

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER No. SO/BM/GN/2024-25/7862-63**

In respect of:

Applicant	Application No.	Name of the applicant	PAN of the applicant
Applicant 1	7862/2024	Axis Asset Management Company Limited	AAHCA5892J
Applicant 2	7863/2024	Axis Mutual Fund Trustee Limited	AAHCA5893K

Hereinafter Applicant 1 and Applicant 2 are collectively referred to as "Applicants"

In the matter of Practice of Charging TER to AMC books.

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') initiated adjudication proceedings under Securities and Exchange Board of India Act, 1992 (hereinafter referred to as "**SEBI Act**") against the applicant 1 for the alleged violation of Clause A(1) of SEBI Circulars dated October 22, 2018 and against the applicant 2 for the alleged violation of Regulation 18(9) read with Regulation 77 of SEBI (Mutual Funds) Regulations, 1996.
2. SEBI appointed the undersigned as the Adjudicating Officer (AO) vide communique dated February 28, 2024 under Section 15-I of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as '**Adjudication Rules**') read with Section 19 of the SEBI Act to inquire into and adjudge under Section 15E of SEBI Act against the applicant 1 for the alleged violation of Clause A(1) of SEBI Circulars dated October 22, 2018 and under Section 15HB of the SEBI Act against the applicant 2 for the alleged violation of Regulation 18(9) read with Regulation 77 of SEBI (Mutual Funds) Regulations, 1996.
3. A Show Cause Notice dated March 22, 2024 (hereafter referred to as "**SCN**") was issued to the Applicants in terms of the provisions of Rule 4(1) of the Adjudication Rules, 1995

calling upon the Applicants to show cause why an inquiry should not be held and penalty not be imposed, under Section 15E of the SEBI Act against Applicant 1 and under Section 15HB of the SEBI Act against Applicant 2 for the alleged violation of the aforesaid provisions. The said SCN was issued to the Applicant 1 as it has incurred the excess expenses of the mutual fund scheme thereby allegedly violated the provisions of Clause A(1) of SEBI Circulars dated October 22, 2018 whereas Applicant 2 by not ensuring the compliance of Applicant 1 with SEBI circular dated October 22, 2018 allegedly violated Regulation 18(9) read with Reg.77 of SEBI (Mutual Funds) Regulations, 1996

4. Pending Adjudication Proceedings, the Applicants proposed to settle the instant proceedings initiated against them, without admitting or denying the findings of facts and conclusions of law, through a settlement order and filed a settlement application with SEBI bearing Settlement Application No. 7862/2024 by Applicant 1 and 7863/2024 by Applicant 2 dated June 04, 2024, in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).
5. After attending meeting with the Internal Committee of SEBI on August 08, 2024, in terms of the Settlement Regulations, Applicants vide an email dated August 23, 2024 proposed revised settlement terms. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on September 06, 2024, considered the settlement terms proposed and recommended that the case may be settled upon payment of INR 16,57,500/- (Rupees Sixteen Lakh Fifty-Seven Thousand Five Hundred Only) by the Applicants as settlement amount towards the settlement terms.
6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on November 06, 2024 for the Applicants and the same was communicated by SEBI to the Applicants on November 13, 2024. Subsequently, the Applicants vide email dated November 21, 2024 informed about the remittance of the settlement amount, the receipt of which is confirmed.
7. Therefore, in view of the acceptance of the settlement terms and the receipt of settlement amount as above by SEBI, the instant adjudication proceedings initiated against Applicant vide SCN dated March 22, 2024 is disposed of in terms of section 15JB of the SEBI Act read with regulation 23(1) of the Settlement Regulations on the basis of the settlement terms.

8. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of regulation 28 of the Settlement Regulations, including restoring or initiating the proceedings in respect to which the settlement order was passed against the applicants, if:
- i. It comes to the notice of the Board that the applicant has not made full and true disclosure;
 - ii. Applicant has violated the undertakings or waivers:
9. This settlement order is passed on this day of **November 26, 2024** and shall come into force with immediate effect.
10. In terms of regulation 25 of the Settlement Regulations, copies of this order are being sent to the Applicants viz. Axis Asset Management Company Ltd. and Axis Mutual Fund Trustee Limited and also to SEBI.

Date: November 26, 2024

Place: Mumbai

BARNALI MUKHERJEE
ADJUDICATING OFFICER