

SREI MULTIPLE ASSET INVESTMENT TRUST

Dated: June 22, 2020

To,
The Chief General Manager
Investment Management Department
Division of Funds – 1
Securities & Exchange Board of India
SEBI Bhavan,
C4-A, G Block, Bandra Kurla Complex
Mumbai – 400 051

Ref: Request for interpretative letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in connection with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012

Dear Sir,

This is a request for an interpretative letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003

Background

1. Srei Multiple Asset Investment Trust (“SMAIT” or the “Fund”) is registered as a Category II Alternative Investment Fund with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 (“AIF Regulations”) having registration number IN/AIF2/19-20/0675
2. Trinity Alternative Investment Managers Limited (formerly known as Srei Alternative Investment Managers Limited) (“TAIML” or the “Manager”) is the investment manager of the Fund
3. TAIML wishes to seek informal guidance based on the facts and query raised in the application

Query

Investment in Security Receipts issued by Asset Reconstruction Companies against the loan assets

Background

The Reserve Bank of India issued a Notification¹ dated 16 May, 2018 (published in the Gazette of India on 05 July, 2018) to specify the following entities as “Qualified Buyer” under section 2(u) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act):

SEBI Registration – IN/AIF2/13-14/0077

Registered Office: ‘Vishwakarma’, 86C Topsia Road (South), Kolkata 700046

Phone: +91 (33) 61607734 Fax: +91 (33) 2285 8501/7542



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- a. Category II Alternative Investment Funds ("AIF") registered with the Securities and Exchange Board of India
- b. Category III AIFs registered with the Securities and Exchange Board of India.

Investments by above AIFs in Security Receipts ("SRs) issued by Asset Reconstruction Companies' ("ARC") trusts would be subject to the following conditions:

- a. The AIF which has invested in ARC should not invest in the SRs issued by trusts set up by that ARC.
- b. The AIF should not invest in the SRs issued on the underlying loans of any of the AIF's associate or group Company.
- c. The AIF should not invest in the SRs backed by non-performing assets of banks which hold equity of more than 10% in that AIF

Our Query

We understand that the existing SEBI norms limit Qualified Buyers only to those AIFs which are body corporates. Our query is, since SMAIT is a trust registered as an AIF will SMAIT also qualify as Qualified Buyer and can invest / acquire Security Receipts.

Thanking you,

Yours faithfully,

For Srei Multiple Asset Investment Trust



Authorized Signatory

Trinity Alternative Investment Managers Ltd - Investment Manager



ENCLOSED - DD.

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