

**BEFORE THE ADJUDICATING OFFICER
SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER**

Sr. No.	Settlement Application No.	Name of the Applicant	PAN
1	7417/2023	Areion Special Situation Fund	AAGTA9439B
2	7418/2023	Areion Assets Management Private Limited	AARCA2450N
3	7419/2023	Mr. Dinesh Kumar Kanodia	AEHPK9440F

IN THE MATTER OF AREION SPECIAL SITUATION INFRA SCHEME

Settlement Order No.: SO/SV/VC/2024-25/7417-19

1. Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) initiated adjudication proceedings under Section 15EA of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as “**SEBI Act**”) against Areion Special Situation Fund, Areion Assets Management Private Limited and Mr. Dinesh Kumar Kanodia (hereinafter referred to as “**Noticees/applicants/by name**”) for the alleged violation of Regulation 15(1)(c) read with Regulations 20(1) and 20(5) read with Clause 2(a) of Code of Conduct of SEBI (Alternative Investment Funds) Regulations, 2012 (hereinafter referred to as the ‘**AIF Regulations**’).
2. Vide *communiqué* dated August 31, 2023, SEBI had appointed the undersigned as the Adjudicating Officer under Section 15-I of the SEBI Act, 1992 read with Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as ‘**SEBI Adjudication Rules**’) read with Section 19 of the SEBI Act, 1992, to inquire into and adjudge under the provisions of the Section 15EA of the SEBI Act, 1992, for the aforementioned alleged violation of the provisions of law by the Noticees.

Settlement Order in the matter of Areion Special Situation Infra Scheme

3. A Show Cause Notice Ref. No. SEBI/HO/EAD-8/SKV/VC/42646/2023 dated October 18, 2023 (hereafter referred to as “**SCN**”) was issued to the Noticees in terms of the provisions of Rule 4(1) of the SEBI Adjudication Rules, calling upon the Noticees to show cause why an inquiry should not be held and penalty not be imposed, under Section 15EA of SEBI Act for the following violations:
- (a) Areion Special Situation Infra Scheme (hereinafter referred to as the ‘**ASSIS**’) allegedly took exposure to a single entity by routing it through 5 different trusts and total investment across 5 trusts (with exposure to same entity) was 25.58% of investable funds, which was beyond the concentration limit provided in Regulation 15(1)(c) of AIF Regulations. Therefore, Areion Special Situation Fund allegedly violated the Regulation 15(1)(c) read with Regulations 20(1) and 20(5) read with Clause 2(a) of Code of Conduct of AIF Regulations.
 - (b) Areion Asset Management Pvt. Ltd. (Manager) was allegedly responsible for making investment decisions and was required to comply with the provisions of AIF regulations, fund documents and applicable laws, however it allegedly failed to comply with the provisions of AIF regulations as ASSIS breached the concentration limit provided in AIF Regulations from March 24, 2022 to April 02, 2023. Therefore, it allegedly violated the Regulation 15(1)(c) read with Regulations 20(1) and 20(5) read with Clause 2(a) of Code of Conduct of AIF Regulations.
 - (c) Mr. Dinesh Kumar Kanodia (KMP) was allegedly responsible for making investment decisions as he was a sole member of the Investment Committee that approved the investment decisions of ASSIS and he was required to comply with all applicable laws, however, he allegedly failed to comply with the provisions of AIF regulations as ASSIS breached the concentration limit provided in AIF Regulations from March 24, 2022 to April 02, 2023. Therefore, he allegedly violated the Regulation 15(1)(c) read with Regulations 20(1) and 20(5) read with Clause 2(a) of Code of Conduct of AIF Regulations.

4. Pending Adjudication Proceedings, the Noticees 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 settlement applications with SEBI bearing Settlement Application Nos. 7417/2023, 7418/2023 and 7419/2023 dated November 03, 2023 in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as “**Settlement Regulations**”).
5. Pursuant to the meeting with the Internal Committee of SEBI on January 16, 2024 in terms of the Settlement Regulations, Noticee vide letter dated January 23, 2024, proposed Revised Settlement Terms. The High Powered Advisory Committee (hereinafter referred to as '**HPAC**') in its meeting held on February 05, 2023 considered the settlement terms proposed and recommended that the case may be settled upon payment of ₹16,08,750/- (Rupees Sixteen Lakh Eight Thousand Seven Hundred Fifty Only) to be paid jointly and severally by the Noticees as settlement amount towards the settlement terms.
6. The Panel of Whole Time Members of SEBI approved the said recommendation of the HPAC on March 22, 2024. Subsequently, the applicant vide email March 30, 2024 informed about the remittance of the settlement amount, the receipt of which has been confirmed by the concerned SEBI department vide its email dated April 03, 2024.
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 the Noticee vide SCN No. SEBI/HO/EAD-8/SKV/VC/42646/2023 dated October 18, 2023 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 applicant, 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 **April 29, 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. Areion Special Situation Fund, Areion Assets Management Private Limited and Mr. Dinesh Kumar Kanodia and also to SEBI.

Date: April 29, 2024

Place: Mumbai

SHASHIKUMAR VALSAKUMAR

ADJUDICATING OFFICER