

Further, the offence of tax evasion under the new law has been made non-compoundable and the offenders will not be permitted to approach the Income-tax Settlement Commission. The new law has also amended the Prevention of Money-laundering Act, 2002 (PMLA) to include offence of tax evasion as a scheduled offence under PMLA.

- (v) Establishment of a Central Know Your Customer (KYC) Registry. The Government has notified the Rules for Central KYC Registry under PMLA and steps are being taken to establish it.
- (vi) Amendment in Prevention of Money-laundering (Maintenance of Records) Rules, 2005. Prevention Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 have been notified *vide* which Aadhar number has become primary Know Your Customer (KYC) document under Prevention of Money-laundering Act, 2002.

(c) The details of prosecution complaint filed under the Prevention of Money Laundering Act (PMLA), 2002 across the country in the last three years are as under:-

F.Y.	2014-15	2015-16	2016-17	Total
No. of Prosecution complaints filed	77	76	104	257

- (d) Total 961 cases are under investigation under PMLA.

Action against mutual funds for violation of regulations

2456. DR. R. LAKSHMANAN: Will the Minister of Finance be pleased to state whether Government has taken any stringent action against Mutual Funds for violation of SEBI (Mutual Funds) Regulation, 1996 framed under section 30 read with clause (c) of sub-section (2) of Section 11 of SEBI Act, 1992 during last 10 years, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): The details of enforcement action taken by Securities and Exchange Board of India (SEBI) for the existing Mutual Funds in India for violation of SEBI (Mutual Funds) Regulation, 1996, during last 10 years are given in the Statement.

Statement

Details of enforcement action taken by SEBI for the existing Mutual Funds for violation of SEBI Regulation, 1996

Sl. No.	Mutual Fund (MF) Name	Date of action	Particulars
1	2	3	4
Financial Year-2007-2008- Nil			
Financial Year-2008-2009			
1.	Taurus Mutual Fund	November 28, 2008	Taurus Mutual Fund was adjudicated for violation of code of conduct of SEBI (Mutual Funds) Regulations, 1996, by entering into various structured/cross deals in the scrip of DCM Shriram Consolidated Ltd. The adjudication proceeding were settled with payment of INR 20 lakhs.
Financial Year-2009-2010			
2.	Birla Sun Life Mutual Fund	May 18, 2009	Mutual Fund was adjudicated upon for non-compliance of regulation 28(1) of SEBI (Mutual Fund) Regulations, 1996. The adjudication proceeding were settled with payment of INR 1,25,000.
3.	Reliance Mutual Fund	January 12, 2010	After making enquiry, Mutual Funds were directed under Section 11B of SEBI Act 1992, to abide strictly by the stipulations on advertisement by mutual funds, issued by SEBI from time to time, both in letter and spirit.
4.	Invesco Mutual Fund	February 9, 2010	
5.	Birla Sun Life Mutual Fund	February 20, 2010	
6.	ICICI Prudential Mutual Fund	March 17, 2010	
Financial Year-2010-2011			
7.	L&T Mutual Fund	December 16, 2010	Mutual Fund was adjudicated upon for violation of Regulation 25(2) and 25(3), etc. of SEBI (Mutual Funds) Regulations, 1996, on exercising

1	2	3	4
			due diligence in investments and for acts of commission or omission. The adjudication proceeding were settled with the payment of INR 10 lakhs.
Financial Year-2011-2012			
8.	HDFC Mutual Fund	September 30, 2011	<p>HDFC Asset Management Company (AMC) Limited, HDFC Trustee Company Limited and key employee, were adjudicated in the matter of front running by employees of HDFC Mutual Fund. The adjudication proceedings were settled with the payment of a total amount of INR 45 lakhs.</p> <p>The total losses caused to the unit holders in the front running matter of HDFC, was INR 6,96,93,914. HDFC AMC deposited this amount in a segregated bank account and utilised it to compensate the unit holders.</p>
Financial Year - 2012-2013- Nil			
Financial Year-2013-2014			
9.	Principal Mutual Fund	September 26, 2013	<p>SEBI adjudicated the AMC and Trustee Company for providing blank time stamped redemption forms to an investor in order to compensate for losses made by the investor and for failure to report the non-compliance to SEBI. The adjudication resulted in imposition of monetary penalty of INR 10 lakhs on the AMC and the Trustee Company.</p>
Financial Year-2014-2015- Nil			
Financial Year-2015-2016			
10.	Sahara Mutual Fund	July 28, 2015	Based on the outcome of Enquiry proceeding initiated on June 09, 2014 against Sahara MF for alleged violation

1	2	3	4
			of 'Fit and Proper' criteria and other provisions of SEBI (MF) Regulations, 1996, an order was passed by SEBI on July 28, 2015 for cancellation of registration of the Mutual Fund. The Mutual Fund has filed an appeal against the aforesaid order before the Hon'ble Securities Appellate Tribunal, and the matter is presently pending before Hon'ble Securities Appellate Tribunal.

Financial Year-2016-2017

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|-----|--------------------------------|-------------------|---|
| 11. | Franklin Templeton Mutual Fund | November 29, 2016 | SEBI <i>vide</i> its adjudication order levied a total penalty of INR 10 lakhs on Franklin Templeton Mutual Fund, Franklin Templeton Trustee Services Private Ltd and Franklin Templeton Asset Management (I) Pvt. Ltd., for violation of SEBI Circular MFD/CIR/15/19133/2002 dated September 30, 2002 read with Regulation 10(a) of SEBI (Mutual Funds) Regulations 1996 and Regulation 25(18) of SEBI (Mutual Funds) Regulations, 1996. |
| 12. | JP Morgan Mutual Fund | March 29, 2017 | Adjudication proceedings were initiated against JP Morgan MF on February 24, 2015 for launching a scheme after the expiry of the time limit of six months from the date of the issuance of observations by SEBI in violation of the provisions of SEBI (MF) Regulations, 1996. The adjudication proceeding were settled with the payment of total amount of INR 2.75 crore. |

Financial Year-2017-2018 (till date) - Nil