fully knowing that all the investments in securities market are subject to market risk. The said captions of the youtube video were an active concealment of the material fact that every investment in the securities market is subject to market risk.

Screenshot of Noticee’s youtube videos are given below:

15.4.10 The enclosed screenshots of the Noticee’s Youtube channel highlight inter alia two specific video uploads. The video titled “Earn profit upto 5000/- with Algologic software” garnered 707 views during the relevant time while the second video “How to make 5000/- Profit Daily?” accumulated 340 views. The DA noted that these views count represent sufficient evidence that these videos were intended to make the investors believe that investment in securities market has a fixed return and thus induce investors to invest in securities market based on such misleading advice of the Noticee.

15.4.11 It is a matter of record that Noticee has neither denied nor disputed that the aforesaid videos were uploaded by her and in fact Noticee's submission is in nature of admission in so far as Noticee had inter alia submitted as part of her earlier reply that "Any such captions were only indicative of investment advice made in light of prevailing market trends." Further, I note from material available on record that the description of youtube channel 'AlgoLogic Live' inter alia mentioned registration no. of the Noticee i.e INH000006819 which sufficiently proves that the aforesaid videos were uploaded by Noticee.

15.4.12 In light of the same, the act of the Noticee to actively conceal material information, is a non-genuine and a deceptive act and has been made with an intent to influence the clients to avail of her research analyst services and deal in securities. In my view, promising assured returns/ assured loss recovery in securities market amounts to misrepresentation and misleading the investors. Such reckless conduct intended to induce investors to deal in securities constitutes 'fraud' under the PFUTP Regulations.

15.4.13 The DA noted that the Noticee, in its reply to the SCN had submitted "…The words used "*Earn profit up to 5000" etc were titles which had educational content and not made by me acting as an research analyst…*", The DA further noted that the nature of captions of the youtube video viz.

"*Earn profit upto 5000/- with Algologic" &"How to make 5000/- profit daily? Check equity cash video*" cannot be taken as being educational in nature, instead such representations can potentially mislead investors into believing in the assured nature of returns from such recommendation. Therefore, by making such misleading disclosures, Noticee induced gullible investors and such conduct of Noticee is likely to influence the decision of investors dealing in securities. Further, I note from material available on record that the description of youtube channel 'AlgoLogic Live' inter alia mentioned registration no. of the Noticee i.e INH000006819 and therefore, Noticee's contention that "The words used "*Earn profit up to 5000" etc were titles which had educational content and not made by me acting as a research analyst*." cannot be accepted.

15.4.15 The Regulation 24(2) read with clause 1, clause 7 and clause 8 of the Schedule III of RA Regulations, 2014 reads as under:

THIRD SCHEDULE
[See sub-regulation (2) of regulation 24]
CODE OF CONDUCT FOR RESEARCH ANALYST

1. Honesty and Good Faith
Research analyst or research entity shall act honestly and in good faith

Compliance
Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.
Responsibility of senior management
The senior management of research analyst or research entity shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures.

15.4.17 The DA noted that clause (1) of Code of Conduct specified in RA Regulations states that Research analyst or research entity shall act honestly and in good faith. Further, Clause (7) states Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.

15.4.18 Noticee, being a SEBI registered intermediary, is an integral part of securities market as she provides research report to the investors in the securities market, therefore, to repose faith in securities market, it is important that a "research analyst" should act in a professional manner and should make all the relevant due disclosure to its clients while providing its research reports to them. In the instant case, Noticee had made such claims while being fully aware that return in the securities market are subject to market risks and are not guaranteed.

15.4.19 Considering the facts and circumstances of the present case, I find that Noticee made misleading representation in a reckless manner without due care whether it be true or false which shows that the Noticee failed to act with honestly and in good faith. From the captions of the youtube videos, it is seen that the Noticee has tried to lure the Investors without giving the true picture of its business which is in violation of Regulation 24(2) read with clause 1, clause 7 and clause 8 of the Schedule III of RA Regulations, 2014.

In view thereof I agree with the DA's conclusions and findings that Noticee had violated the following:

- Regulations 3(a), (b), (c), (d), 4(2) (k) (o), (s)(i) & (s)(iii) read with Regulation 2(1)(b)(ii) and Regulation 2(1)(c)(5) of SEBI (PFUTP) Regulations, 2003.

- Regulation 24(2) read with clause 1, clause 7 and clause 8 of the Schedule III of RA Regulations, 2014.

15.5 **Ms. Prerna Sharma has not maintained rationale for arriving at research recommendations.**

15.5.1 It was inter alia observed and alleged that RA- Ms. Prerna Sharma provided her research advice to her clients through algorithm named algologic. However, the RA in her earlier reply had submitted that she did not maintain any rationale for arriving at the research recommendations and also submitted that she has not done any compliance audit in terms of Regulation 25(3) of RA Regulations 2014.

15.5.2 In this regard, it is pertinent to refer Regulation 25(1)(iii) and Regulation 25(3) of RA Regulations which inter alia states the following:

"…

Maintenance of records.

25. (1) Research analyst or research entity shall maintain the following records:
(i)
(ii)
(iii)rationale for arriving at research recommendation;
(3) Research analyst or research entity shall conduct annual audit in respect of compliance with these regulations from a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute

of Cost Accountants of India and submit the report of the same in such manner as may be specified by the Board.
…".

15.5.3 In view thereof, the DA found that the Noticee has violated Regulation 25(1)(iii) of RA Regulations.

15.5.4 As regard to compliance audit in terms of Regulation 25(3) of RA Regulations 2014, the DA noted that Noticee in her earlier reply ehas submitted as under:

"...I have diligently provided my services to my clients with complete honesty, and any lack of such a rationale has never affected the investors. I submit that in view of this subsequent rectification, as well as due to the absence of unfortunate consequences, no action be taken against me the alleged violation of Regulation 25(3) of the RA Regulations…"

15.5.5 In this regard, I note from the aforesaid contention that the Noticee has herself acknowledged the non-compliance but contended that the violation should be overlooked due to the subsequent rectification and the assertion that their services were provided diligently ensuring the absence of any adverse impact on investors. I note that the aforesaid contention of Noticee is admission of the violation.

15.5.6 In view thereof, I find that the Noticee has violated Regulation 25(3) of RA Regulations 2014.

15.6 **Non redressal of investor complaints within the prescribed timelines:** The RA – Ms. Prerna Sharma, took more than 30 days to redress the complaints of viz. Mx. Hxxxxxn Mxxxr and Hxxxxxh Pxxxl i.e., 60 days and 154 days, respectively

In this regard, it was inter alia alleged and observed that Noticee has obtained SCORES login ID- Rxxxxxx9 on 25/05/2021. RA – Ms. Prerna Sharma has submitted that 5 complaints were received against it during the inspection period from April 1, 2021 to March 31, 2023 and there are no pending complaints against her. However, as per details submitted by the RA – Ms. Prerna Sharma, it was observed that out of 5 complaints, in the case of 2 complaints viz. complaint of Mx. Hxxxxxn Mxxxr and Hxxxxxh Pxxxl, RA took more than 30 days i.e., 60 days and 154 days, respectively, to redress the investor grievances.

15.6.1 In this regard, Noticee's reply to the findings to the inspection as well as reply to the SCN during the instant proceedings were similar in nature save for being differently worded in so far as Noticee has submitted that *"…out of 5 complaints registered against me, only 2 were found to have any delay in being redressed. It is submitted that such delays were caused by a lack of expediency on the side of the Client, which prolonged the final resolution of the complaints…It is submitted that Regulation 13(1) of the aforesaid Regulations states that "intermediary shall make endeavors to redress investor grievances promptly but not later than forty-five days of receipt thereof…*".

15.6.2 Firstly, the DA noted that the Noticee has neither denied nor disputed that in the aforesaid 2 complaints viz. complaint of Mx. Hxxxxxn Mxxxr and Hxxxxxh Pxxxl, Noticee took more than 30 days i.e., 60 days and 154 days, respectively, to redress the investor grievances.

15.6.3 Moreover, the DA noted that Regulation 13(1) of SEBI (Intermediaries) Regulations, 2008 mandates that the intermediary shall make endeavours to redress investor grievances promptly but not later than forty-five days of receipt thereof. Further, DA also noted that Point D of Annexure – A referred in Clause 2 of Circular No. SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685 dated December 13, 2021 which is addressed to all Research Analyst states that *"… In case of any grievance / complaint, an investor should approach the concerned research analyst and shall ensure that the grievance is resolved within 30 days…".*

15.6.4 The DA noted that the applicable regulatory provisions impose a clear mandatory requirement upon all the Research Analysts to redress investor grievances within a timeline not exceeding thirty days. Therefore, DA felt that it is incumbent upon the Noticee to make all necessary endeavors to redress investor grievances within the stipulated timeline.

15.6.5 The Noticee has not made any submissions in these proceedings in support of her contentions or defending herself against the observations made by the DA. In view thereof, I find that the Noticee had violated Regulation 13 (1) of SEBI (Intermediaries) Regulations, 2008 along with Circular No. SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685 dated December 13, 2021.

15.7 **Submission of false experience letter for obtaining RA certificate -** The RA admitted submitting false work experience from Motilal Oswal Financial that bears false seal of Motilal Oswal Financial Services and further admitted that she never worked in Motilal Oswal Financial Services Ltd.

15.7.1 In this regard, it was inter alia observed and alleged that in order to comply with the qualification and certification requirement of Regulation 7(iv) of Research Analyst Regulations, 2014 i.e. a graduate in any discipline with an experience of at least five years in activities relating to financial products or markets or securities or fund or asset or portfolio management, an experience letter of Motilal Oswal was submitted by the RA- Ms. Prerna Sharma. It was observed that the working period of RA- Ms. Prerna Sharma was concurrent in Bangalore Consultancy Services and Motilal Oswal Financial Services Pvt. Ltd. Thus, the presence of the RA-Ms. Prerna Sharma at both the places raised a serious doubt on her conduct. The Noticee in her reply to the findings of Inspection submitted that in order to get registration of RA from SEBI, she had submitted a false experience letter of having worked in Motilal Oswal Financial Services Ltd., which also bears a false seal and that she had never worked in Motilal Oswal Financial Services Ltd.

15.7.2 In this regard it is pertinent to refer relevant regulatory provision alleged to have been violated:

Qualification and certification requirement.

An individual registered as research analyst under these Regulations, individuals employed as research analyst and partners of a research analyst, if any, engaged in preparation and/or publication of research report or research analysis shall have the following minimum qualifications, at all times:

"…
(iv) a graduate in any discipline with an experience of at least five years in activities relating to financial products or markets or securities or fund or asset or portfolio management.
…".

15.7.3 The DA noted that the Noticee has submitted as part of reply to the SCN that "*I humbly submit that in view of the totality of allegations against me, they are mostly requirements of a procedural nature that have been discovered over the course of an inspection by SEBI. In the case of*

Religare Securities v SEBI (Appeal No. 23 of 2011, Order dated June 16, 2011), the Hon'ble Securities Appellate Tribunal has held [sic] "that the purpose of carrying out inspection is not punitive and the object is to make the intermediary comply with the procedural requirements in regard to the maintenance of records. We also cannot lose sight of the fact that every minor discrepancy irregularity found during the course of inspection is not culpable and the object of the inspection could well he achieved by pointing out the irregularities/deficiencies to the intermediary at the time of inspection and making it compliant." Considering that there have been a considerable number of violations alleged against me, most of which are procedural requirements, it is humbly submitted.

Without Prejudice to above I would like to submit that due my non-disclosure has not caused any financial loss to any investor directly or indirectly in contact with me and no adverse cognisance should be taken against procedural lapse on part of me."

15.7.4 I note that the instant allegation with respect to Noticee is that the Noticee submitted false work experience from Motilal Oswal Financial that bears false seal of Motilal Oswal Financial Services and that she never worked in Motilal Oswal Financial Services Ltd. In this regard, I note that Noticee's aforesaid submission does not rebut this factual assertion and is devoid of merit and hence cannot be accepted. I also note from material available on record that Noticee in her reply to the findings of inspection earlier to SEBI had admitted the aforesaid allegation.

15.7.5 In view thereof, I hold that Noticee had violated Regulation 7(iv) of RA Regulations, 2014.

15.7.6 I also note that Noticee had violated clause (1) of Code of Conduct under Schedule III of RA Regulations which states that Research analyst or research entity shall act honestly and in good faith and Clause (7) of Code of Conduct under Schedule III of RA Regulations which states that Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.

16. In view of the violation as established above and the facts and circumstances, the Noticee is liable for action under Regulation 26 of the SEBI (Intermediaries) Regulations, 2008.

17. I find that the Noticee being a SEBI registered intermediary was required to comply with the extant applicable provisions of laws, which SEBI is duty bound to enforce. The Noticee failed to comply with the provisions of law, as brought out and dealt with in the paragraphs mentioned above, and such failure and non-compliances accordingly need to be dealt with suitable sanctions.

18. Further, the violations in respect of the Noticee in the instant matter pertain to Noticee having failed to use the term “Research Analyst” in all her correspondences; failed to make disclosures such as material conflict of interest with subject company, as required under Regulation 19 of RA Regulations while sending recommendations; failed to provide information relied upon and has not defined/ disclosed the terms mentioned in the recommendations to its clients, promised assured returns; not maintained rationale for arriving at research recommendations; failed to redress the complaints of investors within the time-frame and submitted false work experience from Motilal Oswal Financial that bears false seal of Motilal Oswal Financial Services. The said violations make the

Noticee liable for appropriate action including suspension or cancellation of certificate of registration.

19. I also find that the RA had obtained SEBI registration by providing false experience letter which she herself has admitted in her reply to the inspection findings. This in my view, amounts to subverting the intent of the RA Regulations to ensure that only entities with the requisite qualifications and experience are able to obtain the RA registration from SEBI. Submitting a false experience certificate to SEBI in order to obtain the SEBI registration entails eligibility of the Noticee for SEBI registration in serious doubt and raises serious question on her credibility and her association with the securities market. This is more so in the capacity as a registered intermediary, whose job is to take utmost precaution to protect the interest of the investors.

E. CONCLUSION

20. For the reasons mentioned in the preceding paragraphs, I find that that the Noticee has violated the following provisions:
    - 20.1 Regulation 13(i) and (iii) of SEBI (Research Analyst) Regulations, 2014 ("RA Regulations") Regulation 19 of RA Regulations.
    - 20.2 Regulation 20 of RA Regulations.
    - 20.3 Regulations 3(a), (b), (c), (d), 4(2) (k) (o), (s)(i) & (s)(iii) read with Regulation 2(1)(b)(ii) and Regulation 2(1)(c)(5) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 ("PFUTP Regulations").
    - 20.4 Regulation 24(2) read with clause 1, clause 7 and clause 8 of the Schedule III of RA Regulations.
    - 20.5 Regulation 25 of RA Regulations.

20.6 Regulation 13(1) of SEBI (Intermediaries) Regulations, 2008 ("Intermediaries Regulations) along with Circular No. SEBI/HO/IMD/IMD-II CIS/P/CIR/2021/0685 dated December 13, 2021.

20.7 Regulation 7(iv) of RA Regulations, clause 1 and clause 7 of Code of Conduct under Schedule III of RA Regulations.

21. I note that an Adjudication Order dated December 30, 2025 has been passed against the Noticee which imposed a monetary penalty of INR 15 Lakh for the same set of violations as alleged in these proceedings and the same has been recovered through recovery proceedings initiated by SEBI separately through attachment of bank and demat accounts. It is also noted 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 as she failed to renew the NISM certification required for continuing as an Investment Adviser. Accordingly, the registration of Ms. Prerna Sharma, as an Investment Adviser (SEBI Registration Number: INA000007304) has been cancelled vide order dated June 11, 2026 under Regulation 30A of the Intermediaries Regulations. Even in the instant matter, the Noticee failed to submit required experience certificate which is a mandatory requirement for registration as a Research Analyst.

22. I note that the DA has recommended cancellation of certificate of registration as a Research Analyst. In the facts and circumstances of the case, I am of the view that cancellation of certificate of registration would be commensurate and proportionate to the violations committed by the Noticee in the present case.

F. ORDER

23. 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 Regulation 26 and 27 of the Intermediaries Regulations, hereby cancel the certificate of registration of Ms. Prerna Sharma Research Analyst (SEBI Registration No: INH000006819).

24. The Order shall come into force with immediate effect.

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

Biju S

Digitally signed by Biju S
Date: 2026.09.10 16:17:28 +05'30'

Date: September 10, 2026

Place: Mumbai

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