

**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**SETTLEMENT ORDER**  
**IN RESPECT OF**

SETTLEMENT APPLICATION NO.	APPLICANT	PAN NO.
7388/2023	Groww Asset Management Limited (formerly known as Indiabulls Asset Management Company Limited)	AABC19149Q
7389/2023	Groww Trustee Limited (formerly known as Indiabulls Trustee Company Limited)	AABC19148R

**IN THE MATTER OF GROWW MUTUAL FUND (FORMERLY KNOWN AS  
INDIABULLS MUTUAL FUND)**

1. Groww Asset Management Company Limited (formerly known as Indiabulls Asset Management Company Limited) and Groww Trustee Limited (formerly known as Indiabulls Trustee Company Limited) (hereinafter referred to as “Applicants”) filed a *suo motu* settlement application in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “Settlement Regulations”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, the enforcement proceedings that may be initiated against them for the violation of SEBI circular bearing no. SEBI/HO/IMD/DF2/CIR/P/2018/37 dated October 22, 2018 (hereinafter referred to as “Circular”).

2. Brief facts of the case are as follows:

2.1 The Applicants have submitted that on account of change in control of Indiabulls Asset Management Company and Indiabulls Trustee due to the acquisition of said entities by Nextbillion Technology Private Limited, the entities are now known as Groww Asset Management Limited (Applicant 1) and Groww Trustee Limited (Applicant 2) with effect from May 03, 2023. Applicant 1 is the Asset Management Company

(hereinafter referred to as “AMC”) and Applicant 2 is the Trustee Company of Groww Mutual Fund.

- 2.2 The Applicants, in the settlement application, stated that during April 01, 2020 to March 31, 2022 certain scheme related expenses were being paid by the AMC and were not paid from the schemes. This resulted in the AMC bearing the expenses towards running their schemes thereby violating certain provisions of the SEBI Circular dated October 22, 2018 in particular Para 1 of the Circular which mandates that all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its associate, sponsor, trustee or any other entity through any route.
3. In view of the aforesaid facts, the Applicants filed the present application for the purpose of settling the proceedings that may be initiated against them for the aforesaid violation.
  4. Pursuant to the receipt of the application, the authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on November 21, 2023 and February 13, 2024, wherein the issues detailed above were deliberated along with the terms of the settlement. Thereafter, vide letters dated December 07, 2023 and February 23, 2024, the Applicants proposed revised settlement terms to settle any enforcement proceedings that may be initiated against them for the violations as stated above at paragraph 1.
  5. The High Powered Advisory Committee (hereinafter referred to as “HPAC”) in its meeting held on December 21, 2023 and March 04, 2024, considered the revised settlement terms proposed by the Applicants and recommended the case for settlement upon payment of ₹9,00,000/- (Rupees Nine Lakhs only). The recommendation of the HPAC was accepted by the Panel of Whole Time Members of SEBI on May 06, 2024. Subsequently, a Notice of Demand

for the said amount was issued to the Applicants on May 16, 2024. The Applicants informed about the remittance of the aforesaid settlement amount on June 04, 2024 and SEBI has confirmed credit of the same.

6. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicants on the following terms:
  - i. SEBI shall not initiate any enforcement action against the Applicants for the said violations, and
  - ii. passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:
    - (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
    - (b) the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
    - (c) there was a discrepancy while arriving at the settlement terms.
7. This Settlement Order is passed on this 28th day of June, 2024 and shall come into force with immediate effect.
8. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Sd/-

**ANANTH NARAYAN G.**  
**WHOLE TIME MEMBER**

Sd/-

**KAMLESH C. VARSHNEY**  
**WHOLE TIME MEMBER**