

Department: Investigation	Segment: All
Circular No: MSE/ID/12945/2023	Date : January 27, 2023

Subject: SEBI Order in the matter of M/s Safe Trader (Proprietor: Ms. Rajnandani Jalkhediya)

To All Members,

SEBI vide order no QJA/SVMDR/WRO/WRO/23145/2022–23 dated January 25, 2023 has issued the following directions for M/s Safe Trader (Proprietor: Ms. Rajnandani Jalkhediya) (PAN: BOHPC6521A).

- i. The Noticees shall within a period of three months from the date of SEBI Order, refund the money (approximately INR 39.64 Lakh as indicated at paragraph 38 of SEBI Order received from the clients / investors / complainant, as fees or consideration or in any other form, in respect of their unregistered investment advisory activities;
- ii. To give effect and implement the SEBI direction, the Noticees shall issue public notice in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including the details of their contact person such as names, addresses and contact details, within 15 days of coming into force of this Order. A period of two (2) months from the date of the public notice, as stated above, shall be provided to the investors/clients for submitting their claims;
- iii. The repayments to the clients/investors shall be effected only through Bank Demand Draft or Pay Order or electronic fund transfer or through any other appropriate banking channels, which ensures audit trails to identify the beneficiaries of repayments;
- iv. Noticee no. 1 i.e., Ms. Rajnandani Jalkhediya proprietor of Noticee no. 2 i.e., M/s Safe Trader is prevented from selling her assets, properties and holding of mutual funds/shares/securities held by her in demat and physical form except for the sole purpose of making the refunds as directed in SEBI order. Further, the banks are directed to allow debit only for the purpose of making refunds to the clients/investors who were availing the investment advisory services from the Noticees, as directed in SEBI Order, from the bank accounts of the Noticees;
- v. The Noticees shall resolve all the complaints, if any, pending against them and file a report of such resolution with SEBI addressed to the DGM, Securities and Exchange Board of India, 104-105, Satguru Parinay, Opposite, C-21 Mall, A.B. Road, Indore-452010, Madhya Pradesh, within a period of 30 days from date of SEBI Order;
- vi. After completing the aforesaid repayments, the Noticees shall file a report of such completion with SEBI addressed to the “Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G Block, Bandra Kurla Complex, Bandra (East) Mumbai–400051”, with a copy to the DGM, Securities and Exchange Board of India, 104-105, Satguru Parinay, Opposite C-21, Mall, A.B. Road, Indore-452010, Madhya Pradesh, within a period of 15 days, after completion of three months from the coming into force of SEBI Order, duly certified by an independent Chartered Accountant. The

Metropolitan Stock Exchange of India Limited

restraint on sale of assets in sub paragraph (iv) of SEBI order shall cease to operate once the refund to the investors is complete and the report as contemplated herein is filed, to the satisfaction of SEBI;

- vii. The remaining balance amount, if any, (after returning to the investors / clients / complainants out of the said INR 39.64 Lakh, in case claims so received fall short of the amount of INR 39.64 Lakh) shall be deposited with SEBI which will be kept in an escrow account for a period of one year for distribution to clients/complainants/investors who were availing the investment advisory services from the Noticees. Thereafter, remaining balance amount if any, which could not be returned to the clients/investors/ complainants, will be deposited in the Investors Protection and Education Fund maintained by SEBI;
- viii. The Noticees are debarred from accessing the securities market, directly or indirectly and are further prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, from the date of SEBI Order. The debarment shall continue till the expiry of 02 (two) years from the date of completion of refunds to investors/clients as directed in sub-paragraph (i) of SEBI order;
- ix. The Noticees are also restrained from associating with any company whose securities are listed on a recognized stock exchange and any company which intends to raise money from the public, or any intermediary registered with SEBI in any capacity till the expiry of 02 (two) years from the date of completion of refunds to investors as directed in sub-paragraph (i) of SEBI order;
- x. The Noticees shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in sub-paragraph (viii) and (ix) of SEBI order, either directly or indirectly, investment advisory services or any other activity in the securities market without obtaining a certificate of registration from SEBI as required under the securities law.
- xi. The Noticees shall not divert any funds collected from investors, kept in bank account(s) and/or in their custody except for the purpose of refund as directed in sub-paragraph (i) of SEBI order.
- xii. The Noticees shall not dispose of or alienate any assets, whether movable or immovable, or any interest or investment or charge on any of such assets held in their name, including money lying in bank accounts except for the purpose of refund as directed in sub-paragraph (i) and until the refund is completed and a report as mandated under sub-paragraph (vi) is filed with SEBI.
- xiii. A penalty of INR 2,00,000/- (INR Two Lakh) is levied on the Noticees under Section 15HB of the SEBI Act, 1992 and they are directed to pay the penalty within a period of forty-five (45) days, from the date of receipt of SEBI order.
- xiv. The Noticees shall remit/pay the said amount of penalty through either by way of Demand Draft in favour of "SEBI -Penalties Remittable to Government of India", payable at Mumbai, or 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 Chairman/ Members -> PAY NOW. In case of any difficulties in online payment of penalties, the said Noticees may contact the support at portalhelp@sebi.gov.in. The demand draft or the details/ confirmation of e-payment should be sent to "Division Chief, Division of Post-Inspection Enforcement Action, Market Intermediaries Regulation and Supervision Department, SEBI Bhavan II, Plot No. C7, G

Block, Bandra Kurla Complex, Bandra (East) Mumbai-400051” and also to e-mail id:-
tad@sebi.gov.in in the format as given in SEBI order.

The direction for refund, as given in paragraph 40(i) of SEBI order, does not preclude the clients/investors of the Noticees from pursuing the other legal remedies available to them under any other law, against the Noticees for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

It is further clarified that during the period of restraint, the existing holding of securities including the holding of units of mutual funds of the Noticees shall remain frozen.

Obligation of the Noticees, in respect of settlement of securities, if any, purchased or sold in the cash segment of the recognized stock exchange (s), as existing on the date of SEBI Order, can take place irrespective of the restraint/prohibition imposed by SEBI Order, only in respect of pending unsettled transactions, if any. Further, all open positions, if any, of the Noticees in the F & O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by SEBI Order.

This Order shall come into force with immediate effect.

Members of the Exchange are advised to take note of the full text of the order available on SEBI’s website [www.sebi.gov.in] and ensure compliance.

**For and on behalf of
Metropolitan Stock Exchange of India Limited**

**Vipul Vaishnav
Assistant Vice President**