

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

In respect of:

Name of the Applicant	Settlement Application No.	PAN	Settlement Order No.
Ms. Meenal Baheti	8363/2025	AHQPB1037R	SO/PSD/2025-26/8363

In the matter of Axis Mutual Fund

1. The Securities and Exchange Board of India (SEBI) had conducted a detailed examination / inspection covering governance related aspects of Axis Mutual Fund through forensic audit for the period April 1, 2020 to September 30, 2022.
2. Pursuant to the examination/inspection, a show cause notice (SCN) dated January 20, 2025 was issued to the Applicant wherein the following, *inter alia*, was alleged:-
 - 2.1 The Applicant joined Axis Asset Management Company as Head-Risk MF on June 14, 2021 and being a key managerial personnel (KMP) had access to trade data for trades of respective schemes of Axis MF including on a live basis for the period from May 27, 2022 till August 31, 2022.
 - 2.2 She had recommended shares / scrips / stocks to certain relatives. Further, similarity was observed between the trades of the relatives and active schemes of Axis Mutual Fund during the time the Applicant had access to trade data including on live basis. Additionally, similarity in trades was also observed with stock in which her relative and Axis Mutual Fund / AIF/PMS had traded during the review period.
 - 2.3 The similarities in trades in addition to 225 WhatsApp calls between the Applicant and her relative indicated that the Applicant had passed on information, advice or inducement to buy or sell securities that were being bought or sold by Axis Mutual Fund.
 - 2.4 As per Para 6.6 of the SEBI Master Circular for Mutual Funds dated May 19, 2023, prescribed the minimum guidelines / requirements that have to be followed for investment and/or for trading in securities by the employees of the asset management company and trustee. It was, therefore, alleged that the Applicant

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had violated Para 6.6.2.2 of the Mutual Fund Master Circular dated May 19, 2023 which provides that “*No employee shall pass on information to anybody inducing him to buy/sell securities which are being bought and/or sold by the Mutual Fund of which the AMC is the investment manager.*”

3. The Applicant vide the SCN was called upon to show cause as to why an inquiry should not be held against her in terms of Rule 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and suitable monetary penalty under Sections 11 (4A) and 11B(2) read with Section 15HB of the SEBI Act, 1992 should not be imposed upon her.
4. Pending the proceedings, the Applicant vide her application dated February 27, 2025 proposed to settle the instant proceedings initiated against her, without admitting or denying the findings of facts and conclusions of law, through a settlement order. The Settlement Application bearing No.8363/2025 was registered by SEBI on March 11, 2025 in terms of the SEBI (Settlement Proceedings) Regulations, 2018, (**‘Settlement Regulations’**).
5. Pursuant to the above, the Applicant alongwith her authorized representatives attended the meeting with the Internal Committee (IC) of SEBI on April 3, 2025 wherein the settlement terms proposed by the Applicant was deliberated. The IC considered the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations and recommended the amount of Rs.19,50,000/- (Rupees Nineteen Lakh and Fifty Thousand only) as the settlement amount. Accordingly, the Applicant vide letter dated April 17, 2025 filed Revised Settlement Terms (RST) and proposed to pay the settlement amount.
6. The said Settlement Application alongwith the RST were placed before the High Powered Advisory Committee (HPAC) in its meeting held on May 7, 2025 for consideration. The HPAC considered the RST proposed by the Applicant and recommended the case for settlement, as per RST.
7. In terms of Regulation 14(3) of the Settlement Regulations, the recommendations of the HPAC were accepted and approved by the Panel of Whole Time Members on June 2, 2025.

8. A notice of demand was issued to the Applicant on June 9, 2025 and vide email dated July 5, 2025 the Applicant has confirmed the payment of settlement amount of Rs. 19,50,000/- (Rupees Nineteen Lakh and Fifty Thousand only).
9. The receipt of the settlement amount from the Applicant has been confirmed by concerned department of SEBI, on July 8, 2025.
10. On the basis of the aforesaid, in exercise of powers conferred under Section 15JB read with Section 19 of the SEBI Act, 1992 and in terms of Regulation 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings initiated against the Applicant vide SCN dated January 20, 2025 is disposed of as per the following conditions:-
 - 10.1 SEBI shall not initiate any other enforcement action against the Applicant for the violations as alleged in the SCN.
 - 10.2 This Order is without prejudice to the right of SEBI to initiate any enforcement action with regard to the alleged violations against the Applicant, if:-
 - 10.2.1 Any representations made by the Applicant in the settlement proceedings are subsequently found to be untrue; or
 - 10.2.2 The Applicant breaches any of the clauses / conditions of undertakings or waivers filed during the current settlement proceedings; or
 - 10.2.3 There was a discrepancy while arriving at the settlement terms.
11. This Settlement Order shall come into force with immediate effect.
12. In terms of Regulation 25 of the Settlement Regulations, copies of this Order shall be sent to the Applicant and also to SEBI.

Date: July 09, 2025

Place: Mumbai

SANTOSH SHUKLA
QUASI JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA

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