

Department: Investigation	Segment: All
Circular No: MSE/ID/13202/2023	Date : March 17, 2023

Subject: SEBI Order in the matter of M/s Sanchi Research (Proprietor: Mr Ramgopal Set)

To All Members,

SEBI vide order no WTM / SM / WRO / WRO / 24649 / 2022-23 dated March 16, 2023 has issued the following directions for M/s Sanchi Research (Proprietor: Mr. Ramgopal Set) (PAN: NSSPS1252P).

- i. The Noticee shall, within a period of three months from the date of SEBI Order, refund the money (approximately INR 42,97,386/- as mentioned at paragraph 24 of SEBI Order) received from the clients / investors / complainants, as fees or consideration or in any other form, in respect of its unregistered investment advisory activities;
- ii. To give effect to and implement the above direction, the Noticee 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 out the modalities for refund, including the details of its contact persons such as names, addresses and contact details including email id and phone number, within 15 days of coming into force of SEBI Order;
- iii. The repayments to the clients/investors / complainants 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. After completing the refund as directed in sub-paragraph (i) of SEBI order, within a further period of 15 days thereafter, the Noticee shall file a report detailing the amount refunded to SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051. The said report should be duly certified by an independent Chartered Accountant indicating entity wise details to whom refunds have been issued such as name, amount refunded, communication address, mobile numbers, telephone numbers, etc. along with the mode of payment by banking transactions duly supported by the certified copy of bank statements;
- v. The remaining balance amount, if any, (after returning to the investors / clients / complainants out of the said INR 42,97,386/-, in case claims so received fall short of the amount of INR 42,97,386/-) 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 Noticee. 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;

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- vi. The Noticee is restrained from selling its assets, properties and holding of mutual funds/shares/securities held by it in demat and physical form except for the sole purpose of making the refunds as directed above. 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 Noticee as directed in SEBI order and for the purpose of depositing the balance amount with SEBI, as directed in SEBI Order, from the bank account of the Noticee;
- vii. The Noticee is debarred from accessing the securities market, directly or indirectly and is prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in any manner whatsoever, for a period of 02 (two) years from the date of SEBI Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) of SEBI order, whichever is later;
- viii. Mr. Ramgopal Set is 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 for a period of 02 (two) years from the date of SEBI Order or till the expiry of 02 (two) years from the date of completion of refunds to complainants/ investors along with depositing of balance amounts, if any, with SEBI as directed in sub-paragraph (i) and (v) of SEBI order, whichever is later;
- ix. The Noticee shall not undertake, either during or after the expiry of the period of debarment/restraint as mentioned in sub-paragraph (vii) and (viii) 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;
- x. Upon submission of report on completion of refunds to complainants/ investors to SEBI and after depositing the balance money with SEBI, if any, the direction at sub-paragraph (vi) of SEBI order shall cease to operate within 15 days thereafter;
- xi. The Noticee shall resolve all the complaints pending against it and file a report of such resolution with SEBI addressed to the Division Chief, Division of Registration-2, Market Intermediaries Regulation and Supervision Department (MIRSD), Division of Registration-2, SEBI Bhavan II, Plot No. C7 G Block, Bandra Kurla Complex, Bandra (East) Mumbai –400051. The aforesaid report shall be filed along with the report as contemplated under sub-paragraph (iv) of SEBI order, within a period of 30 days, from the date of SEBI Order;
- xii. In light of my above observation and considering the factors mentioned under Section 15J of the SEBI Act, 1992, SEBI, hereby monetary imposed penalties on the Noticee as indicated in SEBI order.

The direction for refund, as given in paragraph 25 (i) and 25 (v) of SEBI order, does not preclude the clients/investors of the Noticee from pursuing the other legal remedies available to them under any other law, against the Noticee for refund of money or deficiency in service before any appropriate forum of competent jurisdiction.

Obligation of the Noticee, 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 Noticee in the F & O segment of the stock exchange, are permitted to be squared off, irrespective of the restraint/prohibition imposed by SEBI Order.

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 Noticee shall remain frozen.

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**