



भारतीय प्रतिभूति
और विनिमय बोर्ड
Securities and Exchange
Board of India

SPAD

Deputy General Manager
Enforcement Department-I
Division of Regulatory Action-III

SEBI/HO/EFD1/DRA4/P/OW/2022/58497/1
November 21, 2022

Investmaxima Trust,
504, The Summit Business bay,
Behind Guru Nank Petrol Pump,
Near Western Express Highway,
Andheri, Mumbai, Maharashtra- 400069

Madam/Sir,

Sub:- Show Cause Notice under Regulation 27(1) of the SEBI (Intermediaries) Regulations, 2008 in respect of Enquiry conducted against Investmaxima Trust (Noticee)

1. The Designated Authority ('DA') has submitted an Enquiry Report dated 30.09.2022 (copy enclosed), in respect of the enquiry conducted against **Investmaxima Trust (Noticee)** in the captioned matter, wherein the DA has recommended that the registration of the Noticee having Registration No. IN/AIR2/18-19/0532 as an Alternative Investment Funds may be cancelled with immediate effect.
2. You are hereby called upon to show cause as to why the action as recommended by the DA, including passing of appropriate direction should not be taken against you in terms of Regulations 27 of the SEBI (Intermediaries) Regulations, 2008, as the Competent Authority considers appropriate.
3. Your reply to the show cause notice along with documents, that you may choose to rely upon in support of the same, if any, should reach SEBI, at the address given below, **within 21 days** of receipt of this notice, failing which it shall be presumed that you have no reply to submit and SEBI shall proceed in the matter as it deems fit.

mt 21/11/2022
Yogesh Dudi

Encl: Copy of the enquiry report dated 30.09.2022.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.सी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in

BEFORE THE DESIGNATED AUTHORITY
SECURITIES AND EXCHANGE BOARD OF INDIA
[REPORT NO. ENQ/GG/VP/2022-23/20026]

**ENQUIRY REPORT UNDER REGULATION 26 OF THE SECURITIES AND
EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008.**

In respect of:

Sr. No.	Name of the Entities	SEBI Registration No.
1	Quant First Alternate Investment Trust	IN/AIF3/12-13/0018
2	IREO Advantage Fund I	IN/AIR2/13-14/0050
3	Paranjape Plutus Fund-1	IN/AIF2/12-13/0030
4	Saveda Venture Capital Fund	IN/AIR1/13-14/0067
5	SRS Alternative Investment Fund	IN/AIR2/15-16/0145
6	GSF Venture Capital Fund	IN/AIF1/15-16/0152
7	Investmaxima Trust	IN/AIR2/18-19/0532
8	Golden Bird AIF	IN/AIF3/18-19/0543

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 Enquiry Proceedings in respect of above-named eight SEBI registered Alternative Investment Funds (hereinafter referred to as "AIFs") for alleged violation of 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 read with Regulation 35(1)(b) and (d) of AIF Regulations and Section 12(3) of Securities and Exchange



Board of India Act, 1992 (hereinafter referred to as the 'SEBI Act'). 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). 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 the Intermediaries Regulations for the alleged violations.

B. APPOINTMENT OF DESIGNATED AUTHORITY

2. SEBI initiated enquiry proceedings against Noticee Nos. 1 to 8 and appointed me as the Designated Authority under Regulation 24 of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 (hereinafter referred to as the "Intermediaries Regulations"), to enquire into the violations alleged to have been committed by the Noticees and submit the Report in terms of Regulations 25, 26 and Regulation 27 of Intermediaries Regulations.

C. SHOW CAUSE NOTICE AND HEARING

3. SEBI while preparing category-wise consolidated investment data for the quarters December 2020, March 2021, June 2021 and September 2021 observed that Noticee Nos. 1 to 8 had failed to file periodic reports to SEBI. SEBI had sent various emails/ letters to Noticee Nos. 1 to 8 regarding non-filing of periodic reports, as shown in the Table below.

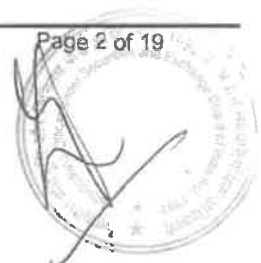


Table No. 1

Sr. No.	Name of AIFs	Registration No. of AIF	Details of communication with AIFs	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.	Noticee No. 1
2	IREE 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.	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.	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.	Noticee No. 4
5	SRS Alternative Investment Fund	IN/AIF2/15-16/0145	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.	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.	Noticee No. 6
7	Investmaxima Trust	IN/AIF2/18-19/0532	Copies of emails/ letters dated 08.02.2021, 17.10.2019, 04.10.2019, 09.10.2019, 22.02.2021, 06.05.2021, 10.05.2021, 06.10.2021, and 22.10.2021 sent to/ received from Noticee No.7.	Noticee No. 7
8	Golden Bird AIF	IN/AIF3/113-19/0543	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.	Noticee No. 8

Noticee Nos. 1 to 8 failed to reply to the emails/ letters. In view of the same, it was alleged that the Noticees 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/19201/1-8/2022 dated 05.05.2022 was issued to the Noticees inter alia alleging that they have



violated Regulation 28 of AIF Regulations, 2012 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 read with Regulation 35(1)(b) and (d) of AIF Regulations and Section 12(3) of the SEBI Act, 1992 read with Regulation 23 and 27 of Intermediaries Regulations, 2008. The extracts of the said provisions are reproduced later in this order.

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

Table No. 2

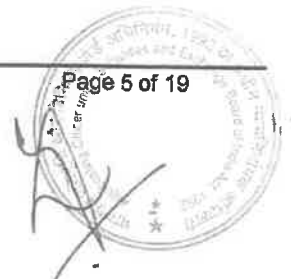
Sr. No.	Name of the Managers of the AIFs	Noticee Nos.	Delivery status by email	By Speed Post Acknowledgement Due	Through Affixture	Through News Paper publication
1	Quant First Alternate Investment Trust	Noticee No. 1	NA	NA	Delivered on 03.08.2022	NA
2	IREO Advantage Fund I	Noticee No. 2	NA	Delivered on 13.05.2022	NA	NA
3	Paranjape Plutus Fund-1	Noticee No. 3	NA	Delivered on 11.05.2022	NA	NA
4	Saveda Venture Capital Fund	Noticee No. 4	NA	Delivered on 12.05.2022	NA	NA
5	SRS Alternative Investment Fund	Noticee No. 5	Delivered on 11.07.2022	Undelivered	Could not affix HN along with SCN as per rule	HN along with SCN was published in new papers on 23.08.2022
6	GSF Venture Capital Fund	Noticee No. 6	Delivered on 09.06.2022	Delivered on 13.05.2022	NA	NA
7	Investmaxima Trust	Noticee No. 7	Delivered on 01.07.2022	Undelivered	Could not affix HN along with SCN as per rule	HN along with SCN was published in new papers on 23.08.2022
8	Golden Bird AIF	Noticee No. 8	Delivered on 09.06.2022	Undelivered	Could not affix HN as per rule	HN along with SCN was published in new papers on 23.08.2022



5. 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 Acknowledgement Due	Through Affixture	Through News Paper publication
1	Quant First Alternate Investment Trust	Noticee No. 1	NA	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 Advantage Fund I	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	Paranjape Plutus Fund-1	Noticee No. 3	NA	Hearing Notice dated 28.06.2022- delivered on 01.07.2022	NA	NA
			NA	Hearing Notice dated 19.07.2022- delivered on 21.07.2022	NA	NA
4	Saveda Venture Capital Fund	Noticee No. 4	NA	Hearing Notice dated 28.06.2022- delivered on 02.07.2022	NA	NA
5	SRS Alternative Investment Fund	Noticee No. 5	NA	HN dated 19.07.2022- Undelivered	Could not affix SCN and HN as per rule	HN along with SCN was published in news papers on 23.08.2022
6	GSF Venture Capital Fund	Noticee No. 6	NA	Hearing Notice dated 28.06.2022- delivered on 04.07.2022	NA	NA

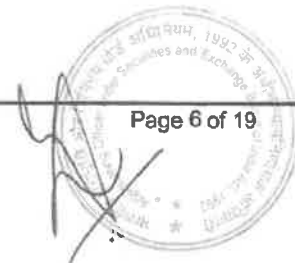


			Hearing Notice dated 19.07.2022-delivered on 25.07.2022	Hearing Notice dated 19.07.2022-delivered on 04.07.2022	NA	NA
7	Investmaxima Trust	Noticee No. 7	NA	Undelivered	Could not affix SCN and HN as per rule	HN along with SCN was published in newspapers on 23.08.2022
8	Golden Bird AIF	Noticee No. 8	NA	Hearing Notice dated 19.07.2022-undelivered	Could not affix SCN and HN as per rule	HN along with SCN was published in newspapers on 23.08.2022

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

6.1. 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. 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.

6.2. 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:



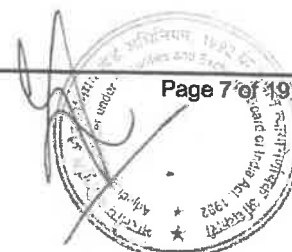
"Ms. Manisha Rawat, Company Secretary submitted that the fund was established in 2013 and since then the fund has not done any business and is willing to deregister as an AIF and request for one-week time to file the detailed reply along with the undertaking of the persons who were in charge of the fund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

6.3. 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 its 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. The said Hearing Notice was duly delivered to Noticee No. 3. 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.

6.4. 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".

6.5. 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.

6.6. 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"

6.7. 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 Pratahkal (Hindi) Mumbai Edition. However, Noticee No. 7 failed to submit its reply to the SCN and failed to avail the opportunity of personal hearing. Hence, I am proceedings ex-parte against Noticee No: 7.

6.8. An opportunity of personal hearing was granted to Noticee No. 8 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.

D. ISSUES

7. I have perused the records regarding the violations alleged in the SCN. The issues that arise for consideration are as under: -
 - i. Whether Noticee Nos. 1 to 8 violated the provisions of Regulation 28 of AIF Regulations, 2012 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 read with Regulation 35(1)(b) and (d) of AIF Regulations and Section 12(3) of SEBI Act.
 - ii. If the answer to the question above is in the affirmative, whether the Noticee Nos. 1 to 8 are liable for action under Section 12(3) of SEBI Act read with Regulation 23 of the Intermediaries Regulations?
8. The contents of the aforesaid provisions, allegedly violated by the Noticees are reproduced herein below:

Section 12(3) of SEBI Act

CHAPTER V REGISTRATION CERTIFICATE

Registration of stock brokers, sub-brokers, share transfer agents, etc.

1.....

2.....

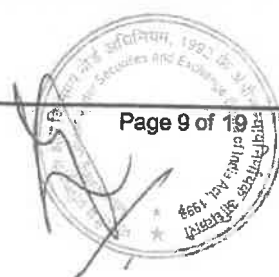
(3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard.

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.



Regulation 35 of AIF Regulation

CHAPTER VI PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for action in case of default.

35. (1) An Alternative Investment Fund which—

- (a) contravenes any of the provisions of the Act or these regulations;
- (b) fails to furnish any information relating to its activity as an Alternative Investment Fund as required by the Board;
- (c) furnishes to the Board information which is false or misleading in any material particular;
- (d) does not submit periodic returns or reports as required by the Board;
- (e) does not co-operate in any enquiry, inspection or investigation conducted by the Board;
- (f) fails to resolve the complaints of investors or fails to give a satisfactory reply to the Board in this behalf,

shall be dealt with in the manner provided under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

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.

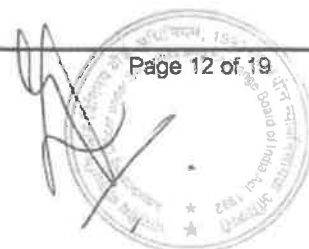
5...."

E. CONSIDERATION OF ISSUES AND FINDINGS

9. 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, to Noticee No. 3 via SPAD, to Noticee Nos. 5, 7 and 8 via newspaper publication. Since, no reply has been filed by these six Noticees, I am proceeding with the present proceedings against them, based on the material available on records.
10. 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.

11. 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.
12. 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.
13. I note that Noticee Nos. 1 to 8 had not filed 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 8 Noticees referred to in Table No. 1 above. However, none of the Noticees replied to the said emails.

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

15. Noticee No. 2 IREO Advantage Fund I.

15.1. 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. I note from the reply dated 23.08.2022, the Noticee has submitted reply affidavit of Mahesh Kumar, Director of Noticee No. 2 wherein it was submitted 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.

15.2. I note that Noticee No. 2 has failed to submit the monthly/ quarterly report 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. As the entity has

failed to commence its operations, since its registration in the year 2013-14 and is now not intending to continue with the fund, I recommend that the Registration Certificate may be cancelled.

16. Noticee No. 4 Saveda Venture Capital Fund

16.1.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 a 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.

16.2.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 Noticee No. 4 regarding non filing of quarterly report 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. Hence, I am not inclined to accept the submission of the Noticee No. 4. In view of the

importance and requirement of regulatory compliances referred at para no. 10 to 12, I find that Noticee No. 4 has 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. As the Fund is otherwise dormant without having had any activity from the time of its registration and as there is a violation of the regulatory provisions, I am compelled to recommend cancellation of registration.

17. Noticee No. 6 GSF Venture Capital Fund

17.1. 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 after receipt of the SCN.

17.2. 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 Noticee No.6 regarding non-filing of quarterly reports for the quarters December 2020, March 2021, June 2021 and September 2021, remained unanswered.



17.3. In view of the importance and requirement of regulatory compliances referred at para nos. 10 to 12, I conclude that Noticee No. 6 has 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/IM D/DF1/CIR/P/2017/87, dated 31 July 2017. With respect to non-operation of the Fund the Noticee has submitted that after the Fund was established in July 2015, the Fund manager Mr. Rajesh Sawhney, Manager Partner of GSF Manager LLP made best efforts to draw investors to the fund and raise capital. However, on account of the adverse economic conditions he was unable to do so and launch the Fund. Mr. Sawhney was faced with unprecedented challenges in obtaining capital for the Fund. It was further submitted that while looking to raise funds from the investors, Mr. Sawhney got in touch with certain start-ups and helped them grow their business. It was further submitted that recently GSF Managers LLP has been able to draw some interest from investors for its scheme. Accordingly, the Fund is in the process of filing the revised private-placement memorandum (PPM) for launch of the Fund with SEBI. I note that GSF is intending to operationalise its AIF activities and are in touch with certain investors for the same. However, I am not in a position to ascertain the genuineness of the submission. In the case of other Noticees, who appeared before me, namely IREO Advantage Fund I and Saveda Venture Capital Fund, I have taken the view that since the AIF activities did not commence and the alleged violation having been established, the registration certificate be cancelled. The Noticee stated that they were in the process of filing a consent application to settle the proceedings. However, no valid settlement application has been filed till date. I note that even though the AIF Regulations have not stipulated a time frame for registered entities within which they are supposed to commence operations, the Noticees ought to have commenced their activity within a reasonable time frame, which in any case cannot be after a gap of six years. In the circumstances, I am inclined to recommend cancellation of Certificate

of Registration of this Noticee too, for the same reason cited in the case of Noticee Nos. 2 and 4

18. Noticee Nos. 1, 3, 5, 7 and 8

I note that the SCNs were served to Noticee No. 1 via affixture, to Noticee No. 3 via SPAD, to Noticee Nos. 5, 7 and 8 via newspaper publication. However, no reply has been filed by these 6 Noticees. I note that if the Board is unable to serve Notices on registered intermediaries, it means that the latest address has not been furnished by such intermediaries to the Board. An Intermediary which does not respond to communications of the regulator, is not entitled to continue with its registration. It is therefore recommended that Noticee Nos. 1, 3, 5, 7 and 8 are not entitled to hold their Certificate of Registration and the same may be cancelled.

19. Thus, I conclude that Noticee Nos. 1, 3, 5, 7 and 8 have violated provisions 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. The Noticees are therefore liable for action under regulation 26(1)(ii) of Intermediaries Regulations, 2008 read with Section 12(3) of the SEBI Act, 1992 and Regulation 35(1)(b) and (d) of AIF Regulations, the provisions of which are reproduced hereunder:

SEBI Act

Registration of stock brokers, sub-brokers, share transfer agents, etc.

.....

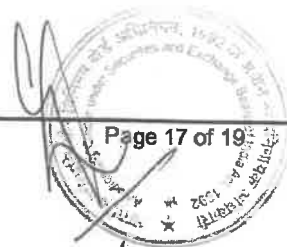
12. (3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard.

Intermediaries Regulations

Recommendation of action

Enquiry Report in the matter Non-Compliance of AIF Regulations



26. (1) After considering the material available on record and the reply, if any, the designated authority may by way of a report, recommend the following measures,—

- (i) disposing of the proceedings without any adverse action;
- (ii) cancellation of the certificate of registration;
- (iii) suspension of the certificate of registration for a specified period;
- (iv) prohibition of the noticee from taking up any new assignment or contract or launching a new scheme for such the period as may be specified;
- (v) debarment of an officer of the noticee from being employed or associated with any registered intermediary or other person associated with the securities market for such period as may be specified;
- (vi) debarment of a branch or an office of the noticee from carrying out activities for such period as may be specified;
- (vii) issuance of a regulatory censure to the noticee:

Provided that in respect of the same certificate of registration, not more than five regulatory censures under these regulations may be recommended to be issued, thereafter, the action as detailed in clause (ii) to (vi) of this sub-regulation may be considered.

CHAPTER VI

PROCEDURE FOR ACTION IN CASE OF DEFAULT

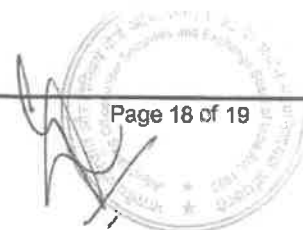
Liability for action in case of default.

35.(1) An Alternative Investment Fund which—

- (a) contravenes any of the provisions of the Act or these regulations;
- (b) fails to furnish any information relating to its activity as an Alternative Investment Fund as required by the Board;
- (c) furnishes to the Board information which is false or misleading in any material particular;
- (d) does not submit periodic returns or reports as required by the Board;
- (e) does not co-operate in any enquiry, inspection or investigation conducted by the Board;
- (f) fails to resolve the complaints of investors or fails to give a satisfactory reply to the Board in this behalf,

shall be dealt with in the manner provided under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

(2) Sub-regulation (1) shall not prejudice the powers of the Board to issue directions or measures under regulation 34 or under sections 11, 11B, 11D, sub-section (3) of section 12 or section 24 or Chapter VIA of the Act or under any other law for the time being in force.



RECOMMENDATION

20. In view of the facts and circumstances of the case, in terms of regulation 26(1)(ii) of the Intermediaries Regulations, it is recommended that the certificate of Registration of the following Noticees may be cancelled

Sr. No.	Name of the Entities	SEBI Registration No.
1	Quant First Alternate Investment Trust	IN/AIF3/12-13/0018
2	IREO Advantage Fund I	IN/AIR2/13-14/0050
3	Paranjape Plutus Fund-1	IN/AIF2/12-13/0030
4	Saveda Venture Capital Fund	IN/AIR1/13-14/0067
5	SRS Alternative Investment Fund	IN/AIR2/15-16/0145
6	GSF Venture Capital Fund	IN/AIF1/15-16/0152
7	Investmaxima Trust	IN/AIR2/18-19/0532
8	Golden Bird AIF	IN/AIF3/18-19/0543

Date: September 30, 2022
Place: Mumbai


GEETHA G.
DESIGNATED AUTHORITY