

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

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SETTLEMENT ORDER

in Settlement Applications bearing Nos.

1. 6478/2021– Mr. Akash Singhania [PAN : ALSPS2169P]
2. 6547/2021– Mr. Ashok Kumar Singhania [PAN : AKZPS8928G]
3. 6548/2021– Ms. Premlata Singhania [PAN : AKRPS9735K]

in the matter of Deutsche Mutual Fund

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1. Mr. Akash Singhania, Mr. Ashok Kumar Singhania and Ms. Premlata Singhania (hereinafter referred to as the “applicants”) filed separate settlement applications in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as the “Settlement Regulations”) proposing to settle, without admitting or denying the findings of fact and conclusions of law, through a settlement order, the pending enforcement proceedings initiated against the applicants for the alleged violation of Section 12A(a), (b) & (c) of the SEBI Act, 1992 read with Regulation 3(a), (b), (c),(d), 4(1) and 4(2)(q) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (hereinafter referred to as “PFUTP Regulations”) vide Show Cause Notice bearing no. SEBI/HO/IVD/ID17/P/OW/2021/10538/1 dated May 20, 2021.
2. In terms of the Notice to Show Cause served upon the applicants, Mr. Akash Singhania, the fund manager of Deutsche Mutual Fund (hereinafter referred to as ‘DMF’), is alleged to have had knowledge of investment and impending orders of DMF and on the basis of the same, is alleged to have had opened four trading accounts for the purpose of front running, through

his parents Mr. Ashok Kumar Singhania and Ms. Premlata Singhania. It is alleged that Mr. Ashok Kumar Singhania and Ms. Premlata Singhania had access to the aforesaid trading accounts and were trading ahead of the orders of DMF and thus acted in concert to front run the trades of DMF and earned a profit of ₹1,42,21,775/- (Rupees One Crore Forty Two Lakh Twenty One Thousand Seven Hundred Seventy Five only).

3. Pursuant to the receipt of the applications, the authorized representatives of the applicants had a meeting with the Internal Committee of SEBI on September 27, 2021 and deliberated on the terms of settlement. Thereafter, the applicants proposed the revised settlement terms to settle the proceedings that were initiated against them.
4. The High Powered Advisory Committee (hereinafter referred to as the “HPAC”) in its meeting held on November 09, 2021 considered the settlement terms proposed by the applicants and recommended the case for settlement upon payment of ₹2,35,72,592/- (Rupees Two Crore Thirty Five Lakh Seventy Two Thousand Five Hundred Ninety Two only) as settlement amount along with disgorgement of ₹1,42,21,775/- (Rupees One Crore Forty Two Lakh Twenty One Thousand Seven Hundred Seventy Five only) as wrongful gains with interest thereupon at the rate of 12% per annum amounting to ₹1,21,00,588/- (Rupees One Crore Twenty One Lakh Five Hundred Eighty Eight only) on joint and several liability basis. The aforesaid amounts were remitted by the applicants on December 13, 2021. The credit of the above payments to SEBI is confirmed.
5. In view of the above, in exercise of the powers conferred under Section 15JB of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it

is hereby ordered that the pending enforcement proceedings for the alleged default as mentioned in paragraph 1 above are settled *qua* the applicants as per the following terms:

- i. SEBI shall not initiate enforcement action against the applicants for the said default;
  - ii. this order disposes of the enforcement proceedings initiated by SEBI for the default as mentioned earlier in respect of the applicants; and
  - iii. passing of this Order is without prejudice to the right of SEBI under regulation 28 of the Settlement Regulations to take enforcement actions including continuing proceedings against the applicants, if SEBI finds that:
    - a. any representation made by the applicants in the present settlement proceedings is subsequently found to be untrue;
    - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
    - c. there was a discrepancy while arriving at the settlement terms.
6. This settlement order is passed on this 22<sup>nd</sup> day of December, 2021 and shall come into force with immediate effect.
7. In terms of Regulation 25 of the Settlement Regulations, a copy of this order shall be sent to the applicants and also be published on the website of SEBI.

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**S.K. MOHANTY**  
**WHOLE TIME MEMBER**

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**ANANTA BARUA**  
**WHOLE TIME MEMBER**