BEFORE THE ADJUDICATING OFFICER

SECURITIES AND EXCHANGE BOARD OF INDIA

ADJUDICATION ORDER NO. Order/GG/VP/2022-23/20039-20045

UNDER SECTION 15-I OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH RULE 5 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR HOLDING INQUIRY AND IMPOSING PENALTIES) RULES, 1995

In respect of:

Sr. No.	Name of the Entities/ Noticees	PAN Numbers
1	Quant First Asset Advisors India Limited Manager of Quant First Alternate Investment Trust	AAACQ2925P
2	IREO Investment Advisors Private Limited, Manager of IREO Advantage Fund I	Not Available
3	Plutus Fund Advisors Private Limited, Manager of Paranjape Plutus Fund-1	Not Available
4	Leverage Investment Advisor Private Ltd, Manager of Saveda Venture Capital Fund	Not Available
5	SRS Finance Limited, Manager of SRS Alternative Investment Fund	AAICS7755D
6	GSF Managers LLP, Manager of GSF Venture Capital Fund	Not Available
7	Converge Solutions LLP, Manager of Golden Bird AIF	Not Available

In the matter of Non-Compliance of SEBI (Alternative Investment Funds) Regulations, 2012

A. FACTS OF THE CASE

1. Securities and Exchange Board of India (hereinafter referred to as **'SEBI'**) initiated Adjudication Proceedings in respect of above-named managers of seven SEBI registered Alternative Investment Funds (hereinafter referred to as

“**AIFs**”) for alleged violation of Regulation of 24 (b) read with Regulation 28 of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (hereinafter referred as “**AIF Regulations**”) read with SEBI Circular No. CIR/IMD/DF/10/2013, dated 29 July 2013 and Circular No. SEBI/HO/IM D/DF1/CIR/P/2017/87, dated 31 July 2017. Regulation 28 of AIF Regulations casts an obligation on the registered AIFs to file such reports, as desired by the Board. The July 2013 circular cited above dealing with the Operational, Prudential and Reporting Norms for AIFs, provides that Category I and II AIFs and Category III AIFs (which do not undertake leverage shall submit report to SEBI on a quarterly basis in a specified format). After operationalizing the online facilities for registration and for filing reports to SEBI, SEBI issued the Circular of July 2017 cited above, stipulating that all SEBI registered AIFs shall file their compliance reports and submit other requests under the provisions of AIF Regulations and circulars through the online system (i.e. SEBI Intermediary Portal/ SI Portal). As some of the registered AIFs were not filing reports as advised in the circulars, SEBI communicated with the Noticees herein through letters/ emails, on several occasions. Since the communications remained unanswered, it was decided to initiate enforcement action against the Noticees under Section 15EA of Securities and Exchange Board of India Act, 1992 (hereinafter referred to as the **‘SEBI Act’**).

APPOINTMENT OF ADJUDICATING OFFICER

2. SEBI initiated adjudication proceedings against Noticee Nos. 1 to 7 and appointed me, as the Adjudicating Officer under section 15-I of the Securities

and Exchange Board of India Act, 1992 (hereinafter referred to as the **'SEBI Act'**) read with rule 3 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 (hereinafter referred to as the **'Adjudication Rules'**) *vide* order dated 24.03.2022 to inquire into and adjudge under section 15EA of the SEBI Act, with respect to the allegations against the Noticees.

B. SHOW CAUSE NOTICE AND HEARING

3. A common notice dated 05.05.2022 was issued to the Noticees under rule 4(1) of the SEBI Adjudication Rules to show cause as to why an inquiry should not be initiated against Noticees and why penalty should not be imposed against Noticees under section 15EA of the SEBI Act for the alleged violation of the provisions of Regulation 24(b) read Regulation 28 of AIF Regulations read with SEBI Circulars No. CIR/IMD/DF/10/2013, dated 29 July 2013 and Circular No. SEBI/HO/IM D/DF1/CIR/P/2017/87, dated 31 July 2017. The common notice dated 05.05.2022 is hereinafter referred to as "**SCN**". SEBI had sent various emails/ letters to AIFs regarding non-filing of periodic reports, as shown in the Table below.

Table No. 1

Sr. No.	Name of AIFs	Registration No. of AIF	Details of communication with AIFs	Name of the Manager of AIFs Hereinafter referred to as Noticee Nos.
1	Quant First Alternate Investment Trust	IN/AIF3/12-13/0018	Copies of emails/ letters dated 03.09.2019, 28.11.2019, 08.02.2021, 12.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to/ received from Noticee No.1.	Quant First Asset Advisors India Limited Manager of Quant First Alternate Investment Trust - Noticee No. 1
2	IREO Advantage Fund I	IN/AIF2/13-14/0050	Copies of emails/ letters dated 03.09.2019, 28.11.2019, 08.02.2021, 08.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to Noticee No.2.	IREO Investment Advisors Private Limited, Manager of IREO Advantage Fund I- Noticee No. 2
3	Paranjape Plutus Fund-1	IN/AIF2/12-13/0030	Copies of emails/ letters dated 03.09.2019, 08.02.2021, 12.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to/ received from Noticee No.3.	Plutus Fund Advisors Private Limited, Manager of Paranjape Plutus Fund-1-Noticee No. 3
4	Saveda Venture Capital Fund	IN/AIF1/13-14/0067	Copies of emails/ letters dated 28.11.2019, 08.02.2021, 08.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to Noticee No.4.	Leverage Investment Advisor Private Ltd, Manager of Saveda Venture Capital Fund -Noticee No. 4
5	SRS Alternative Investment Fund	IN/A1F2/15-16/0145	Copies of emails/ letters dated 03.09.2019, 28.11.2019, 08.02.2021, 12.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to / received from Noticee No.5.	SRS Finance Limited, Manager of SRS Alternative Investment Fund- Noticee No. 5
6	GSF Venture Capital Fund	IN/AIF1/15-16/0152	Copies of emails/ letters dated 03.09.2019, 28.11.2019, 08.02.2021, 12.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to / received from Noticee No.6.	GSF Managers LLP,Manager of GSF Venture Capital Fund- Noticee No. 6

7	Golden Bird AIF	IN/A1F3/113-19/0543	Copies of emails/ letters dated 03.09.2019, 28.11.2019, 08.02.2021, 17.02.2021, 06.05.2021, 25.04.2021 06.05.2021, 06.10.2021, and 22.10.2021 sent to / received from Noticee No.8.	Converge Solutions LLP, Manager of Golden Bird AIF -Noticee No. 7

4. The Seven AIFs failed to reply to the emails/ letters. In view of the same, it was alleged that the Noticee Nos. 1 to 7 have failed to comply with the requirements under the Circulars of 2013 and 2017 read with Regulation 28 of AIF Regulations. Accordingly, Show Cause Notice Reference No. EAD-6/GG/VP/19206/1-8/2022 dated 05.05.2022 was issued to the Noticees inter alia alleging that since Noticee Nos. 1 to 7 were managers of the AIFs stated in Table No. 1 they were responsible for submission of periodic reports to SEBI for December 2020, March 2021, June 2021 and September 2021 quarters. Thereby violated Regulation 24(b) read with Regulation 28 of AIF Regulations, 2012 along with SEBI Circular Nos. CIR/IMD/DF/10/2013, dated 29 July 2013 and SEBI/HO/IMD/DF1/CIR/P/2017/87, dated 31 July 2017. The extracts of the said provisions are reproduced later in this order.

5. The delivery status of the SCN dated 05.05.2022 sent to the Noticees is as under:

Table No. 2

Sr. No.	**Name of the Managers of the AIFs**	**Noticee Nos.**	**Delivery status by email**	**By Speed Post Acknowl-**	**Through Affixture**	**Through News Paper publication**
1	Quant First Asset Advisors India Limited	Noticee No. 1	Delivered on 09.06.2022	NA	Delivered on 03.08.2022	NA
2	IREO Investment Advisors Private Limited	Noticee No. 2	NA	Delivered on 13.05.2022	NA	NA
3	Plutus Fund Advisors Private Limited	Noticee No. 3	Delivered on 09.06.2022	Delivered on 11.05.2022	NA	NA
4	Leverage Investment Advisor Private Ltd	Noticee No. 4	Delivered on 01.06.2022	Delivered on 12.05.2022	NA	NA

5	SRS Finance Limited	Noticee No. 5	Delivered on 11.07.2022	Undelivered	Could not affix HN along with SCN as per rule	Published HN along with SCN in new papers on 20.08.2022
6	GSF Managers LLP	Noticee No. 6	Delivered on 09.06.2022	Delivered on 13.05.2022	NA	NA
7	Converge Solutions LLP	Noticee No. 7	Delivered on 09.06.2022	Undelivered	NA	Published HN along with SCN in new papers on 20.08.2022

6. The delivery status of Hearing Notice and Hearing Notice along with SCN sent to the Noticees is as under:

Table No. 3

Sr. No.	Name of the Managers of the AIFs	Noticee Nos.	Delivery status by email	By Speed Post Acknowl-edgement Due	Through Affixture	Through News Paper publication
1	Quant First Asset Advisors India Limited	Noticee No. 1	Hearing Notice dated 19.07.2022-Delivered on 09.06.2022	Hearing Notice dated 19.07.2022-Undelivered	Hearing Notice along with SCN dated 01.08.2022 was affixed on 03.08.2022	NA
2	IREO Investment Advisors Private Limited	Noticee No. 2	NA	Hearing Notice dated 28.06.2022-delivered on 04.07.2022	NA	NA
			Hearing Notice dated 19.07.2022-delivered on 21.07.2022	NA	NA	NA
3	Plutus Fund Advisors Private Limited	Noticee No. 3	NA	Hearing Notice dated 28.06.2022-delivered on 01.07.2022	NA	NA
			NA	Hearing Notice dated 19.07.2022-duly delivered	NA	NA
4	Leverage Investment Advisor Private Ltd	Noticee No. 4	NA	Hearing Notice dated 28.06.2022-delivered on 02.07.2022	NA	NA
5	SRS Finance Limited	Noticee No. 5	NA	HN dated 19.07.2022-Undelivered Undelivered	Could not affix HN along SCN as per rule	Published HN along with SCN in new papers on 20.08.2022

6	GSF Managers LLP	Noticee No. 6	NA	Hearing Notice dated 28.06.2022-delivered on 04.07.2022	NA	NA
			Hearing Notice dated 19.07.2022-delivered on 25.07.2022	Hearing Notice dated 19.07.2022-duly delivered	NA	NA
7	Converge Solutions LLP	Noticee No. 7	NA	Hearing Notice dated 19.07.2022-undelivered	Could not affix HN along with HN as per rule	Published HN along with SCN in new papers on 20.08.2022

7. Details of service of hearing notice entity-wise and personal hearing proceedings are elaborated hereunder:

7.1. An opportunity of personal hearing was granted to Noticee No. 1 on 12.08.2022 through affixture of Show Cause Notice along with Hearing Notice on 03.08.2022. by affixing the Show Cause Notice Cum Hearing Notice, however, However, Noticee No.1 failed to submit its reply to the SCN and failed to avail the opportunity of personal hearing. Hence, I am proceeding ex-parte against Noticee No. 1.

7.2. An opportunity of personal hearing was granted to Noticee No. 2 on 07.07.2022 vide Hearing Notice dated 28.06.2022. However, Noticee No. 2 did not appear for the hearing. Another opportunity of personal hearing was granted to Noticee No. 2 on 05.08.2022 vide Hearing Notice dated 19.07.2022. Mr. Shantanu Kumar, Company Secretary vide email dated 21.07.2022 submitted that they are in the process of complying with all the pending compliances as per Regulations and after that they will start the process of winding up of Fund. Ms. Manisha Rawat, Company Secretary. Mr. Shantanu Kumar, Company Secretary appeared for the hearing on

08.08.2022 through video conferencing. The content of the Records of proceedings is reproduced as under:

"Ms. Manisha Rawat, Company Secretary submitted that the fund was established in 2013 and since then the fund has not done any business and is willing to deregister as an AIF and request for one-week time to file the detailed reply along with the undertaking of the persons who were in charge of the fund with respect to not intending to continue with the fund. Ms. Manisha Rawat, Company Secretary requested one-week time to file reply in respect of Adjudication proceedings."

7.3. An opportunity of personal hearing was granted to Noticee No. 3 on 07.07.2022 vide Hearing Notice dated 28.06.2022, However, the Noticee No. 3 failed to submit the reply to the SCN and failed to avail the opportunity of hearing. Another opportunity of personal hearing was granted to Noticee No. 3 on 05.08.2022 vide Hearing Notice dated 19.07.2022. However, the Noticee failed to submit its reply to the SCN and failed to avail the opportunity of personal hearing. Hence, I am proceeding ex-parte against Noticee No: 3.

7.4. An opportunity of personal hearing was granted to Noticee No. 4 on 07.07.2022 vide Hearing Notice dated 28.06.2022. Mr. Manish Agarwal, Director of Leverage Investment Advisor Private Ltd appeared for the hearing on 07.07.2022 through video conferencing. The content of the Record of proceedings is reproduced as under:

"Mr. Manish Agarwal, Director of Leverage Investment Advisor Private Ltd appeared in person and submitted that the erstwhile director has resigned and he took over the business in 2019. It was further submitted that there was a technical problem in the portal and they had raised the issue with portal help. It was submitted the detailed reply along with the supporting documents will be submitted by 14.07.2022".

7.5. An opportunity of personal hearing was granted to Noticee No. 5 on 17.08.2022 at 3:00 pm vide Hearing Notice dated 19.07.2022. Since the SCN and the Hearing Notice could not be delivered, the SCN along with Hearing Notice was published in the newspaper viz Hindustan Times (English) Delhi Edition. However, the Noticee No. 5 failed to submit their reply to the SCN and failed to avail the opportunity of personal hearing. Hence, I am proceeding ex-parte against Noticee No: 5.

7.6. An opportunity of personal hearing was granted to Noticee No. 6 on 07.07.2022 at 3:30 pm vide Hearing Notice dated 28.06.2022. However, the Noticee failed to submit the reply to the SCN and failed to avail the opportunity of personal hearing. Another opportunity of personal hearing was granted to Noticee No. 6 on 05.08.2022 at 3:00 pm vide Hearing Notice dated 19.07.2022 for which the following persons appeared through video conferencing.

1. Ms. Riya Chopra, Advocate from IC Universal Legal
2. Ms. Twinkle Dhamecha Advocate from IC Universal Legal
3. Mr. Rajesh Sawhney, the Noticee and
4. Niyaz Laiq, for the Noticees

The content of the Record of proceedings is reproduced as under:

"The Advocates and the Noticees submitted that they are keen to continue with the fund and submitted that they have filed settlement application in respect of the adjudication proceeding and requested one week time to file reply in respect of enquiry proceedings"

7.7. An opportunity of personal hearing was granted to Noticee No. 7 on 17.08.2022 vide Hearing Notice dated 19.07.2022. Since the SCN and the Hearing Notice could not be delivered, the SCN along with the Hearing Notice was published in the newspaper viz Hindustan Times (English) Mumbai Edition and in Pratahkal new paper (Hindi) Mumbai Edition. However, the Noticee failed to submit its reply to the SCN and failed to avail the opportunity of personal hearing. Hence I am proceeding ex-parte against Noticee No: 8.

C. ISSUES

8. I have perused the records regarding alleged violations stated in the SCN. The issue that arise for consideration are as under: -

   i. Whether Noticee Nos. 1 to 7 violated Regulation 24(b) and Regulation 28 of AIF Regulations read with SEBI Circular No. CIR/IMD/DF/10/2013, dated 29 July 2013 and Circular No. SEBI/HO/IM D/DF1/CIR/P/2017/87, dated 31 July 2017. If yes, whether Noticee Nos. 1 to 7 are liable for monetary penalty under section 15 EA of SEBI Act?

9. The aforesaid provisions are reproduced hereunder:

Obligation of Manager.
24. The Manager shall be obliged to:
(a) address all investor complaints;
(b) provide to the Board any information sought by Board;
(c) maintain all records as may be specified by the Board;
(d) take all steps to address conflict of interest as specified in these regulations;
(e) ensure transparency and disclosure as specified in the regulations.

Regulation 28 of AIF Regulation

Submission of reports to the Board.

28. The Board may at any time call upon the Alternative Investment Fund to file such reports, as the Board may desire, with respect to the activities carried on by the Alternative Investment Fund

Relevant provisions of SEBI Circulars No. CIR/IMD/DF/10/2013, dated 29 July 2013

Sub: Operational, Prudential and Reporting Norms for Alternative Investment Funds (AIFs)

"…

3.2 Submission of reports to SEBI

- *i. Under Regulation 28 of the AIF Regulations, All AIFs shall submit periodical reports to SEBI relating to their activity as an Alternative Investment Fund.*
- *ii. Category I and II AIFs and the Category III AIFs which do not undertake leverage shall submit report to SEBI on a quarterly basis in the format as specified in Annexure I.*
- *iii. Category III AIFs which undertake leverage shall submit a report to SEBI on a monthly basis in the format as specified in Annexure II.*
- *iv. Reports shall be submitted by AIFs online through the online reporting system provided by SEBI. However, till such online system is made available, reports shall be sent by email to aifreporting@sebi.gov.in. Excel sheet to be filled in this regard is available on SEBI website under the section 'Info for' 'Alternative Investment Funds'. Once the online system is made available by SEBI, no reports shall be sent by email. Further, AIFs are advised to note that no physical reports shall be filed with SEBI.*
- *v. The reports for the period upto the quarter ended June 30, 2013 for AIFs which are already registered with SEBI shall be sent vide email to the aforesaid email address within one month from the date of this circular.*
- *vi. Reports shall be submitted within 7 calendar days from the end of quarter/ end of month as the case maybe.*

…..”

Relevant provisions of SEBI Circular No. SEBI/HO/IM D/DF1/CIR/P/2017/87 dated 31 July 2017.

Sub: Online Filing System for Alternative Investment Funds.

“….

“*2. All applicants desirous of seeking registration as an AIF are now required to submit their applications online only, through SEBI Intermediary Portal at https://siportal.sebi.gov.in. Furthermore, all SEBI registered AIFs are now required to file their compliance reports and submit applications for any request under the provisions of AIF Regulations and circulars issued thereunder, through the online system only. The aforesaid online filing system for AIF has been made operational with immediate effect.*

3. Link for SEBI Intermediary Portal is also available on SEBI website - www.sebi.gov.in. In case of any queries and clarifications, users may refer to the manual provided in the portal or contact the Portal Helpline as specified in the manual.

4. Existing SEBI registered AIFs have already been advised to activate their online accounts.

5….”

D. CONSIDERATION OF ISSUES AND FINDINGS

10. I have perused the replies of Noticee Nos. 2, 4 and 6 submitted in response to the allegations in the SCN. As regards the remaining Noticees, I note that the SCNs were served to Noticee No. 1 via affixture, Noticee No. 3 via SPAD and Noticee Nos. 5 and 7 via newspaper publication. Since, no reply has been filed by these four Noticees, I am proceeding against them, based on the material available on records.

11. Regulation 28 of the AIF Regulations provides that if any registered entity fails to submit the periodic reports as desired by the Board, then the Board is empowered to initiate enforcement action. SEBI CIRCULAR No. CIR/IMD/DF/10/2013 dated July 29, 2013, addressed to AIFs and Custodians of Category III AIFs provides that all AIFs shall submit periodical reports to SEBI relating to their activity as an AIF. It was further provided that Category I and II AIFs and Category III AIFs which do not undertake leverage shall submit reports to SEBI on a quarterly basis in the prescribed format and Category III AIFs which undertake leverage shall submit a report to SEBI on a monthly basis in the prescribed format. The said Reports shall be submitted by AIFs online through the online reporting system provided by SEBI. However, till such an online system is made available, reports shall be sent by email to aifreporting@sebi.gov.in. The Excel sheet to be filled in this regard was made available on SEBI website under the section 'Info for' '→'Alternative Investment Funds'. Once the online system is made available by SEBI, no reports shall be

sent by email. Further, AIFs were advised not to file physical reports with SEBI thereafter.

12. SEBI came out with another CIRCULAR SEBI/HO/IMD/DF1/CIR/P/2017/87 dated July 31, 2017 addressed to AIFs and Custodians of Category III AIFs stating that SEBI has introduced an online system for filings related to AIFs. The online system can be used for application for registration, reporting and filing in terms of the provisions of AIF Regulations and circulars issued thereunder. It was further provided that all applicants desirous of seeking registration as an AIF are now required to submit their applications online only, through SEBI Intermediary Portal at https://siportal.sebi.gov.in (hereinafter referred to as "**SI Portal**"). Furthermore, it was stated that all SEBI registered AIFs are now required to file their compliance reports and submit applications for any request under the provisions of AIF Regulations and circulars issued thereunder, through the online system only, and the aforesaid online filing system for AIF was made operational with immediate effect i.e., from 31 July 2017.

13. I note that SEBI prepares consolidated data generated by SEBI Intermediary Portal to show accurate and complete information/statistics pertaining to AIFs. The category-wise consolidated monthly/quarterly investment data is prepared by SEBI based on the reports submitted by AIFs and the said data is disseminated on the website of SEBI. For the consolidation of the data generated by SI Portal to show the accurate and complete information/statistics, it was required that all registered AIFs should submit their periodic reports on SI portal within the stipulated timeline and in the format as prescribed in the SEBI Circulars. To ensure that all the AIFs submit their periodic reports in a timely manner, SI Portal sends automated emails as a reminder for the submission of reports and thereafter SEBI follows up with the AIFs which do not submit their monthly/quarterly investment data by the due date.

14. I note that AIFs managed by Noticee Nos. 1 to 7 failed to file their quarterly reports for quarters December 2020, March 2021, June 2021 and September 2021. Pursuant to automated emails sent through SI Portal regarding non filing of quarterly reports, SEBI had sent various emails to the AIFs. However, none of the AIFs replied to the said emails.

15. Since Noticee Nos. 2, 4 and 6 have submitted their replies, I proceed to deal with their contentions of these Noticees on merit.

16. <u>Noticee No. 2 -Manager of IREO Advantage Fund I.</u>

16.1. I note from the submission of Noticee No. 2, vide email dated 21.07.2022 that they are in the process of complying with all the pending compliances as per Regulations and after complying they will start the process of winding up of Fund. During the hearing held on 08.08.2022, Noticee No. 2 has submitted that the fund was established in 2013 and since then the fund has not done any business and is willing to deregister as an AIF. It was also submitted that they are willing to give an undertaking from the persons who were in charge of the fund to the effect that they are not intending to continue with the fund. Vide reply dated 23.08.2022 the Noticee forwarded affidavit of Mahesh Kumar, Director of AIF stating that the corporate planning team of professionals leading this venture left the organization during 2016-17 and ever since there was no one responsible to look after the SEBI compliances. It was further submitted that due to absence of experts in the organization they were of the view that since the Fund is inactive since its inception and has neither launched any scheme nor collected any money, the reporting under the said circulars was not applicable.

16.2. I note that Noticee No. 2 has failed to submit the monthly/ quarterly reports on SEBI Intermediary Portal. I thus find that Noticee No: 2 is in violation of Regulation 24(b) read with Regulation 28 of AIF Regulations, 2012 along with SEBI Circular Nos. CIR/IMD/DF/10/2013, dated 29 July 2013 and

SEBI/HO/IM D/DF1/CIR/P/2017/87 dated 31 July 2017 and is therefore liable for monetary penalty.

17. Noticee No. 4- Manager of Saveda Venture Capital Fund

17.1. I note from the submission made by Mr. Manish Agarwal, Director of Leverage Investment Advisor Private Ltd (the Manager of Noticee No. 4) during the hearing that the erstwhile director had resigned and he took over the business in 2019. It was further submitted that there was a technical problem in the portal and they had raised the issue with portalhelp. I note that Noticee No. 4 vide email dated 01.06.2022 submitted that their department person who was dealing with the matter was away on sick leave and hence they could not reply to the SCN earlier. It was submitted that Saveda Venture Capital Fund had not raised any money till date and as such it is in dormant status. Further, they have been continuously trying to login to their account to submit the Nil quarterly AIF reports in the SEBI portal and in spite of several attempts they could not login to their account due to non-function of the Portal. It was also submitted that they also wrote an email to the concerned persons in the SEBI portal about their problem and submitted the copy of the email dated 01.06.2022. It was further submitted that the delay was due to technical reasons of portal and also change in their team members during post covid pandemic.

17.2. I note from the SCN that emails/ letters dated 28.11.2019, 08.02.2021, 08.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to Saveda Venture Capital Fund regarding non filing of quarterly reports for the quarters December 2020, March 2021, June 2021 and September 2021 remained unanswered. I note that only after receiving the SCN, the Noticee had made several attempts to login which were unsuccessful due to technical issues in the Portal, as contended by the Noticee. Hence, I am not inclined to accept the submission of Noticee No. 4. I thus find that

Notice No. 4 has violated Regulation 24(b) and Regulation 28 of AIF Regulations, 2012 read with SEBI Circular Nos. CIR/IMD/DF/10/2013 dated 29 July 2013 and SEBI/HO/IM D/DF1/CIR/P/2017/87 dated 31 July 2017 and is therefore liable for monetary penalty.

18. <u>Noticee No. 6- Manager of GSF Venture Capital Fund</u>

18.1. I note from the reply dated 16.08.2022 submitted by the Noticee that the Fund was established on 01.07.2015 and thereafter no schemes have been launched under the Fund and it had not attracted any investments till date. It was submitted that the Fund does not have any ongoing operations and activities to report and accordingly it was their understanding that they were not required to make any filing in the form of quarterly reports for the Fund to SEBI. It was further submitted that in order to make the quarterly NIL reporting, they tried to access the SI Portal but were unable to do so as their SI Portal account was deactivated due to technical issues. The Noticee had provided screenshot of the error that appears when they were trying to log on to the SI portal. Lenience was pleaded on the ground that it was an inadvertent and unintentional error. I note from the attachment submitted by the Noticee that they had tried to log in the SI portal on 24.05.2022, which was only after receipt of the SCN.

18.2. I note from the SCN that emails/ letters dated 03.09.2019, 28.11.2019, 08.02.2021, 12.03.2021, 06.05.2021, 06.10.2021 and 22.10.2021 sent to GSF Venture Capital Fund regarding non-filing of quarterly reports for the quarters December 2020, March 2021, June 2021 and September 2021, remained unanswered.

18.3. I thus find that Noticee No. 6 has violated Regulation 24(b) and Regulation 28 of AIF Regulations, 2012 read with SEBI Circular Nos. CIR/IMD/DF/10/2013, dated 29 July 2013 and SEBI/HO/IM

D/DF1/CIR/P/2017/87, dated 31 July 2017 and is therefore liable for monetary penalty.

19. Noticee Nos. 1, 3, 5, and 7 Manger of respective AIFs

I note that the SCNs were served to Noticee No. 1 via affixture, Noticee No. 3 via SPAD, Noticee Nos. 5 and 7 via newspaper publication. However, no reply has been filed by these four Noticees.

20. Thus, I find that Noticee Nos. 1, 3, 5 and 7 being managers of the respective AIFs were under an obligation to provide to the Board, (SEBI), any information sought and file such reports as the Board may desire, in terms of Regulation 24(b) of AIF Regulations. Since the AIFs failed to submit the reports to SEBI, Noticee Nos. 1 to 7 have violated the provisions of Regulation 24(b) and Regulation 28 of AIF Regulations read with SEBI Circular Nos. CIR/IMD/DF/10/2013 dated 29 July 2013 and SEBI/HO/IM D/DF1/CIR/P/2017/87 dated 31 July 2017 and are therefore liable for monetary penalty.

Quantification of penalty

21. I note that the provisions invoked for imposing penalty against the Noticees herein is section 15EA wherein the minimum penalty prescribed is one lakh and maximum is one crore or three times the amount of gains made out of such failure, whichever is higher. While imposing monetary penalty I find it relevant to ascertain the importance of the provisions obligating AIFs to file periodical reports. These reports are the regulator's tools for monitoring the activities of AIF. From the submissions of Noticee Nos. 2, 4 and 6, it is seen that they had not commenced any operation. This would imply that their failure to file periodical reports may not have had any significant impact from the regulatory perspective. At the same time, there is a violation which warrants imposition of minimum penalty. Accordingly, I am inclined to impose a penalty of Rs 1,00,000/- each on Noticee Nos. 2, 4 and 6. As Noticee Nos. 1, 3, 5 and 7 failed

to appear and participate in the instant proceeding, I am inclined to impose a higher monetary penalty against them. Such higher amount in my assessment is Rs. 2,00,000/- each to be borne by the four Noticees.

ORDER

22. In exercise of the powers conferred upon me under Section 15 I read with Rule 5 of the Adjudication Rules, I hereby impose penalty on the Noticees u/s 15EA of SEBI Act, as shown in the table below:

Sr. No.	Name of the Managers of the AIFs/ Noticees	The Managers of the AIFs are hereinafter referred to as Noticee Nos.	Penalty amount
1	Quant First Asset Advisors India Limited	Noticee No. 1	2,00,000/- (Rs. Two Lakh Only)
2	IREO Investment Advisors Private Limited	Noticee No. 2	1,00,000/- (Rs. One Lakh Only)
3	Plutus Fund Advisors Private Limited	Noticee No. 3	2,00,000/- (Rs. Two Lakh Only)
4	Leverage Investment Advisor Private Ltd	Noticee No. 4	1,00,000/- (Rs. One Lakh Only)
5	SRS Finance Limited	Noticee No. 5	2,00,000/- (Rs. Two Lakh Only)
6	GSF Managers LLP	Noticee No. 6	1,00,000/- (Rs. One Lakh Only)
7	Converge Solutions LLP	Noticee No. 8	2,00,000/- (Rs. Two Lakh Only)

23. The Noticees shall remit/pay the said amount of penalty within 45 days of receipt of this order either by way of Demand Draft in favour of “SEBI - Penalties Remittable to Government of India”, payable at Mumbai.

24. The Noticees shall remit / pay the said amount of penalty within 45 days of receipt of this order through Demand Draft in favour of “SEBI -Penalties Remittable to Government of India”, payable at Mumbai, or the online payment

facility available on the website of SEBI, i.e., www.sebi.gov.in on the following path, by clicking on the payment link: ENFORCEMENT -> Orders -> Orders of AO -> PAY NOW. In case of any difficulties in payment of penalties, the Noticees may contact the support at portalhelp@sebi.gov.in.

25. The Noticees shall forward said Demand Draft or the details/ confirmation of penalty so paid to the Division Chief, Enforcement Department-I, DRA-4, SEBI. The Noticees shall provide the following details while forwarding DD/payment information:

1. Name and PAN of the entity (Noticee)
2. Name of the case / matter
3. Purpose of Payment –Payment of penalty under AO proceedings
4. Bank Name and Account Number
5. Transaction Number

26. In terms of Rule 6 of the Adjudication Rules, copies of this order are sent to the Noticee and also to SEBI.

Date: **September 30, 2022**
Place: **Mumbai**

GEETHA G.
ADJUDICATING OFFICER