BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADJUDICATION ORDER NO. Order/AK/DS/2026-27/32446]

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF SEBI (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995, IN THE MATTER OF;

OnePaper Research Analysts Private Limited

PAN: AADCO2642Q

SEBI Regn No.: INH000008093

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") carried out an inspection of OnePaper Research Analysts Private Limited (hereinafter referred to as "**the Noticee**"), a SEBI-registered Research Analyst having registration number INH000008093, on March 14, 2024 at its Bengaluru office to find status of compliance by it with SEBI (Research Analysts) Regulations, 2014 (hereinafter referred to as "**RA Regulations**") and applicable SEBI Circulars. The inspection was conducted for the period April 01, 2022 to March 13, 2024 (hereinafter referred to as "**inspection period/ IP**").
2. Based on the findings of the inspection communicated to the Noticee vide letter dated May 16, 2024 and the Noticee's reply vide letter dated May 23, 2024, certain violations of RA Regulations, SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as "**PFUTP Regulations**"), and applicable SEBI Circulars by the Noticee were, prima facie, observed.

APPOINTMENT OF ADJUDICATING OFFICER

3. Therefore, SEBI approved initiation of adjudication proceedings on September 09, 2024 and appointed Mr. N Hariharan as Adjudicating Officer (AO), vide Order dated October 31, 2024 u/s 15-I(1) of SEBI Act, 1992 (hereinafter referred to as "**SEBI**

Act") and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as "**SEBI Adjudication Rules**") to inquire into and adjudge u/s 15EB and 15HA of SEBI Act, the alleged violations committed by the Noticee. Subsequently, on transfer, the undersigned was appointed as AO vide Order dated November 22, 2024.

SHOW CAUSE NOTICE, REPLY OF THE NOTICEE AND HEARING

4. Show Cause Notice No. SEBI/EAD-2/NH/YK/35518/2024 dated November 14, 2024 (hereinafter referred to as **"SCN"**) was issued to the Noticee in terms of rule 4 of SEBI Adjudication Rules r/w Section 15-I of the SEBI Act, to show cause as to why an inquiry should not be held against it and why penalty, if any, be not imposed on it under applicable provisions.

5. Vide the aforesaid SCN, it was alleged that the Noticee had violated the provisions of Regulations 3(a), (b), (c), (d), 4(1), and 4(2)(k), (o) and (s) of the PFUTP Regulations r/w section 12A(a), (b), and (c) of the SEBI Act, Clauses 1, 2, 7, and 8 of Code of Conduct as specified in the Third Schedule r/w Regulation 24(2) of the RA Regulations, and Clause 1(c)(x) of the SEBI Circular No. SEBI/HO/MIRSD/ MIRSD-PoD-2/P/CIR/2023/51 dated April 05, 2023 r/w Clause 8.1(c)(x) of the SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/49 dated May 21, 2024.

6. Vide email dated November 26, 2024, the Noticee requested for extension of time to submit reply to the SCN by four weeks. The request was considered by the AO and time till December 11, 2024 was granted to the Noticee to submit its reply. The Noticee submitted its reply, vide letter dated December 13, 2024. Along with its reply, the Noticee requested for inspection of certain documents. The list of documents and information requested by the Noticee, along with the response provided to the Noticee vide email dated January 08, 2025 are as under;

Sr. No.	Documents / Information sought by the Noticee	Response provided to the Noticee
1	Copy of SEBI Order dated 23 February, 2024 bearing no. SRO/RA/01/2023-24 granting surprise inspection	The SCN has been issued based upon the findings of the inspection. The information

Sr. No.	Documents / Information sought by the Noticee	Response provided to the Noticee
2	Copy of the action matrix recommended by the inspecting officers for the surprise inspection and the approval by the Whole Time Members	sought is internal to SEBI, and is prior to conduct of inspection. Thus, it bears no relevance to the findings of inspection and allegations made out in the SCN.
3	Findings of the Board that a prior notice was not required to be given to the Company, under Regulation 28(2) of the Securities & Exchange Board of India (Research Analysts) Regulations, 2014	
4	Copy of the Order authorizing S Gomathi (DGM) and Hafis Gafoor (Manager) to conduct the surprise thematic inspection on 14" March 2024	
5	Date on which the findings of the inspection were put up for the information/knowledge of the WTM	Since there has been no delay in initiating the present proceedings, the information is not relevant to the present matter, and hence, not being provided.
6	Copy and details of the material placed before the Whole Time Member to decide that there were sufficient grounds to enquire into the alleged violations and initiate proceedings against the Company	Please find redacted copy of Action Matrix enclosed with this email as “Annexure A”.
7	Date on which the Post Inspection report was approved by WTM, and the present proceedings was approved, and the Copy of the approval granted by the WTM	Since there has been no delay in initiating the present proceedings, the information is not relevant to the present matter, and hence, not being provided.
8	Copy of the reasons recorded by the Board, Chairman, Member or the Executive Director that there exist reasonable grounds to enquire in the said matter	Reasons are part of the Inspection Report and Post Inspection Analysis Report, which have already been provided as annexures to the SCN dated November 14, 2014.
9	Copy of Order dated 31 October 2024 of the Executive Director appointing the erstwhile Adjudicating Officer.	Copy has already been provided as Annexure 5 to the SCN dated November 14, 2024.
10	Copy of the recent Order appointing the present Adjudicating Officer.	Please find the copy of Communique dated December 19, 2024 enclosed with this email as “Annexure-B”.
11	Noting of reasoning for transferring the present matter from the erstwhile Adjudicating Officer to the present Adjudicating Officer.	

7. As per Noticee’s request, it was granted time till January 18, 2025 to submit its response.

8. Vide letter dated January 18, 2025, the Noticee requested for provision of documents and also relied upon and quoted from judgements of Hon’ble Supreme Court and Hon’ble Bombay High Court in support of its request. The Noticee also

made submissions on merits of the case, and expressed its intention to file settlement application. Subsequently, vide letter dated September 10, 2025, the Noticee was informed that its settlement application has been rejected. In view of the same, the instant proceedings were resumed, and in the interest of natural justice, the Noticee was granted an opportunity of personal hearing. Vide hearing notice dated September 19, 2025, the Noticee was granted an opportunity of hearing on October 01, 2025.

9. Thereafter, the Noticee filed an appeal to Hon'ble SAT, against the email communication dated January 08, 2025 and hearing notice dated September 19, 2025. Vide its Order dated February 13, 2026, Hon'ble SAT directed SEBI to grant inspection of one document, i.e. *the Copy of Order granting Surprise Inspection* in the captioned matter, to the Noticee. Vide email dated February 20, 2026, the Noticee was granted inspection of the said document on February 27, 2026. Vide email dated February 25, 2026, the Noticee requested for deferral of the inspection by two weeks. Vide email dated February 27, 2026, the Noticee was informed that its request had been acceded to, and it was granted inspection of the document on March 12, 2026. The Noticee conducted inspection of the said document on March 12, 2026 through its Authorised Representative ("**AR**").

10. Vide email dated March 13, 2026, the Noticee was provided time till March 20, 2026 to make submissions, if any. The Noticee submitted its reply vide letter dated March 20, 2026, wherein it inter-alia stated that the inspection stands incomplete as the document provided during inspection was redacted document, and not the original complete document. The Noticee also requested for provision of inspection of the complete document.

11. In response to the aforesaid letter submitted by the Noticee, it was inter-alia informed vide email dated March 25, 2026 that "*Please also note that in addition to the Copy of Order granting surprise inspection, you were also shared with internal office note, which specifies the reasons for conducting surprise inspection in para 6. However,*

internal notings and third party information was redacted." The Noticee was specifically informed that for this reason, the unredacted document cannot be shared with the Noticee. Vide the same email, the Noticee was again provided time till April 05, 2026 to make submissions, if any.

12. The Noticee, vide email dated April 05, 2026, informed that it does not wish to file any further replies to the SCN, as it has already filed two replies dated December 13, 2024 and January 18, 2025. The Noticee also requested for an opportunity of personal hearing.

13. In the interest of natural justice, vide notice dated April 13, 2026, the Noticee was granted personal hearing on May 20, 2026, which was later rescheduled to May 21, 2026. On the scheduled date, the Noticee appeared through its Authorized Representative ("**AR**") for the hearing. The AR reiterated the submissions already made vide letter dated December 13, 2024 and January 18, 2025 and requested time till June 06, 2026 to make additional submissions, which was granted. The Noticee made additional submissions on the said date.

14. The submissions on merit, made by the Noticee, vide letters dated December 13, 2024, January 18, 2025 and June 06, 2026 are summarized below:

14.1. *Pursuant to inspection, the Noticee had also warned its employees against flouting the SMS policy and sending WhatsApp messages to its clients.*

14.2. *The Noticee's SMS policy strictly mandates dissemination of research recommendations through SMS only. The alleged conduct of the employees sending WhatsApp messages to the clients shows that these communications transpired without the directions, knowledge, approval and consent of the Noticee. Furthermore, the alleged messages have been sent via the employees' personal mobile phones and not from the phones provided by the Noticee. Hence, it is impossible for the Noticee to control or monitor the messages sent by the employees.*

14.3. *From the language of clause 8.1 of the Master Circular, it is clear that for a communication to constitute an advertisement, the communication should be in the*

nature of pamphlets, circulars, brochures, research reports or any other literature, document, information or material published or designed for use in any publication or displays. Further, it is settled law that an advertisement is a matter which should draw public attention and must serve the purpose of soliciting customers to the product or service prominently shown in the advertisement. In the present case, complainants were existing clients of the Noticee. The Noticee was sending SMS only for research recommendations, and the same does not fall within the meaning of advertisement. Hence, the allegation of violation of Circular dated April 05, 2023 read with Master Circular dated May 21, 2024 is incorrect.

14.4. *While denying that the WhatsApp communication was permissible, it is evident that the employees had made buy / sell / hold recommendations to the complainants, which is within the domain of a research analyst. Hence, the Noticee has not given any assurance of profits to its clients and has not misled / induced its clients by providing assured return / loss recovery.*

14.5. *The complainants who filed complaints on SEBI SCORES, had executed the standard service agreements and had also received Service Contract and Disclosures (SCDs) from the Noticee. Out of these complainants, Ms. Nirmala Devi did not address her grievance to the Noticee first. Thus, the Noticee was not given an opportunity to address the grievance.*

14.6. *The Noticee had already made a partial refund of the fees of Mr. Jagdish Prasad Gujar. Despite accepting the service agreement, which expressly states that investments carry market risks and that short term investing can lead to significant and unanticipated losses for retail investors, and the Noticee having resolved his grievance and making partial refund, the complainant filed a frivolous complaint on SCORES portal, with the intention to arm-twist the Noticee. Such complaints set a wrong precedent for other customers. Further, a no claims declaration was executed between the Noticee and the complainant, where he had expressly declared that his complaint has been resolved to his complete satisfaction.*

14.7. *When a Service Agreement is being executed with a customer, the Noticee expressly informs that investments carry market risks and that short term investing can lead to significant and unanticipated losses for retail investors. Also, the terms and conditions on the Noticee's website also indicate to prospective customers that all forms of investment contain risks, and there can be instances where losses are incurred. The Noticee has never deceived or taken advantage of its customers or committed act of fraud upon the complainants, as alleged.*

14.8. *PFUTP Regulations are attracted only when the Noticee knowingly engages in an act or practice which would operate as 'fraud'. The main element of 'fraud' is the intent to deceive another. The SCN does not indicate or attribute any such intention to deceive on the part of the Noticee. The trades were executed by the clients themselves and the Noticee never intended to deceive anyone.*

14.9. *Since the Noticee provides for pre-paid subscriptions, any profits made by the Noticee would only be based on such subscriptions and not from investments or trading of shares undertaken by the client. Therefore, PFUTP Regulations are not attracted. There is no evidence to prove that the Noticee has committed fraud upon the complainants.*

14.10. *In any event, the communications in question were addressed exclusively to existing, fee-paying subscribers of the Noticee who had already entered into service agreements and completed the required KYC process prior to receiving any recommendations. "Advertisement", as a concept, contemplates communication directed at the public at large with a view to soliciting persons to avail services. A communication to a paying client who is already on-board cannot be construed as an "advertisement" regardless of its content. The advertisement code is directed at pre-subscription solicitation and not at service interactions with existing clients.*

14.11. *The employees had, from time to time, made buy / sell / hold recommendations to the complainants, through messages, which is within the domain of the RA. Nonetheless, the Noticee has issued warning letters to its employees.*

14.12. *As regards the WhatsApp communications generally, the Noticee submits: (a) research recommendations are mandated under its internal SMS Policy to be sent only via SMS*

to clients' registered numbers; (b) WhatsApp communications by employees were contrary to this express policy; (c) the Noticee issued warning letters to employees found using WhatsApp; and (d) in certain instances, employees resorted to WhatsApp solely due to SMS delivery failures and conveyed the same recommendations that had been sent via SMS and not their own independent advice. The Noticee further submits that it is the clients who initiate WhatsApp communication in many instances and not the employees.

14.13. *The specific obligation to maintain call records was introduced only vide the amendment to the RA Regulations on 16th December, 2024 ("**December 2024 Amendment**") and subsequently reiterated in the Board's procedural circular dated 8th January, 2025, and did not exist during the inspection period. Therefore, it cannot be said that a regulated entity lacked "diligence" for failing to comply with a standard not yet in force.*

14.14. *As regards Clauses 1 (Honesty and Good Faith) and 8 (Responsibility of Senior Management), the Noticee submits that senior management acted in good faith: it adopted a Code of Conduct aligned with the Third Schedule, implemented an SMS-only policy for recommendations, and took disciplinary action against errant employees upon discovering unauthorized WhatsApp communications. This is affirmative evidence of good faith and managerial responsibility and not its absence.*

14.15. *As regards Clause 7 (Compliance), the Noticee's internal policies itself mandate compliance with all regulatory requirements. Any employee deviation from the SMS Policy was in breach of the Noticee's own internal mandate and was not condoned institutionally. Alleged regulatory non-compliance at the employee level, taken remedial action against, cannot be attributed as a Clause 7 violation at the entity level.*

14.16. *The Post Inspection Analysis ("PIA") (provided as annexure 4 to the SCNs) itself records that the linkage between the reward scheme and any assurance of returns could not be ascertained due to lack of evidence.*

14.17. *The SCNs do not elaborate upon how there is a violation of Regulation 4(2) (k) & (s) of the PFUTP Regulations as there is no evidence of the Noticee providing/ publishing*

false/misleading statements, omitting/ concealing any material fact and/or associated risk or reasonable care not being taken by the Noticee.

14.18. *As regards the allegation that employees who were not Research Analysts and did not hold NISM certificates communicated recommendations, the Noticee submits: (a) all underlying research is conducted by the Noticee's SEBI-registered and NISM-certified Research Analysts; (b) employees who communicated via WhatsApp conveyed those same recommendations and they did not independently formulate or alter them; and (c) the WhatsApp communications were unauthorized, contrary to the Noticee's own policy, and addressed exclusively to existing subscribers who had already subscribed, completed KYC and executed service agreements. The fact that the conduit was an employee rather than the certified RA does not, in these circumstances, transform a policy breach into a violation of PFUTP Regulation 4(2)(k), which requires the communication to be false or misleading. The recommendations themselves were neither false nor misleading and the Board has not disputed the correctness of any underlying recommendation.*

14.19. *Mere reading of the alleged chats in isolation without complete context appears to be inconsistent with the observations of Hon'ble SAT in the matter of Bull Research Investment Advisors Pvt. Ltd. v. SEBI (Appeal No. 62 of 2022 dated 6th February, 2023).*

CONSIDERATION OF ISSUES AND FINDINGS

15. Considering the allegations made out in the SCN and the submissions made by the Noticee, the following issues require consideration in the present case:

ISSUE I - Whether the Noticee has violated provisions of RA Regulations, PFUTP Regulations and SEBI Circulars, as stated in the SCN?

ISSUE II - Do the violations, if any, attract penalty u/s 15EB and Section 15HA of SEBI Act, as applicable?

ISSUE III - If so, what should be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

16. The provisions allegedly violated by the Noticee are reproduced below –

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;

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003

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) Without prejudice to the provisions of regulation 3, no person shall indulge in a manipulative, fraudulent or an unfair trade practice in securities markets.

Explanation.– For the removal of doubts, it is clarified that any act of diversion, misutilisation or siphoning off of assets or earnings of a company whose securities are listed or any concealment of such act or any device, scheme or artifice to manipulate the books of accounts or financial statement of such a company that would directly or indirectly manipulate the price of securities of that company shall be and shall always be deemed to have been considered as manipulative, fraudulent and an unfair trade practice in the securities market.

(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—

(i) knowingly making a false or misleading statement, or

(ii) knowingly concealing or omitting material facts, or

(iii)knowingly concealing the associated risk, or

(iv) not taking reasonable care to ensure suitability of the securities or service to the buyer;

RA Regulations

General responsibility.

24.*(2) Research analyst or research entity shall abide by Code of Conduct as specified in Third Schedule.*

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.

2. Diligence

Research analyst or research entity shall act with due skill, care and diligence and shall ensure that the research report is prepared after thorough analysis.

……

7. Compliance

Research analyst or research entity shall comply with all regulatory requirements applicable to the conduct of its business activities.

8. 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.

SEBI Circular dated April 05, 2023

1. Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and Securities and Exchange Board of India (Research Analysts) Regulations, 2014 provide for code of conduct to be followed by IAs and RAs respectively. In order to further strengthen the conduct of IAs and RAs, while issuing any advertisement, it is directed that IAs/RAs shall ensure compliance with the advertisement code as prescribed below:

……

c. Prohibitions in the advertisement:

The advertisement shall not contain:

……

x. Any promise or guarantee of assured or risk free return to the investors.

The advertisement shall not imply any assured returns or minimum returns or target return or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to the client that the investment advice/recommendation of research report is risk-free and/or not susceptible to market risks and/or that it can generate returns with any level of assurance.

SEBI Master Circular dated May 21, 2024.

8.1. Research Analysts shall ensure compliance with the advertisement code as prescribed below:

……

c. Prohibitions in the advertisement:

The advertisement shall not contain:

……

x. Any promise or guarantee of assured or risk free return to the investors.

The advertisement shall not imply any assured returns or minimum returns or target return or percentage accuracy or service provision till achievement of target returns or any other nomenclature that gives the impression to the client that the recommendation of research report is risk-free and/or not susceptible to market risks and/or that it can generate returns with any level of assurance.

17. I now proceed to deal with the issues on merits as under.

ISSUE I - Whether the Noticee has violated the provisions of RA Regulations, PFUTP Regulations and SEBI Circulars, as stated in the SCN?

18. During the inspection, the Noticee informed the inspection team that they were getting clients through leads which they received from Google Ads. The inspection team had asked for the call recordings of the communication of employees of the Noticee with the clients. However, it was informed to the inspection team that the Noticee does not maintain the call recordings. Consequently, the inspection team

randomly chose an employee, Sarita Pattanayak to make a call to any of the leads that they received from Google Ads. Accordingly, employee Sarita made a call to their client, Ramesh Chandra Sahoo in the presence of the inspection team wherein it was found that on call, the employee was assuring the client that if they subscribe to the service of the Noticee, the client would get good returns. I note that during the inspection, the compliance officer told the inspection team that she would share the call recordings to the inspection team over email. However, later, the compliance officer informed that the Noticee does not maintain recordings of any calls.

19. I also note that several complaints were received against the Noticee in the SEBI Complaints Redress System Portal (hereinafter referred to as "**SCORES portal**") wherein the screenshots of WhatsApp chats of the employees of the Noticee with the clients of the Noticee were attached. From the perusal of the chats, I note that the employees of the Noticee had encouraged the clients to take undue risk which did not suit their age and risk profile. Further, the employees of the Noticee who were neither research analysts nor holding requisite NISM certificates had advised the clients of the Noticee.

20. Sample of WhatsApp chats between employees of the Noticee with the clients are listed below:

20.1. In WhatsApp chat with the client A Saranya, employee Bilna had asked the client to keep a target of 230 and stop loss of 170 and hold the position on Bank Nifty. Further, Bilna had also asked the client to take one more level and to take 3 lots with the assurance that the market will recover.

20.2. In WhatsApp chat with the client Jagdish Prasad Gujar, employee Shanu had advised the client to put the stop loss at 17.50 and to hold the position if the stop loss was not triggered. Thereafter, Shau advised the client to put stop loss at 10, and to hold the position if the stop loss was not triggered and then asked him to exit the position. Thereafter, on multiple occasions, Shanu advised the client to

put stop loss at 50, 150, 120 etc., and to hold until it is triggered. At last, client ended up at a loss as per the WhatsApp chat between the client and the employee of the Noticee and the e-mail made by the client to the Noticee.

20.3. In WhatsApp chat with the client Nirmala Devi, it was observed that the employee with Mobile no. *****10070 had advised the client that "*market is indicating a gap down opening. This is healthy correction and we will get a lot of opportunities for buying from bottom. Please hold the position of Banknifty ce as we may need to average today for better movements.*" Further, the employee had also asked to put the stop loss at 135. Moreover, when the client ended up in a loss, the employee had also assured that they would cover up the loss and come up with a profit. The employee had assured the client that he would cover the loss in the next trade.

20.4. In WhatsApp chat with the client Mohan Lal Sahu, employee Meghna had asked for a fund of Rs. 6 Lakhs from the client.

20.5. In WhatsApp chat with the client Praveen Pawar, employee Prathamesh had assured the client that he would recover the loss in two trades when the client had told the employee that 50% of his capital had gone in booking with an exit price at 84.50.

20.6. In WhatsApp chat with the client Prikshit Gupta, employee Samikshya Pradhan had asked to put the target at 210.

21. The Noticee, in its reply dated May 23, 2024, *inter alia*, stated that it does not retain the recordings of incoming and outgoing calls. Further, according to the Noticee, call recordings of their employee, Sarita Pattanayak were not located by their IT Vendor. As it is the responsibility of the Noticee to monitor the communications of its employees with its clients, the Noticee should have deployed adequate monitoring mechanisms in form of recording calls and WhatsApp messages of its employees with the clients to ensure that the employees do not engage in mis-selling or any other prohibited activities. However, the same were not maintained by the Noticee.

22. In view of the above, I find that the Noticee was providing assurance of returns/ loss recovery to its clients and thereby knowingly misleading/ inducing its clients, which was likely to influence the decision of clients dealing in securities and thereby, engaged in mis-selling its services. By allegedly providing assurance on WhatsApp chat, the Noticee violated the advertisement code. By not maintaining call records and other forms of communication between Noticee's employees and clients, Noticee failed to deploy adequate mechanisms to monitor its employee communications to ensure that the employees are not engaging in mis-selling of services of the Noticee by assuring returns and thereby, failed to exercise due diligence in performing its duties and responsibilities.

23. I find that the Noticee has not acted honestly and in good faith; has not acted with due skill, care and diligence; has not complied with all regulatory requirements applicable to the conduct of its business activities. While the Noticee's senior management shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures, no allegations have been made against the senior management of the Noticee and consequently, SCN has been issued only to Noticee.

24. Regulations 3(a), (b), (c), (d), and 4(1) of the PFUTP Regulations r/w section 12A(a), (b), and (c) of the SEBI Act prohibit dealing in securities through fraud, manipulation or deception, including using any manipulative/deceptive device, employing any scheme/artifice to defraud, or engaging in any act/practice/course of business that operates as fraud or deceit. As per Regulations 4(2)(k), (o) and (s) of the PFUTP Regulations, dealing in securities shall be deemed to be a manipulative fraudulent or an unfair trade practice if it involves dissemination of information or advice through any media, 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; fraudulent inducement of any person by a market participant to deal in securities with the object of

enhancing its income; and mis-selling of securities or services relating to securities market. As per Clauses 1, 2, 7, and 8 of Code of Conduct as specified in the Third Schedule r/w Regulation 24(2) of the RA Regulations, RAs shall act honestly and in good faith; RAs shall act with due skill, care and diligence and shall ensure that the research report is prepared after thorough analysis; RAs shall comply with all regulatory requirements applicable to the conduct of its business activities; and the senior management of RA or research entity shall bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures. Clause 1(c)(x) of the SEBI Circular dated April 05, 2023 r/w Clause 8.1(c)(x) of the SEBI Master Circular dated May 21, 2024 state that the advertisement shall not contain any promise or guarantee of assured or risk free return to the investors.

25. The Noticee has submitted that its SMS policy strictly mandates dissemination or research recommendations through SMS only. The alleged conduct of its employees shows that these communications transpired without the directions, approval and consent of the Noticee. As the messages were sent through the employees' personal mobile phones, it was impossible for the Noticee to control or monitor the messages sent by them. Pursuant to inspection, the Noticee had warned its employees against flouting the SMS policy and sending WhatsApp messages to its clients.

26. In this regard, I note that the conduct of the Noticee's employees was not as per the Noticee's SMS policy. It was the Noticee's responsibility to ensure that its policies are being actually implemented and followed by its employees. The Noticee cannot take shield of its policies to absolve from its responsibility of ensuring that its employees do not engage in mis-selling and promising assured returns.

27. I also note from the inspection report that the Noticee employs a staff of around 100 employees, who were asked to leave upon the arrival of the SEBI inspection

team, while it was informed to the inspection team that all the employees had left for their lunch break, while no one was there in the lunch hall. When the inspection team instructed the office manager of the Noticee to call back the employees, the office manager unwillingly called them back to office. The employees sat idle, without attending or making any calls. It is also recorded in the inspection report that the office looked like a call center, with one computer and one phone in each work-station. The Noticee has also submitted that these employees were sales executive. I also note from the Noticee's email dated May 09, 2024 that the Noticee employs two research analysts. The inspection report also records that the Noticee had six types of packages with monthly subscriptions (4745 clients), quarterly subscriptions (1192 clients), half-yearly subscriptions (389 clients) and annual subscriptions (404 clients). From the scale of the Noticee's operations, I infer that the sales executives (around 100 employees) were serving the Noticee's clients and connecting with potential clients through leads. Thus, it was very important for the Noticee to ensure that all the policies of the Noticee were actually being followed. The Noticee should have regularly sensitized its employees regarding not promising assured returns, and not going beyond their assigned job duties, to send the research recommendations through their personal numbers. However, the Noticee's clients have made several complaints, from which I observe that its employees were inducing the clients to hold the position; or provided updated targets; or promised assured returns or recovery of losses. Supporting evidences in the form of screenshots have also been attached by the complainants. The Noticee should have also maintained call records and logs of the employees' WhatsApp chats with its clients, for quality control and to ensure that mis-selling is not being carried out by its employees. However, the Noticee failed to do so. Given the scale of its operations, the Noticee's submissions that it was not aware that its employees were using personal phones to contact clients through WhatsApp, cannot be accepted.

28. The Noticee has not been able to demonstrate how it has actually implemented its various policies, i.e. internal policy, HR policy, SMS policy. Had the Noticee actually implemented its policies, it would have maintained sufficient safeguards and mechanisms to implement the policy, detecting and recording the violations and taking corrective actions upon breach of its policies. For instance, the Noticee has submitted that its SMS policy provides that research recommendations shall be sent only through SMS from Noticee's phones. However, the Noticee has not taken adequate steps to ensure that its employees are not using any other mediums to share the research recommendations with its clients. On the contrary, the Noticee has defended their actions by saying that they were providing research recommendations over WhatsApp as the SMS was not delivered to the clients. However, the Noticee has not provided any records to show the list of clients on any particular day, when the recommendations were not delivered through SMS. The Noticee has also contended that its internal policy mandates compliance with regulatory requirements, and any employee deviation from its SMS policy is in breach of Noticee's internal policy, therefore, non-compliance by the employees cannot be attributed to the Noticee. I note that merely devising policies, without deploying adequate mechanisms to implement them, cannot absolve the Noticee from its obligations. In the absence of such mechanisms, the devised policies are merely pieces of paper, and nothing else. Therefore, the Noticee's reliance on its internal policy, HR policy, SMS policy, and its other policies, for denying all the allegations, cannot be accepted.

29. Further, the Noticee has not maintained call records and WhatsApp chat records of its employees' conversations with its clients. Thus, it cannot be known whether such practices of inducing clients and mis-selling were being generally followed by all its employees or were limited to only a few employees. Non maintenance of records, along with the employees sitting idle and not attending or making calls on the day of inspection raised genuine suspicion with respect to the Noticee's

practices. In its defence, the Noticee has submitted that it was not required to maintain call records of its sales executives during the inspection period, as per the RA Regulations. However, I do not find this response as transparent and reasonable, as such call records and chat logs become very important for the purpose of internal control. As the Noticee employed around 100 sales staff, which could not be monitored on individual basis, it should have deployed adequate mechanisms to ensure that its employees do not mis-sell or induce its clients. The Noticee has also not demonstrated any other internal controls or mechanisms which it had deployed to prevent malpractices by its employees. Therefore, the Noticee's submissions cannot be accepted.

30. One of the complainants, Mr. Jagdish Prasad Gujjar, had complained to the Noticee and the Noticee had processed partial refund to the complainant. As the Noticee had issued partial refund to the complainant, it can be inferred that the Noticee would have investigated the complaint at its end, before processing such refund. During such investigation, it would have definitely realized that its employees were using their personal phones to chat with clients over WhatsApp. However, the Noticee has submitted that it was not aware about such practices. However, I am of the view that the Noticee was aware that its employees were contacting the clients through their personal phones on WhatsApp.

31. Had the Noticee maintained the records and logs, it could have been ascertained whether these were exceptional incidents or Noticee's systematic practice. Thus, maintaining such records was very crucial for the Noticee's operations, even when the same were not specifically listed as records to be maintained, in the RA Regulations.

32. The Noticee has submitted that the messages sent by its employees cannot be considered as advertisement as it is settled law that advertisements should draw public attention and must serve the purpose of soliciting customers to the product or service. As the complainants were existing clients, and the Noticee was sending

SMS only for research recommendations, the same cannot be considered as advertisement.

33. I note that the SCN clearly alleges that the Noticee has violated the advertisement code by providing assurance on WhatsApp chats. However, the Noticee has failed to understand the allegation and has submitted that sending SMS only for research recommendation cannot be considered advertisement. Therefore, Noticee's submission is irrelevant.

34. I also note that the SMS policy of the Noticee provides that research recommendations shall be disseminated only through SMS. However, the Noticee's employees have conversed with the clients through WhatsApp chats. Even if the Noticee's submissions that the employees were sending recommendations through WhatsApp to those clients to whom SMS could not be delivered, are accepted, I note that the chats were not limited to disseminating such recommendations. The employees had asked to hold positions; change the stop-loss level; promising assured returns or recovery of loss, thus inducing the clients to execute trades as specified by these employees. These conversations cannot be called research recommendations or even client servicing, as such conversations were not meant to resolve the clients' queries. Being sales executives, while not having NISM Certifications of Research Analyst, these employees were not supposed to provide or alter stop-loss, or ask the clients to hold their positions. I note that such conversations might be intended to solicit future subscriptions to the Noticee's packages and to prevent the clients from terminating the relationship and ask for refund with respect to the remaining package term. For this reason, the employees were engaging with the clients and asking them to change stop loss threshold and promising assured returns. Thus, these conversations were in the nature of advertisement. By promising recovery of returns and assured returns, the Noticee has violated the advertisement code, which specifically prohibits assuring returns to the investors.

35. The Noticee, in support of its employees' actions, has submitted that the employees had made buy/ sell/ hold recommendations to the complainants, through messages, which is within the domain of the RA. Nonetheless, the Noticee has issued warning letters to its employees.

36. I note that if the Noticee believed that giving such recommendations was within their domain, then it was not required to issue warning letters to its employees. If the Noticee actually believes that its sales executives (100 employees) can give buy / sell / hold recommendations, as Noticee is an RA, I note that the Noticee has incorrectly understood the provisions of the RA Regulations, which clearly provide the definition of a Research Analyst and research recommendations also. This suggests that instances of several complaints have occurred due to lack of internal controls, deploying adequate mechanisms as well as misconceptions on the part of the Noticee.

37. The Noticee's submission that certain conversations were initiated by clients, rather than its employees, is unpersuasive. This defense is immaterial given that the Noticee's employees initiated the communications in all other instances. Furthermore, the origin of the conversation does not absolve the Noticee of its regulatory obligations, and responding to client-initiated inquiries by promising assured returns remains a strict violation of RA Regulations.

38. The Noticee has submitted that one of the complainants, Ms. Nirmala Devi did not address her grievance to the Noticee first; and another complainant, Mr. Jagdish Prasad Gujar has accepted the partial refund, but still filed a SCORES complaint, which will become precedent for other customers. I note that the Noticee has not addressed the substance of their complaints even in its reply to the SCN. While the Noticee has tried to defend the actions of its employees, it has not explained how its employees' actions with respect to the complainants were justified. The Noticee has not explained as to how it failed to monitor its employees conversing with its clients over WhatsApp, and why the Noticee failed to maintain call records, chat

logs or any other internal controls over its employees' actions. The Noticee had employed only two RAs while employing 100 sales executive staff. It shows the Noticee's focus was on sales and service. If sales and service was such an important function of the Noticee, it ought to have maintained sufficient and appropriate internal controls over its sales executive staff, which it failed to do. The Noticee has not provided any satisfactory reasons for the failure.

39. The Noticee has submitted that it had executed service agreements with all its customers, including the complainants, and these agreements inform the customers that investments carry market risks and that short term investing can lead to unanticipated losses. Also, the Noticee's website informs the same to all investors. Thus, the Noticee has never deceived or taken advantage of its customers, as alleged. I note that the Noticee has still made a partial refund to one of the complainants, even though the complainant was a client who had signed the service agreement. Further, informing the clients regarding market risks through service agreements and website disclosures cannot be considered as adequate compliance, when the Noticee's employees are assuring returns and making recommendations by altering stop-loss thresholds.

40. The Noticee has submitted that the PIA records that linkage of reward scheme and any assurance of returns could not be ascertained due to lack of evidence. I note that this statement cannot be extended to infer that such practices were not followed by the Noticee's employees, when sufficient evidence of mis-selling has been provided with the SCN. Also, absence of evidence of rewards for mis-selling cannot be taken as evidence of absence of rewards for mis-selling. The absence of such linkage can either be assumed as there were no rewards for mis-selling, or it can be assumed that it was the employees' core duties to mis-sell, for which their salary is the only reward and there is no other reward. Thus, both the assumptions, seen in isolation, will appear absurd. Therefore, the Noticee's contention is not acceptable.

41. The Noticee has submitted that the SCN does not elaborate how there is a violation of Regulation 4(2)(k) and (s) of PFUTP Regulations. Also, as the Noticee provides for pre-paid subscriptions, it can make profits only through subscriptions and not from trading in shares by the clients, thus PFUTP Regulations are not attracted. I note that providing assurance of returns or recovery of loss amounts to knowingly making misleading statements, which is likely to influence the decision of investors dealing in securities. Instances of the complaints made by the complainants and the Noticee's employee's call where she was promising assured returns are specifically stated in the SCN, along with evidence. Thus, Noticee's contention is not tenable.

42. The Noticee has submitted that mere reading of the alleged chats in isolation without complete context appears to be inconsistent. I note that the Noticee has not even attempted to provide complete context in its submissions, nor the Noticee has justified how the messages sent by its employees on WhatsApp to the Complainants cannot be considered misleading. Thus, the Noticee's submission cannot be accepted.

43. The Noticee has submitted that employees who communicated via WhatsApp conveyed those same recommendations and did not independently formulate or alter them. I note that the Noticee has not provided any evidence in form of SMS sent to other clients or any time-stamped document, from which it could be verified that the changes in stop-loss were indeed recommended by the Noticee's RAs and not the employees themselves. However, the assurance provided by the employees to the complainants cannot be considered as research recommendations, and therefore cannot be attributed to the Noticee's RAs.

44. The Noticee has submitted that its senior management has adopted a code of conduct aligned with third schedule of the RA Regulations; implemented SMS only policy for recommendations; and took disciplinary action against errant employees upon discovering unauthorized WhatsApp communications, is an affirmative

evidence of good faith and managerial responsibility. As already noted above, I am of the view that having policies in place and adopting code of conduct are mere documentation, which are of no relevance when the policies are not being accompanied by appropriate checks and adopting the code of conduct is of no relevance when adequate systems are not deployed to ensure compliance with all applicable regulations.

45. Based on the above, I find that the allegation of violation of the provisions of Regulations 3(a), (b), (c), (d), 4(1), and 4(2)(k), (o) and (s) of the PFUTP Regulations r/w section 12A(a), (b), and (c) of the SEBI Act, Clauses 1, 2 and 7 of Code of Conduct as specified in the Third Schedule r/w Regulation 24(2) of the RA Regulations, and Clause 1(c)(x) of the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-2/P/CIR/2023/51 dated April 05, 2023 r/w Clause 8.1(c)(x) of the SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2024/49 dated May 21, 2024, against the Noticee stands established.

ISSUE II - Do the violations, if any, attract penalty u/s 15EB and Section 15HA of SEBI Act?

46. I note that since the violations are established, the Noticee is liable for monetary penalty u/s 15EB and Section 15HA of SEBI Act, the text of which is reproduced hereunder:

SEBI Act

Penalty for default in case of investment adviser and research analyst.

15EB. *Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.*

Penalty for fraudulent and unfair trade practices.

15HA. *If any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher.*

ISSUE III - If so, what would be the monetary penalty that can be imposed taking into consideration the factors mentioned in Section 15J of SEBI Act?

47. While determining the quantum of penalty u/s 15EB and Section 15HA of the SEBI Act, it is important to consider the factors stipulated in Section 15J of the SEBI Act, which read as under:

SEBI Act

15J While adjudging quantum of penalty under section 15-I, the adjudicating officer shall have due regard to the following factors, namely

(a)the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the amount of loss caused to an investor or group of investors as a result of the default;

(c) the repetitive nature of the default.

48. In the present matter, I note that no quantifiable figures are available to assess the disproportionate gain or unfair advantage made as a result of the violations committed by the Noticee. Further, from the material available on record, it is not possible to ascertain the exact monetary loss to the clients on account of violations of the Noticee. I note that the Noticee has been penalized earlier by SEBI for violation of RA Regulations. I note that during the inspection period, the Noticee operated on a significant scale, employing approximately 100 sales executives to serve 6,730 clients. Despite the substantial volume of its operations, the Noticee failed to deploy adequate internal control mechanisms to prevent or detect malpractices by its personnel. By failing to maintain essential communication logs, including call recordings and WhatsApp records, the Noticee has effectively obscured the true scale and magnitude of these misleading practices.

Nonetheless, the systemic nature of these lapses is evidenced by the specific instances observed during the inspection. Notably, during a random verification exercise, it was observed that an employee was explicitly assuring good returns to a client during a live telephonic conversation. Such deceptive practices severely compromise investor interests, erode trust of gullible investors, and inflict material harm on the integrity of the securities market. Hence, it deserves to be penalized suitably, in order to ensure that the same is not repeated again.

49. As a SEBI registered intermediary, the Noticee is under statutory obligation to comply with all applicable rules and regulations, which it has failed to do. Therefore, a suitable penalty must be imposed for non-compliance in order to ensure that the Noticee is more careful in conducting its operations.

ORDER

50. Having considered all the facts and circumstances of the case, the material available on record, the submissions made by the Noticee and also the factors mentioned in Section 15J of the SEBI Act, in light of judgment of the Hon'ble Supreme Court in SEBI vs. Bhavesh Pabari (2019) 5 SCC 90, in exercise of power conferred u/s 15-I of the SEBI Act r/w Rule 5 of the SEBI Adjudication Rules, I impose the following penalty upon the Noticee for the violations committed by them:

Name of Noticee	Penalty u/s	Penalty Amount
M/s OnePaper Research Analysts Private Limited PAN: AADCO2642Q	15EB of SEBI Act, 1992	Rs. 10,00,000/- (Rupees Ten Lakhs only)
	15HA of SEBI Act, 1992	Rs.20,00,000/-(Rupees Twenty Lakhs only)
	TOTAL	**Rs. 30,00,000/- (Rupees Thirty Lakhs only)**

I find the above penalty is commensurate with the violations committed by the Noticee.

51. The Noticee shall remit / pay the said amount of penalty within 45 days of receipt of this order through online payment facility available on the website of SEBI, i.e. www.sebi.gov.in on the following path, by clicking on the payment link:

ENFORCEMENT → Orders → Orders of AO → PAY NOW.

In case of any difficulties in payment of penalties, the Noticee may contact the support at portalhelp@sebi.gov.in

52. In the event of failure to pay the said amount of penalty within 45 days of the receipt of this Order, SEBI may initiate consequential actions including but not limited to recovery proceedings u/s 28A of the SEBI Act for realization of the said amount of penalty along with interest thereon, *inter alia*, by attachment and sale of movable and immovable properties.

53. In terms of Rule 6 of the SEBI Adjudication Rules, copy of this order is sent to the Noticee and also to SEBI.

Amit Kapoor
Digitally signed by Amit Kapoor
Date: 2026.06.16 16:26:26 +05'30'

DATE: JUNE 16, 2026
PLACE: MUMBAI

AMIT KAPOOR
ADJUDICATING OFFICER