

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

SETTLEMENT ORDER

[SETTLEMENT ORDER NO.: SO/AN/SM/2024-25/7363, 7407, 7362, 7364, 7408]

Applicant No.	Settlement Application No.	Name of Applicant	PAN
1	7363/2023	IIFCL Asset Management Company Limited	AACCI9090F
2	7407/2023	Shri Emandi Sankara Rao	ABRPR1696R
3	7362/2023	Shri Prasanna Prakash Panda	AAPPP5505L
4	7364/2023	Shri Anil Kumar Taneja	AABPT8297M
5	7408/2023	Smt. Sumiran Bansal	ADKPB6803F

(The aforesaid entities are also referred to by their respective names / 'Applicant No's.' and collectively as the "Applicants" / "Noticees")

In the matter of IIFCL Mutual Fund

1. Securities and Exchange Board of India (hereinafter referred to as "SEBI") initiated adjudication proceedings under section 15HB of SEBI Act, 1992 (hereinafter also referred to as "SEBI Act") against IIFCL Asset Management Company Limited ("IAMCL" / "AMC" / Applicant No. 1 / Noticee No. 1), Shri Emandi Sankara Rao (Applicant No. 2 / Noticee No. 2), Shri Prasanna Prakash Panda (Applicant No. 3 / Noticee No. 3), Shri Anil Kumar Taneja (Applicant No. 4 / Noticee No. 4), Smt. Sumiran Bansal (Applicant No. 5 / Noticee No. 5) for the alleged violation of provisions of Regulation 25(2), 25(3), 25(6), 25(6A), 25(6B) and 49R(2) of SEBI (Mutual Fund) Regulations, 1996 (hereinafter also referred to as 'SEBI MF Regulations' / 'MF Regulations').

2. Vide communique dated June 15, 2023, SEBI appointed Sh. Amit Kapoor, GM, as the Adjudicating Officer (AO) under Section 15-I of SEBI Act and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter also referred to as 'Adjudication Rules') r/w Section 19 of the SEBI Act to inquire into and adjudge under section 15HB of the SEBI Act, 1992. Pursuant to transfer of Sh. Amit Kapoor, the undersigned was appointed as the AO vide communique dated December 19, 2023.
3. A common Show Cause Notice No. EAD-6/ADJ/AK/AJ/OW/25378/1-6/2023 dated June 21, 2023 ("SCN") was issued to the Noticees in terms of provisions of Rule 4 of the Adjudication Rules, calling upon to show cause why an inquiry should not be held and penalty not be imposed, under section 15HB of the SEBI Act, 1992 for the alleged violations of the aforesaid provisions, viz., Regulation 25(2), 25(3), 25(6), 25(6A), 25(6B) and 49R(2) of SEBI (Mutual Fund) Regulations, 1996. Briefly stated, following was *inter alia* observed and /or alleged, in the SCN, in respect of the Noticees:
 - 3.1. With respect to investment in GVR Infra Private Limited (GVR): valuation report was not available; provisions relating to Investment and Valuation Manual not adhered to, minutes /noting of the RMC not available; discrepancy wrt end use of the proceeds; additional coupon not charged despite rating downgrade; no record to ensure how event of default monitored and how any default with other lenders identified timely; deviation in time allowed for Debt Service Reserve Account (DSRA) through internal note without getting the deviation approved from the AMC Board; NOC signed by the CIO though the CEO was authorised.
 - 3.2. With respect to investment in D.P. Jain & Co. Infrastructure Private Limited: AMC failed to ensure the Security Creation; Debt Service Coverage Ratio (DSCR) requirement not fulfilled; NOC or pari-passu letters not obtained from all the existing lenders; Shortfall in pledge of shares by the Company and Shortfall in hypothecation of 2 group companies; No penal interest charged for conditions defined as "event of default" in the Debenture Trust Agreement.
 - 3.3. With respect to investment in DPJ-DRA Tollways Private Limited: Pledge of shares held by promoters pending; Delay in pledge of shares.
 - 3.4. With respect to investment in Feedback Energy Distribution Company Limited, penal interest of 0.25% over the coupon rate for delay in security creation was not charged to the Company; With respect to investment in Feedback Infra Private Limited, equity shares of Feedback Highways OMT Pvt. Ltd. supposed to be pledged, had not been pledged; all investments including in IL&FS, pending deployment of funds, were contrary to the PPMs of the schemes; no document to confirm portfolio was reviewed by the Investment Recommendation Committee (IRC).

4. Pending Adjudication Proceedings, the Noticees filed Settlement Applications, bearing Settlement Application No. 7363/2023, 7407/2023, 7362/2023, 7364/2023, 7408/2023, proposing to settle the instant proceedings initiated against them, without admitting or denying the findings of facts and conclusions of law, through a settlement order in terms of the provisions of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter also referred to as "Settlement Regulations").
5. The said Applications were placed before the Internal Committee of SEBI (hereinafter also referred to as, the "IC") in its meeting held on November 21, 2023. IC recommended ₹1,02,37,500/- (Rupees One Crore Two Lakhs Thirty Seven Thousand Five Hundred only) to be paid jointly and severally as the Indicative Amount being the amount computed in terms of Schedule II read with Regulation 10 of SEBI (Settlement Proceedings) Regulations, 2018. The same was communicated to the Applicants.
6. The Applicants submitted their Revised Settlement Terms ("RST"), wherein they proposed to pay ₹1,02,37,500/- (Rupees One Crore Two Lakhs Thirty Seven Thousand Five Hundred only) jointly and severally.
7. Thereafter, the settlement applications were placed before the High Powered Advisory Committee (hereinafter also be referred to as, the "HPAC") for its consideration on December 21, 2023, which referred the matter to IC for reconsideration.
8. Following which the IC in its meeting held on January 09, 2024 inter alia considering the mitigating and aggravating factors in the matter, affirmed the amount of ₹1,02,37,500 to be paid jointly and severally. Further, as advised an undertaking was submitted by IAMCL that the settlement amount of ₹1,02,37,500/- (Rupees One Crore Two Lakhs Thirty Seven Thousand Five Hundred only) will not

be borne by unit holders of the schemes of IIFCL Mutual Fund. Thereafter, the matter was placed before the HPAC in its meeting held on February 05, 2024. The HPAC inter alia agreed with the recommendations of the IC and recommended that the request of the Applicants for settlement may be accepted. The recommendations of the HPAC were accepted and approved by the Panel of the Whole Time Members of the SEBI on March 06, 2024.

9. Accordingly, the Notice of Demand was issued to the Applicant vide email dated March 27, 2024. The Applicant vide email dated April 16, 2024 had informed about the remittance of settlement amount and the same has been confirmed by the concerned department of SEBI.
10. 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 IIFCL Asset Management Company Limited, Shri Emandi Sankara Rao, Shri Prasanna Prakash Panda, Shri Anil Kumar Taneja, Smt. Sumiran Bansal vide aforesaid Show Cause Notice No. EAD-6/ADJ/AK/AJ/OW/25378/1-6/2023 dated June 21, 2023, are hereby disposed of in terms of Section 15JB of the SEBI Act, 1992 read with Regulation 23(1) of SEBI (Settlement Proceedings) Regulations, 2018.
11. This order is without prejudice to the right of SEBI to take enforcement actions, in terms of Regulation 28 of the SEBI (Settlement Proceedings) Regulations, 2018, including restoring or initiating the proceedings in respect of which this settlement order is passed against the Applicant(s), if it comes to Notice of the Board that:
 - 11.1. any representation(s)/disclosure(s) made by the Applicant(s) in the present Settlement Proceedings is subsequently found to be untrue, or
 - 11.2. the Applicant(s) breaches any of the clauses /conditions of undertaking / waivers filed during the present settlement proceedings.
 - 11.3. there was a discrepancy while arriving at the settlement terms.

12. This Settlement Order is passed on this April 30th, 2024 and shall come into force with immediate effect.
13. In terms of Regulation 25 of SEBI (Settlement Proceedings) Regulations, 2018, a copy of this Order shall be sent to the Applicants and be published on website of SEBI.

DATE: APRIL 30, 2024
PLACE: MUMBAI

AMAR NAVLANI
ADJUDICATING OFFICER