

SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER

In respect of :

Name of the Applicant	Settlement Application No.	PAN	Settlement Order No.
Mr. Deepak Agrawal	8428/2025	AESPA5728F	SO//EFD2/2025-26/8428

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 provided stock tips and divulged specific information about scrips in which schemes of Axis MF took and/or squared off position in violation of Regulation 25 (6B) (b) read with Clause 2(f) of Part-B of Fifth Schedule of SEBI (Mutual Funds) Regulations, 1996 and Para 6.6.2.2 of SEBI Master Circular dated May 19, 2023.

2.2 The Applicant did not disclose directorship in a private limited company, made demands in kind for providing stock tips / information which was available to him as a fund manager, engaged in unethical behavior, professional misconduct and has shared the research reports / information intended for the mutual fund with outsiders in violation of Regulation 25 (6B) (b) read with Clauses 1(h), 1(j), 2 (c) and 2(f) respectively of Part-B of Fifth Schedule of SEBI (Mutual Funds) Regulations, 1996.

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- 2.3 The applicant passed on information to the employees of listed equity alternatives inducing them to buy / sell securities which were being bought and/or sold by the mutual fund in violation of Regulation 25 (6B) (b) read with Clauses 1(b), 1(e), 1(f) and 1 (g) of Part-B of Fifth Schedule of SEBI (Mutual Funds) Regulations, 1996.
3. The Applicant vide the SCN was called upon to show cause as to why suitable directions including direction to claw back units allotted to him should not be issued under Section 11B (1) of the SEBI Act, 1992. Further, the Applicant was also called upon to show cause to why an inquiry should not be held against him 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 be not imposed.
 4. Pending the proceedings, the Applicant vide letter dated March 19, 2025 proposed to settle the instant proceedings initiated against him, without admitting or denying the findings of facts and conclusions of law, through a settlement order. The Settlement Application bearing No.8428/2025 was registered by SEBI on March 19, 2025 in terms of the SEBI (Settlement Proceedings) Regulations, 2018, (**‘Settlement Regulations’**).
 5. The Internal Committee (IC) of SEBI on April 8, 2025 deliberated the settlement terms with the Applicant. The IC considered the factors enumerated under Regulation 10 and Schedule II of the Settlement Regulations and recommended the monetary amount of Rs.85,80,000/- (Rupees Eighty Five Lakhs Eighty Thousand only) and clawing back of 43,310.73 units allotted to the Applicant which should be redeemed and amount be credited to the schemes (i.e 38,342.684 units held in Axis Quant Fund and 4,968.044 units held in Axis Value Fund) as the settlement terms.
 6. Accordingly, the Applicant vide letter dated April 21, 2025 filed Revised Settlement Terms (RST).

7. The High Powered Advisory Committee (HPAC) in its meeting held on June 5, 2025 considered the RST proposed by the Applicant and recommended the case for settlement, as per RST.
8. 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 August 18, 2025. A notice of demand was issued to the Applicant on August 21, 2025 and vide email dated September 12, 2025 the Applicant confirmed the payment of settlement amount of Rs. 85,80,000/- (Rupees Eighty Five Lakhs Eighty Thousand only). Further, Axis Mutual Fund vide email dated August 29, 2025 has confirmed that the 38,342.684 units held in Axis Quant Fund and 4,968.044 units held in Axis Value Fund (i.e. a total of 43,310.73 units) have been redeemed on August 26, 2025 and credited back to the respective schemes of the mutual fund.
9. The receipt of the settlement amount from the Applicant and redemption of units and credit to respective schemes has been confirmed by concerned department of SEBI, on September 12, 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 in terms of above settlement terms and 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

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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: September 15, 2025

Place: Mumbai

**SANTOSH SHUKLA
QUASI JUDICIAL AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA**

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