

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

SETTLEMENT ORDER

[SETTLEMENT ORDER NO.: SO/AN/RG/2024-25/7504-7508]

Applicant No.	Settlement Application No.	Name of Applicant
1	7504/2024	HSBC Asset Management (India) Private Limited (PAN: AABCH0007N)
2	7505/2024	Ms. Jasmine Batliwala (PAN: AFQPB7499K)
3	7506/2024	Mr. Nani Javeri (PAN: ACUPJ2334K)
4	7508/2024	Ms. Ho Wai Fun (Passport No.: XX06X61XX)
5	7507/2024	Dr T. C. Nair (PAN: AAXPN7403R)

(The aforesaid entities are also referred to by their respective names / 'Applicant No.'s.' and collectively as the "Applicants" / "Noticees")

In the matter of HSBC Mutual Fund

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") initiated adjudication proceedings under section 15HB of SEBI Act, 1992 (hereinafter also referred to as "SEBI Act") against HSBC Asset Management (India) Private Limited ("HSBC AMC" / "Applicant No. 1" / "Noticee No. 1"), Ms. Jasmine Batliwala (Applicant No. 2 / Noticee No. 2), Mr. Nani Javeri (Applicant No. 3 / Noticee No. 3), Ms. Ho Wai Fun (Applicant No. 4 / Noticee No. 4), Dr. T. C. Nair (Applicant No. 5 / Noticee No. 5) for the alleged violation of provisions of SEBI (Mutual Fund) Regulations, 1996 (hereinafter also referred to as 'SEBI MF Regulations' / 'MF Regulations') and SEBI Circular as stated.

2. Vide communique dated July 27, 2023, SEBI appointed Ms. Soma Majumder, General Manager, as the Adjudicating Officer (erstwhile AO) under Section 15-I of SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter also referred to as 'Adjudication Rules') r/w Section 19 of the SEBI Act to inquire into and adjudge under section 15E and 15HB of the SEBI Act, 1992, the alleged violations in respect of the Noticees. Pursuant to transfer of Ms. Soma Majumder, the undersigned was appointed as the Adjudicating Officer vide communique dated December 19, 2023.

3. A common Show Cause Notice No. SEBI/EAD/SM/S./31517/1-5/2023 dated August 04, 2023 ("SCN" / "SCN dated August 04, 2023") was issued by erstwhile AO to the Noticees in terms of provisions of Rule 4 of the Adjudication Rules, calling upon to show cause why an inquiry should not be held and penalty not be imposed, under Sections 15E and 15HB of SEBI Act, for the alleged violation of Clause 5 of the fifth Schedule of MF Regulations read with Clause 1.3.1 (c) of Circular no. SEBI/HO/IMD/DF2//CIR/P/2021/683 dated December 10, 2021 of SEBI by Noticee No.1 and under Section 15HB of the SEBI Act, 1992 for the alleged violations of the provisions of Regulation 18(9) of SEBI (Mutual Fund) Regulations, 1996 by Noticee Nos. 2 to 5. Briefly stated, following was inter alia alleged in the SCN, in respect of the Noticees:
 - 3.1. Noticee No. 1 failed to have appropriate controls in place to prevent the use of funds of one scheme by another scheme of the Mutual Fund and thereby violated Clause 5 of the Fifth Schedule of MF Regulations and Clause 1.3.1 (c) of SEBI Circular no. SEBI/HO/IMD/DF2//CIR/P/2021/683 dated December 10, 2021.
 - 3.2. Noticee Nos. 2 to 5 failed to have appropriate controls in place to prevent use of funds of one scheme by another scheme of the Mutual Fund and thereby violated the provisions of Regulation 18(9) of MF Regulations.

4. Pending Adjudication Proceedings, the Noticees filed Settlement Applications, bearing Settlement Application Nos. 7504/2024, 7505/2024, 7506/2024, 7508/2024, 7507/2024 (hereinafter collectively referred to as "said Applications"), proposing to settle the instant proceedings initiated against them vide SCN dated

August 04, 2023, without admitting or denying the observations of SEBI in the Notice, in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter also referred to as “Settlement Regulations”).

5. The said Applications were placed before the Internal Committee of SEBI (hereinafter also referred to as, the “IC”) in its meeting held on February 13, 2024. IC noted that the applicants are stated to have employed corrective measures subsequent to the alleged default. Furthermore, IC noted that asset management company and the board of trustees were together responsible that the assets and liabilities of each scheme are segregated, and therefore communicated monetary settlement terms for all the applicants of ₹23,92,500/- (Rupees Twenty Three Lakhs Ninety Two Thousand Five Hundred only) to be paid on joint and several liability basis. Also, an undertaking is to be provided by the applicants that the settlement amount will not be charged to the unitholders.
6. Pursuant to the meeting with the IC, the Applicants submitted their Revised Settlement Terms (“RST”), wherein they proposed to offer ₹23,92,500/- (Rupees Twenty Three Lakhs Ninety Two Thousand Five Hundred only) to be paid on joint and several liability basis, and submitted an undertaking that the revised settlement amount specified herein shall not be borne by or charged to the unitholder(s) of the mutual fund schemes of HSBC Mutual Fund.
7. Considering that the applicants were agreeable to pay the settlement amount as communicated by the IC, the case was recommended for settlement to the High Powered Advisory Committee (“HPAC”).
8. Thereafter, the subject applications were placed before the HPAC in its meeting held on March 04, 2024. The recommendation of HPAC was accepted by Panel of Whole Time members (“WTMs”) on May 06, 2024.
9. Accordingly, the Notice of Demand was issued to the Applicant vide email dated May 10, 2024. In response, the Applicant vide email dated May 10, 2024 informed about the remittance of said settlement amount and the same had been confirmed by the concerned department of SEBI.

10. In view of the receipt of settlement amount as above by SEBI, the instant Adjudication Proceedings initiated against the Noticees viz., HSBC Asset Management (India) Private Limited, Ms. Jasmine Batliwala, Mr. Nani Javeri, Ms. Ho Wai Fun, Dr. T. C. Nair vide aforesaid Show Cause Notice No. SEBI/EAD/SM/S./31517/1-5/2023 dated August 04, 2023, are hereby disposed of in terms of Section 15JB of the SEBI Act, 1992 read with Regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018.
11. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the SEBI (Settlement Proceedings) Regulations, 2018, including restoring or initiating the proceedings in respect of which this settlement order is passed against the Applicants, if:
- 11.1. any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
 - 11.2. the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - 11.3. there is a discrepancy while arriving at the settlement terms.
12. This Settlement Order is passed on this day of May 27, 2024 and shall come into force with immediate effect.
13. In terms of Regulation 25 of SEBI (Settlement Proceedings) Regulations, 2018, a copy of this Order shall be sent to the Applicants viz., HSBC Asset Management (India) Private Limited, Ms. Jasmine Batliwala, Mr. Nani Javeri, Ms. Ho Wai Fun, Dr. T. C. Nair and also to SEBI.

DATE: May 27, 2024
PLACE: MUMBAI

AMAR NAVLANI
ADJUDICATING OFFICER