

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
SETTLEMENT ORDER  
(Application No. 6924/2022)**

**On the application submitted by  
Rajesh Iyer (PAN-AAAPI4641K)  
[Settlement Order No.: SO/GG/AS/2023-24/6924]**

**Settlement Order in the matter of thematic inspection of PGIM India Mutual Fund**

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1. SEBI carried out a thematic inspection on Inter-Scheme Transfers (hereinafter referred to as “**IST**”) of downgraded debt securities of PGIM India Mutual Fund (hereinafter referred to as “**PGIMMF**”) for the period of August 01, 2018 to February 28, 2019 (hereinafter referred to as “**Inspection Period**”). The inspection was carried out in the office of PGIMMF, located in 2nd Floor, Nirlon House, Dr A.B. Road, Worli, Mumbai-400030 on December 17, 20 and 26, 2019, and February 07, 2020.
2. Subsequent to the Inspection carried out by SEBI, it was observed that Shri Rajesh Iyer (hereinafter referred to as “**Applicant**”), was Chief Executive Officer (CEO) of PGIMMF during the period March 21, 2018 to October 05, 2018, and that PGIMMF had executed certain ISTs from open ended to close ended schemes and vice versa, without recording the correct rational, or based on the supporting research report, etc.

Therefore, it was observed that the Applicant, as the CEO of PGIMMF for the aforesaid period within the Inspection Period, had violated the provisions of Regulation 25(6A) of SEBI (Mutual Funds) Regulations, 1996, Clause (4), (6), (8) and (9) of the Code of Conduct as specified in the Fifth Schedule to the SEBI (Mutual Funds) Regulations, 1996 and Circular No. MFD/CIR/6/73/2000 dated July 27, 2000.

3. SEBI initiated adjudication proceedings and appointed me as the Adjudicating Officer vide order dated December 01, 2021, under Section 15-I of the SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') read with Section 19 of the SEBI Act, 1992 to inquire into and adjudge under Section 15(D)(f) and 15HB of the SEBI Act, 1992 the violations alleged against the Applicant.
4. Thereafter, a Show Cause Notice dated April 13, 2022 (hereinafter referred to as '**SCN**') was served on the Applicant in terms of the provisions of Rule 4 of the Adjudication Rules read with Section 15-I of the SEBI Act requiring the Applicant to show cause as to why an inquiry should not be held against him in terms of Rule 4 of Adjudication Rules read with Section 15-I of SEBI Act, 1992 and penalty, if any, should not be imposed on Applicant under Rule 5 of the Adjudication Rules and under Section 15(D)(f) and 15HB of SEBI Act, 1992 for the aforesaid alleged contraventions done by the Applicant.
5. The Applicant vide email dated June 10, 2022, informed that he had filed a Settlement Application under the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to '**Settlement**

**Regulations’)**. The Internal Committee (hereinafter referred to as ‘**IC**’) in its meeting held on March 21, 2023, deliberated and recommended the settlement amount of ₹16,57,500/- (Rupees Sixteen Lakhs Fifty Seven Thousand Five Hundred Only) as the indicative amount. Thereafter, Applicant vide Revised Settlement Terms (‘RST’) dated April 03, 2023, proposed a settlement amount ₹16,57,500/- (Rupees Sixteen Lakhs Fifty Seven Thousand Five Hundred Only) towards a full and final settlement of alleged default contained in the SCN.

6. Subsequently, the High Powered Advisory Committee on Settlement (hereinafter referred to as ‘**HPAC**’) considered the proposed settlement terms on June 17, 2023, and recommended the settlement of instant proceedings upon payment of ₹16,57,500/- (Rupees Sixteen Lakhs Fifty Seven Thousand Five Hundred Only) towards settlement charges. The Panel of Whole Time Members of SEBI approved and accepted the said recommendation of the HPAC on August 03, 2023, and the same was communicated to the Applicant on August 04, 2023. Pursuant to the same, Applicant vide its e-mail dated August 09, 2023, informed SEBI about the remittance of the settlement amount, the receipt of which has been confirmed.
7. Therefore, in view of the acceptance of the settlement terms by the Panel of Whole Time Members and receipt of the settlement amount by SEBI, the instant proceedings initiated against the Applicant vide Show Cause Notice dated April 13, 2022, are disposed of, as per approved settlement terms mentioned above in terms of Section 15JB of the SEBI Act, 1992 read with Section 19 of SEBI Act, 1992 read with Regulation 23(1) of the Settlement Regulations.

8. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the Applicant, if:
- a. any representation made by the Applicant in the settlement proceedings is subsequently found to be untrue; or
  - b. the Applicant breaches any of the clauses/conditions of undertakings/ waivers filed during the current settlement proceedings.
9. This Settlement Order is passed on the 24<sup>th</sup> of August 2023 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicant and also published on the SEBI website.

**Date: August 24, 2023**

**Place: Mumbai**

**GEETHA G**

**ADJUDICATING OFFICER**