

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA**

SETTLEMENT ORDER

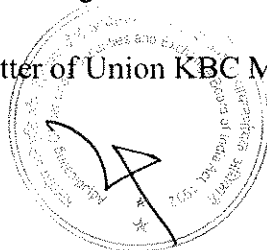
(Application No. 3271/2017)
On the application submitted by

- (1) Union KBC Mutual Fund,
- (2) Union KBC Trustee Company Private Ltd.,
- (3) Union KBC Asset Management Company Private Ltd. and
- (4) Shri G Pradeepkumar, CEO of Union KBC Asset Management Company Private Ltd.

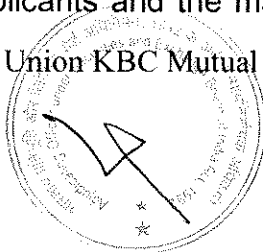
In the matter of Union KBC Mutual Fund

Settlement Order No: EAD/SR/SM/SO/05-08/2018-2019

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings Union KBC Mutual Fund (hereinafter referred to as referred to as **the applicant 1**), Union KBC Trustee Company Private Ltd. (hereinafter referred to as referred to as **the applicant 2**), Union KBC Asset Management Company Private Ltd. (hereinafter referred to as referred to as **the applicant 3**) and Shri G Pradeepkumar, CEO of Union KBC Asset Management Company Private Ltd. (hereinafter referred to as referred to as **the applicant 4**) (hereinafter collectively referred to as referred to as **the applicants**) in the matter of Union KBC Mutual Fund to inquire into and adjudge under sections 15D(b) and 15HB of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as **the SEBI Act, 1992**) for the alleged violations of the provisions of regulation 25(16) and clauses 6 ,8 and 9 of Fifth Schedule of SEBI (Mutual Funds) Regulations, 1996 (hereinafter referred to as **MF Regulations, 1996** by applicant 1, 2 and 3 and under section 15HB of the SEBI Act, 1992 for the alleged violation of regulation 25(6A) of MF Regulations, 1996 by applicant 4.

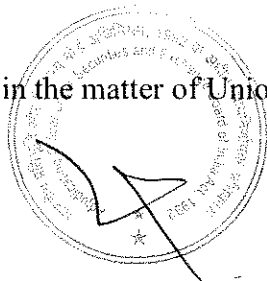


2. In this regard, a common Show Cause Notice dated April 05, 2017 (hereinafter referred to as **SCN**) was issued to the applicants by the then Adjudicating Officer, Shri Nagendraa Parakh. Consequently, the undersigned has been appointed as the Adjudicating Officer vide Order dated July 10, 2017 in the present matter.
3. It was alleged in the SCN that the applicants 1, 2 and 3 violated the provision of regulation 18(22) / regulation 25(16) / regulation 68(h) read with clauses 6, 8 and 9 of Fifth Schedule of MF Regulations, 1996 and applicant 4 violated the provision of regulation 25(6A) of MF Regulations, 1996.
4. Pending adjudication proceedings, the applicants submitted a consent application vide letter dated May 31, 2017 and an undertaking in the format prescribed by SEBI for settlement of the matter in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as **Settlement Regulations, 2014**).
5. Pursuant to submitting the above mentioned consent application, the authorized representatives on behalf of the applicants attended a meeting with the Internal Committee on Consent on August 01, 2018. During the aforesaid meeting, the settlement terms of Rs. 37,31,071/- (Rupees Thirty Seven Lakh Thirty One Thousand Seventy One Only) towards applicants 1, 2 and 3 and Rs. 13,60,000/- (Rupees Thirteen Lakh Sixty Thousand only) towards applicant 4 calculated as per the Settlement Regulations, 2014 were communicated to the the applicants. The applicants vide letter dated August 14, 2018 proposed payment of Rs. 37,31,071/- (Rupees Thirty Seven Lakh Thirty One Thousand Seventy One Only) on behalf of applicants 1, 2 and 3 and Rs. 13,60,000/- (Rupees Thirteen Lakh Sixty Thousand only) on behalf of applicant 4 towards settlement of regulatory proceedings in relation to the facts contained in the SCN without admitting or denying any violation on the part of the applicant.
6. The settlement terms were placed before the High Powered Advisory Committee on Consent (hereinafter referred to as '**HPAC**') on September 03, 2018. The HPAC, after considering the facts and circumstances of the case, settlement terms offered by the applicants and the materials made available before it by



SEBI, recommended that the aforesaid adjudication proceedings initiated against the applicants may be settled on payment Rs. 37,31,071/- (Rupees Thirty Seven Lakh Thirty One Thousand Seventy One Only) by applicants 1, 2 and 3 and Rs. 13,60,000/- (Rupees Thirteen Lakh Sixty Thousand only) by applicant 4. The Panel of Whole Time Members of SEBI approved the said recommendation of HPAC on October 17, 2018 and the same was communicated to the applicants vide e-mail dated October 19, 2018.


7. The applicants vide letter dated October 29, 2018 has remitted a sum Rs. 37,31,071/- (Rupees Thirty Seven Lakh Thirty One Thousand Seventy One Only) towards the settlement amount by applicants 1, 2 and 3 through Demand Draft No. 614332 dated October 25, 2018 drawn on Union Bank of India towards settlement and Rs. 13,60,000/- (Rupees Thirteen Lakh Sixty Thousand only) towards the settlement amount by applicant 4 through Demand Draft No. 614333 dated October 25, 2018 drawn on Union Bank of India.
8. In view of the above, in terms of regulation 15(1) of the Settlement Regulations, 2014, it is hereby ordered that this settlement order disposes off the aforesaid adjudication proceedings initiated against the applicants vide SCN dated April 05, 2017.
9. This order is without prejudice to the right of SEBI to take enforcement actions including restoring or initiating the proceedings in respect to which the settlement order is passed against the applicant, if :
 - a. any representations 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.
10. This settlement order is passed on the **31st day of October, 2018** and shall come into force with immediate effect.



11. In terms of regulation 17 of the Settlement Regulations, 2014, a copy of this order is being sent to the applicants viz. Union KBC Mutual Fund, Union KBC Trustee Company Private Ltd., Union KBC Asset Management Company Private Ltd. and Shri G. Pradeepkumar, CEO of Union KBC Asset Management Company Private Ltd. and also to the Securities and Exchange Board of India.

Place: Mumbai

Date: October 31, 2018



SANGEETA RATHOD
ADJUDICATING OFFICER

