

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

On Application no. 3471/2018

Filed by **SREI Multiple Asset Investment Trust [PAN: AANTS4505M]** and **SREI Alternative Investment Managers Limited [PAN: AAGCS5232F]**

1. SREI Multiple Asset Investment Trust and SREI Alternative Investment Managers Limited (hereinafter referred to as ‘applicants’) filed a settlement application in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 (‘Settlement Regulations’), proposing to settle, through a settlement order, the proceedings pending under Section 15(I)(3) of the SEBI Act, 1992 initiated vide Show Cause Notice dated February 02, 2018, for the alleged violation of the provisions of Regulation 2(1)(b) of the SEBI (Alternative Investment Funds) Regulations, 2012 (i.e. using part of contribution of investors for the purpose of giving loans).
2. The authorised representatives of the applicants had a meeting with the Internal Committee of SEBI on February 22, 2018, wherein the settlement terms were deliberated. Thereafter, the applicants, vide letter dated February 22, 2018, proposed the revised settlement terms to settle the default mentioned in paragraph above.
3. The High Powered Advisory Committee (‘HPAC’) in its meetings held on April 09, 2018 considered the settlement terms proposed by the applicants and recommended the case for settlement upon payment of ₹1,17,89,431/- (Rupees One Crore Seventeen Lakh Eighty Nine Thousand Four Hundred Thirty One only) towards settlement terms for the aforementioned default and submitting an undertaking to the effect that amounts given as loans were received back and in future there will be no loan activity. The Panel of Whole Time Members of SEBI accepted the said recommendation of the HPAC and the same was communicated to the applicants vide e-mail dated May 02, 2018.
4. The applicants vide Demand Draft no. 039635 dated May 03, 2018, drawn on ICICI Bank have remitted ₹1,17,89,431/- (Rupees One Crore Seventeen Lakh Eighty Nine Thousand

Four Hundred Thirty One only) towards the settlement charges. An undertaking by way of an affidavit dated May 02, 2018, confirming thereby that they have stopped granting loans from March 01, 2016, the amounts given as loans have been received back and in future, there will be no loan activity, has also been submitted by the applicants.

5. Accordingly, the pending proceedings under Section 15(I)(3) of the SEBI Act, 1992 for the default as discussed in paragraph 1 above, is settled *qua* the applicants as per the above terms, by way of this order and SEBI shall not initiate any enforcement action against the applicants for the said default.
6. In view of the above, in terms of regulations 15 and 19 of the Settlement Regulations, it is hereby ordered that:
 - i. this order disposes of the proceedings under Section 15(I)(3) of the SEBI Act, 1992 in respect of the applicants as mentioned above and;
 - ii. passing of this order is without prejudice to the right of SEBI to take enforcement actions including commencing proceedings against the applicants, if SEBI finds that:
 - a. any representation made by the applicants in the present settlement proceedings is subsequently discovered to be untrue;
 - b. the applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings.
7. This settlement order is passed on this 25th day of July, 2018 and shall come into force with immediate effect.
8. In terms of regulation 17 of the Settlement Regulations, a copy of this order shall be sent to the applicant and shall also be published on the website of SEBI.

-Sd-

MADHABI PURI BUCH
WHOLE TIME MEMBER

-Sd-

S.K. MOHANTY
WHOLE TIME MEMBER