

**BEFORE THE ADJUDICATING OFFICER  
SECURITIES AND EXCHANGE BOARD OF INDIA  
SETTLEMENT ORDER NO. PM/RR/13/2018-19**

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**SETTLEMENT ORDER**

**On the Application No. 3506 of 2018 submitted by HDFC Asset Management  
Company Limited  
In the matter of HDFC Mutual Fund**

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1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**'), has initiated adjudication proceedings against HDFC Asset Management Company Limited (hereinafter referred to as 'Applicant/Noticee') and HDFC Trustee Company Limited vide Order dated April 24, 2018 under Section 15-I read with Section 19 of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as 'SEBI Act') for alleged violation of provisions of (i) Regulation 10(a), 18(9), 18(22), 25(16) read with clause (9) of the Fifth Schedule on Code of Conduct of SEBI (Mutual Fund) Regulations, 1996, (ii) SEBI Circular No. SEBI/IMD/CIR No. 12/147132/08 dated December 11, 2008, (iii) SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, (iv) Regulation 52 of SEBI (Mutual Fund) Regulations, 1996, (v) SEBI Circular No. SEBI/IMD/CIR No. 5/63714/06 dated March 29, 2006, (vi) Regulation 25 (19), Regulation 47 and Eighth Schedule to SEBI (Mutual Fund) Regulations, 1996
2. Appointment of the undersigned as Adjudicating Officer (AO) was communicated vide communique dated May 8, 2018.
3. While the adjudication proceedings were initiated, the Noticee and HDFC Trustee Company Limited submitted separate Applications for settlement

of the proceedings, in terms of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (hereinafter referred to as '**Settlement Regulations**').

4. Thereafter, the Noticee and HDFC Trustee Company Limited had a meeting with the Internal Committee (IC) of SEBI on July 13, 2018.
5. The settlement terms as proposed by the Noticee and HDFC Trustee Company Limited were considered by the Internal Committee and placed before the High Powered Advisory Committee (hereinafter referred to as '**HPAC**') on October 8, 2018. After considering the facts and circumstances of the case, the HPAC recommended that the case may be settled by the Noticee and HDFC Trustee Company Limited on payment of Rs 3,78,56,498/-, which were subsequently approved by the panel of Whole Time Members of SEBI on November 14, 2018.
6. Accordingly, the Noticee along with HDFC Trustee Company Limited have remitted consolidated settlement amount of Rs 3,78,56,498/- (Rupees Three Crore Seventy Eight Lakh Fifty Six Thousand Four Hundred and Ninety Eight Only) vide Demand Draft bearing No. 420316 dated November 22, 2018 drawn on HDFC Bank favoring SEBI towards the terms of settlement in the matter.
7. Now, therefore, in view of the acceptance of the settlement terms as proposed by the Noticee and receipt of Demand Draft as above by SEBI, the pending adjudication proceedings initiated against the Noticee vide Order dated April 24, 2018 is disposed of in terms of Regulation 15(1) of SEBI Settlement Regulations, 2014.

8. This order is without prejudice to the right of SEBI to take enforcement actions including commencing / re-opening of the pending proceedings against the Noticee, if SEBI finds that:
- a. any representation made by the Noticee in the settlement proceedings are subsequently discovered to be untrue.
  - b. the Noticee has breached any of the clauses / conditions of undertakings / waivers filed during the current settlement proceedings.
9. This settlement order passed on this 4th day of December, 2018 shall come into force with immediate effect.
10. In terms of Regulation 17 of the Settlement Regulations, 2014 a copy of this order is being sent to the Applicant / Noticee and for publication on the website of Securities and Exchange Board of India.

**Date: December 4, 2018**  
**Place: MUMBAI**

**PRASANTA MAHAPATRA**  
**ADJUDICATING OFFICER**