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Equitymaster Research Private Limited

(Formerly Equitymaster Agora Research Private Limited) (Research Analyst)

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SEBI (Research Analysts) Regulations 2014, Registration No. INH000000537

June 26, 2025

To

Mr Jeevan Sonparote

Executive Director

Securities and Exchange Board of India

Investment Management Department

Division of Funds – 1

Plot No. C4-A, "G" – Block

Bandra Kurla Complex

Bandra (East), Mumbai – 400051

Subject: Request for Informal Guidance under the SEBI (Informal Guidance) Scheme, 2003 concerning the Securities and Exchange Board of India (Research Analysts) (Third Amendment) Regulations, 2024 and Guidelines for Research Analysts vide Circular SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/004 dated January 08, 2025

Dear Sir,

We are writing to seek an Interpretative Letter under paragraph 5(ii) of the SEBI (Informal Guidance) Scheme, 2003 in relation to the interpretation of the Securities and Exchange Board of India (Research Analysts) (Third Amendment) Regulations, 2024 and Guidelines for Research Analysts vide Circular SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2025/004 dated January 08, 2025 ("RA Regulations"), specifically concerning Clause 15A of the Regulations. We respectfully request your guidance on the matters outlined below.

A. BACKGROUND AND MATERIAL FACTS:

- i. Equitymaster Research Private Limited (Earlier Equitymaster Agora Research Private Limited) (hereinafter 'Equitymaster') is an independent SEBI registered Research Analyst with registration details Registration No. INH000000537 dated June 02, 2015 last renewed on June 26, 2024 with BSE RA enlistment number 6236.
- ii. Equitymaster is a private company incorporated under the Companies Act, 1956 with Registered Office at 103, Regent Chambers, Above Status Restaurant, Nariman Point, Mumbai 4000021.
- iii. Equitymaster provides independent research reports on Indian listed securities for a fee via www.equitymaster.com since 2002



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B. Queries on RA Regulations:

We seek your guidance on the following queries related to RA Regulations, particularly concerning:

- (a) Regulation 15A: Fees and
- (b) Clause ix (i): Fees chargeable to clients by RA's.

FACTS:

- (i) Equitymaster has been providing online research reports on Indian listed securities to clients for a fee since 2002.
- (ii) Our first paid service 'StockSelect' was launched in the year 2002 and our first research report published in June 2002. And since then, Equitymaster has been providing research on securities including large caps, midcaps, small caps and penny stocks to thousands of paid subscribers.
- (iii) Our services recommend long-term investments (2–5 years), excluding intraday tips, and include free investor education content (articles, newsletters, videos).
- (iv) Prior to January 8, 2025, Equitymaster offered subscription plans of 1, 2, 3, or 5 years, with fees paid voluntarily by subscribers via online/offline methods, aligned with the long-term nature of our services.

SPECIFIC QUERIES:

- (i) Regulation 15A of the SEBI (Research Analysts) (Third Amendment), 2024 provides as under:
"Research Analyst shall be entitled to charge fees for providing research services from a client including an accredited investor in the manner as specified by the Board."
- (ii) Further Clause (ix) of the Guidelines for Research Analysts, vide Circular dated January 08, 2025 inter alia provides:
"Regulation 15A of RA Regulations provide that RA shall be entitled to charge fees for providing research services from client including an accredited investor in the manner as specified by SEBI. Accordingly, -
(b) RAs shall charge a maximum of ₹1,51,000 per annum per family in case of their clients who are individuals and Hindu Undivided Family(HUF). The fee limit shall be revised and announced by RAASB once in three years based on the Cost Inflation Index (CII) after due consultation with SEBI."

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- (f) If agreed by the client, RA may charge fees in advance. However, such advance shall not exceed fees for more than one year (changed from quarter vide Circular dated April 04, 2025).
- (i) For existing clients, RAs shall ensure compliance with aforesaid fee related provisions latest by June 30, 2025. For new clients, the requirements under this clause shall be effective from the date of this circular.”
- (iii) **Retrospective Application of Fee Cap:** Does the ₹1,51,000 per annum per family fee cap (Clause ix(b)) apply to fees collected from existing clients before January 8, 2025, or only to agreements post this date?
- (iv) **Refunds for Excess Fees:** If the cap applies retrospectively, are Research Analysts required to refund excess fees collected prior to January 8, 2025? Noting that Equitymaster has paid applicable GST and income tax on all fees, such a requirement could pose significant operational challenges.
- (v) Further regular GST and income tax have been paid on all fee that Equitymaster has received over the years.
- (vi) What would be interpreted as ‘Compliance with aforesaid fee related provisions latest by June 30, 2025 for existing clients’?

As a SEBI-registered Research Analyst, we are fully committed to ensuring compliance with all regulatory directives. Your clarification will help us take informed and timely steps, including any client communication or operational action that may be required.

We look forward to your guidance on the above at your earliest opportunity.

Thanking you,

Yours sincerely,

For Equitymaster Research Private Limited, Research Analyst


Andrea Rebello

Chief Executive Officer

Encl: Cheque of Rs 25,000/- (Rupees Twenty-Five Thousand only) bearing no. 005934 drawn on HDFC Bank dated June 26, 2025 in favour of ‘Securities and Exchange Board of India’ towards the fee as prescribed.

