

SECURITIES AND EXCHANGE BOARD OF INDIA

ENQUIRY ORDER

Under Regulation 27 of Securities and Exchange Board of India (Intermediaries) Regulations, 2008 and Regulation 22 of Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulation, 2000.

IN RESPECT OF:

Noticee No.	Noticee Name	Registration No.
1.	AOC PARTNERS APGF	IN/FVCI/06-07/42
2.	ASIA POWER FVCI LTD	IN/FVCF/12-13/0191
3.	AV 2014 GLOBAL INVESTMENT LTD	IN/FVCF/15-16/0235
4.	AXIS CAPITAL MAURITIUS	IN/FVCI/07-08/83
5.	AXIS INDIA INFRASTRUCTURE HOLDINGS	IN/FVCF/10-11/0071
6.	BLACKSTONE CAPITAL PARTNERS (SINGAPORE) VI FVCI PTE. LTD	IN/FVCF/13-14/0209
7.	BLACKSTONE FAMILY INVESTMENT PARTNERSHIP (SINGAPORE) VI-ESC FVCI PTE. LTD.	IN/FVCF/13-14/0212
8.	CANAAN VII MAURITIUS	IN/FVCI/06-07/63
9.	ECOLUTIONS SINGAPORE PTE LTD ('ESGP')	IN/FVCF/10-11/0165
10.	FIRSTMARK INDIA MAURITIUS III LTD	IN/FVCI/05-06/21
11.	GLOBAL ASIA VENTURE COMPANY (MAURITIUS)	IN/FVCI/06-07/76
12.	HS VENTURE LIMITED	IN/FVCI/07-08/82
13.	IFCI SYCAMORE INDIA INFRASTRUCTURE FUND	IN/FVCF/13-14/0204
14.	OMEGA FVCI INVESTMENTS PTE LTD	IN/FVCF/13-14/0203
15.	P6 ASIA HOLDING INVESTMENTS (CYPRUS) LIMITED	IN/FVCI/07-08/97
16.	PEQUOT INDIA MAURITIUS IV, LTD	IN/FVCI/05-06/25
17.	SANDLER MAURITIUS INVESTMENTS, LTD ("SMIL")	IN/FVCI/05-06/35
18.	STRUCTURED INVESTMENTS LTD	IN/FVCI/06-07/78
19.	SUMMIT PARTNERS INDIA VENTURE CAPITAL INVESTMENTS	IN/FVCF/11-12/0183

In the matter of proposing cancellation of certificate of registration of defunct FVCI Companies

Background

1. The present matter emanates from a Show-Cause Notice dated December 31, 2024 (hereinafter referred to as "**SCN**") issued by Securities and Exchange Board

of India (hereinafter referred to as “**SEBI**”) to 19 companies registered with SEBI registration numbers as mentioned in the table above, as a Foreign Venture Capital Investors (FVCI),(together referred to as “**Noticees**”),under Regulation 27(1) of the SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as “**Intermediaries Regulations, 2008**”), calling upon them to show cause as to why action as recommended by the Designated Authority (hereinafter referred to as “**DA**”) or any other direction/ penalty as deemed fit should not be issued/imposed on them. The SCN was enclosed with the Report of the Designated Authority dated November 29, 2024 (hereinafter referred to as “**Enquiry Report**” or “**ER**”).

2. On examination of the following prima facie violations against the Noticees, the DA has submitted the Enquiry Report;
 - a. For cessation of existence as incorporated entities in respective jurisdictions, and thus no longer satisfy the condition of being an entity incorporated outside India, violating Regulations 4(1) (c) and (d) of the FVCI Regulations, 2000,
 - b. For failure to file quarterly reports, violating Regulation 13 (1) of FVCI Regulations, 2000 read with SEBI Circular dated April 29, 2003, & circular dated January 12, 2010 and
 - c. For failure to intimate change in eligibility criteria, violating Regulations 4(1)(f) & 8(d) of FVCI Regulations, 2000.
3. In the ER, the DA has concluded that the Noticees have violated the following;
 - a) Regulation 4(1) (c) and (d) of the FVCI Regulations, 2000,
 - b) Regulation 13 (1) of FVCI Regulations, 2000 read with SEBI Circular dated April 29, 2003, & circular dated January 12, 2010,
 - c) Regulation 4(1)(f) & 8(d) of FVCI Regulations, 2000.
4. In light of the above and in terms of Regulation 26 of the Intermediaries Regulations, 2008, the DA had recommended that:

“I recommend that the certificate of registration of 19 FVCIs be cancelled.”

Post Enquiry Proceedings

5. Post-Enquiry Show Cause Notices dated December 31, 2024 enclosing the copy of the ER and hearing notices dated January 17, 2025, were issued to the Noticees. The details of which are as under;

S. No	Name of the entity and Registration Number	Home Jurisdiction	SCN dated December 31, 2024	HN dated January 17, 2025	Email status of SCN and HN
1.	AOC PARTNERS APGF (REG NO. IN/FVCI/06-07/42)	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available
2.	Asia Power FVCI Ltd (Reg. No. IN/FVCF/12-13/0191) Rishal.tanee@baxservices.com	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered.
3.	AV 2014 Global Investment Ltd (Reg. No. IN/FVCF/15-16/0235)	<i>Mauritius (Global Business Company)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available
4.	Axis Capital Mauritius (Reg. No. IN/FVCI/07-08/83)	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available
5.	Axis India Infrastructure Holdings (Reg. No. IN/FVCF/10-11/0071) Deven.coopooosamy@multiconsult.mu	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not delivered

6.	Blackstone Capital Partners (Singapore) VI FVCI Pte. Ltd. (Reg. No. IN/FVCF/13-14/0209) Pithambar.gon@blackstone.com	<i>Singapore (Other Holding Company)</i>	Not Delivered as per postal tracking (envelop is not received as undelivered.	Item on hold as per postal tracking	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered.
7.	Blackstone Family Investment Partnership (Singapore) VI-Esc Fvci Pte. Ltd. (Reg. No. IN/FVCF/13-14/0212) Pithambar.gon@blackstone.com	<i>Singapore (Other Holding Company)</i>	Not Delivered as per postal tracking (envelop is not received as undelivered.	Item on hold as per postal tracking	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered
8.	Canaan VII Mauritius (Reg. No. IN/FVCI/06-07/63) arvind@ifsmauritius.com	<i>Mauritius (Global Business Category 2)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered.
9.	Ecolutions Singapore Pte Ltd ('ESGP') (Reg. No. IN/FVCF/10-11/0165) Hon.sooleng@ecolution.de	<i>Singapore (Other Holding Company)</i>	Item on hold as per postal tracking	Item delivered as per postal tracking but no response received till date.	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered.
10.	Firstmark India Mauritius III Ltd (Reg. No. IN/FVCI/05-06/21)	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available
11.	Global Asia Venture Company (Mauritius) (Reg. No. IN/FVCI/06-07/76)	<i>Mauritius (Global Business Company)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available

12.	HS Venture Limited (Reg. No. IN/FVCI/07-08/82) Csd.mu@vistra.com	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered.
13.	IFCI Sycamore India Infrastructure Fund (Reg. No. IN/FVCF/13-14/0204) Plim@sycamorevc.com	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-undelivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-undelivered.
14.	Omega Fvci Investments Pte Ltd (Reg. No. IN/FVCF/13-14/0203) Soumen.mitra@tatacapital.com	<i>Singapore (Other Holding Company)</i>	Not Delivered as per postal tracking (envelop is not received as undelivered.	Item on hold as per postal tracking	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-undelivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-undelivered.
15.	P6 Asia Holding Investments (Cyprus) Limited (Reg. No. IN/FVCI/07-08/97)	<i>Cyprus (Limited Company)</i>	Postal service not available in Cyprus	Postal service not available in Cyprus	Email – id not available
16.	Pequot India Mauritius IV, Ltd (Name changes to FirstMark India Mauritius IV) (Reg. No. IN/FVCI/05-06/25) SLalljee@internationalproximity.com	<i>Mauritius</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-delivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-delivered.
17.	Sandler Mauritius Investments, Ltd ("Smil") (Reg. No.	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available

	IN/FVCI/05-06/35)				
18.	Structured Investments Ltd (Reg. No. IN/FVCI/06-07/78) Ameet.luchmunroy@db.com	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – SCN dated December 31, 2024 forwarded vide email dated January 09, 2025-undelivered. HN dated January 17, 2025 forwarded vide email dated January 20, 2025-undelivered.
19.	Summit Partners India Venture Capital Investments (Reg. No. IN/FVCF/11-12/0183)	<i>Mauritius (Global Business Category 1)</i>	Postal service not available in Mauritius	Postal service not available in Mauritius	Email – id not available

6. Having regard to the above and as the Noticees are defunct, all the individual SCNs dated December 31, 2024 and the hearing notices dated January 17, 2025 have been uploaded on the SEBI portal, under the head “Enforcement → Unserved Summons/Notices” on December 31, 2024 and January 17, 2025, respectively.
7. I note that as the Noticees have neither filed their replies in the matter nor attended the scheduled personal hearing on February 11, 2025, I am constrained to proceed to deal with the matter ex-parte on the basis of material available on record.

Consideration of Issues and Findings:

8. I have considered the allegations levelled in the SCN/ER and the material available on record. The issue that arises for consideration in the instant case is as following:

Whether the Noticees have violated the provisions of FVCI Regulations, 2000 and SEBI Circulars, as alleged?

9. Before I proceed further with the matter, it is pertinent to mention the relevant provisions of the FVCI Regulations, 2000 and SEBI Circulars alleged to have been violated by the Noticees. The same are reproduced herein below:

Regulation 4(1) (c) and (d) of the FVCI Regulations:

“ ...

Eligibility Criteria.

For the purpose of the grant of a certificate to an applicant as a Foreign Venture Capital Investor, the Board shall consider the following conditions for eligibility, namely:-

...

(c) whether the applicant is an investment company, investment trust, investment partnership, pension fund, mutual fund, endowment fund, university fund, charitable institution or any other entity incorporated outside India; or

(d) whether the applicant is an asset management company, investment manager or investment management company or any other investment vehicle incorporated outside India;

...”

Regulation 4(1)(f) of the FVCI Regulations:

“ ...

Eligibility Criteria.

For the purpose of the grant of a certificate to an applicant as a Foreign Venture Capital Investor, the Board shall consider the following conditions for eligibility, namely:-

...

(f) whether the applicant is regulated by an appropriate foreign regulatory authority or is an income tax payer; or submits a certificate from its banker of its or its promoter's track record where the applicant is neither a regulated entity nor an income tax payer.

...”

Regulation 8(d) of the FVCI Regulations:

“ ...

Conditions of certificate.

8. The certificate granted to the foreign venture capital [investor] under regulation 7 shall be inter alia, subject to the following conditions, namely:-

...

(d) it shall forthwith inform the Board in writing if any information or particulars previously submitted to the Board are found to be false or misleading in any material particular or if there is any change in the information already submitted.

...”

Regulation 13 (1) of the FVCI Regulations:

“ ...

Power to call for information.

13. (1) *The Board may at any time call for any information from a Foreign Venture Capital Investor with respect to any matter relating to its activity as a Foreign Venture Capital Investor.*
...

SEBI Circular No. SEBI/MFD/VCF/CIR no 2/7350 /2003 dated April 29, 2003:

“ ...
In accordance with Reg. 13 (1) of SEBI (Foreign Venture Capital Investors) Regulations, 2000, all the Foreign Venture Capital Investors are directed to henceforth submit the report on venture capital activity to SEBI, complete in all respects, strictly in the prescribed format (copy enclosed).
...”

SEBI Circular No. SEBI/IMD/DOF-1/FVCI/CIR-1/2010 dated January 12, 2010:

“ ...
2. Format for the quarterly report on venture capital activity to be submitted by Foreign Venture Capital Investors has been revised as per enclosed Annexure. In accordance with Regulation 13 (1) of SEBI (Foreign Venture Capital Investors) Regulations, 2000, all Foreign Venture Capital Investors are directed to submit the report on venture capital activity to SEBI complete in all respects in the new format with effect from the quarter ended 31st March, 2010.
3. The report is to be uploaded online on SEBI portal within 7 days from the end of each calendar quarter. Physical copies of the report are not required to be submitted.
...”

10. I note that DA had issued a Show Cause Notice dated September 20, 2024 (hereinafter referred to “**DA SCN**”) to the Noticees and thereafter based on the material available on record, the DA had submitted his recommendation. Considering that there are no responses submitted by the Noticees, in this order, I would be examining the sustainability of the findings given in the ER on each of the allegation made in the DA SCN, based on the material available on record.
11. I note that the Noticees have been charged with multiple allegations, which I shall deal with in the following paragraphs.

12. Firstly, I note that the SEBI Registration Number of Noticee No.6 i.e. BLACKSTONE CAPITAL PARTNERS (SINGAPORE) VI FVCI PTE.LTD., has been inadvertently mentioned as “IN/FVCF/12-13/0191” and “IN/FVCF/12-13/0209” in the DA SCN and ER respectively instead of “IN/FVCF/13-14/0209” as mentioned in the SEBI website. Accordingly, in this order the SEBI registration Number of Noticee No.6 i.e. BLACKSTONE CAPITAL PARTNERS (SINGAPORE) VI FVCI PTE.LTD., has been mentioned as “IN/FVCF/13-14/0209”.

13. I now proceed on the merits of the case.

A. Cessation of existence as incorporated entities in their respective jurisdictions, and thus no longer satisfy the condition of being an entity incorporated outside India:

In this regard, it had been alleged that the 19 defunct FVCI companies are no longer in existence as incorporated entities in their respective jurisdictions and thereby no longer satisfy the condition of being an entity incorporated outside India as articulated in Regulation 4(1) (c) and (d) of the FVCI Regulations, 2000, which is in violation of the said provisions.

B. Failure to file quarterly reports:

In this regard, it was observed that the 19 FVCIs had also not submitted quarterly data on SEBI Intermediaries (“SI”) portal for even 4 calendar quarters, example, from quarter ending March 31, 2023 to quarter ending December 31, 2023. Further, it was observed that 6 of these FVCIs had never filed any quarterly reports, and 4 other FVCIs had filed as long back as FY 2012-13. Thus, by not filing quarterly report, the Noticees have allegedly violated the provision of Regulation 13 (1) of FVCI Regulations, 2000 read with SEBI Circular dated April 29, 2003 and Circular dated January 12, 2010.

C. Failure to intimate change in eligibility criteria:

In this regard, it had been alleged that by not intimating the change in their regulatory status i.e. the entities becoming defunct in their home jurisdiction, the Noticees have

allegedly not complied with Regulation 4(1)(f) & 8(d) of FVCI Regulations, 2000.

14. Considering the fact that the Noticees were unable to provide their replies in the matter, for the reasons mentioned above, I am going to examine the finding of the DA.

15. In view of the allegations stated above, I note that the DA has observed the following;

- i. SEBI had made enquiry with the registered Custodians of the Noticees regarding any investments made by them. In response, the Custodians confirmed that none of the said 19 FVCIs presently did not have a custody account with any of the Custodians. Accordingly, it was inter alia observed that in the absence of custody accounts, it was evident that these 19 FVCIs did not hold any securities in India.
- ii. During the examination, SEBI had inter alia also observed from the website of Business Registration Department of Mauritius, Cyprus and Singapore, that the status of 19 FVCIs in their parent jurisdictions was defunct. The complete list of the 19 FVCIs jurisdiction, along with the date of becoming defunct, as available from their respective websites are mentioned in the table below:

Name Of The Entity	Home Jurisdiction	Date Of Registration/ Incorporation In Home Jurisdiction	Date Of Becoming Defunct/ Struck off In Home Jurisdiction	Last Filing Of Quarterly Report On SI Portal
Aoc Partners Apgf (Reg No. IN/FVCI/06-07/42 Date of Regn: 05/05/2006)	Mauritius (Global Business Category 1)	12/10/2005	30/11/2013	04/10/2012
Asia Power FvcI Ltd (Reg. No. IN/FVCF/12-13/0191 Date of Regn: 04/06/2012)	Mauritius (Global Business Category 1)	17/02/2011	24/10/2018	10/04/2015
Av 2014 Global Investment Ltd (Reg. No. IN/FVCF/15-16/0235 Date of Regn: 23/07/2015)	Mauritius (Global Business Company)	18/09/2014	09/08/2023	Not Available [#]
Axis Capital Mauritius (Reg. No. IN/FVCI/07-08/83 Date of Regn: 07/06/2007)	Mauritius (Global Business Category 1)	15/12/2006	07/04/2014	04/10/2012
Axis India Infrastructure Holdings (Reg. No. IN/FVCF/10-11/0071 Date of Regn: 27/10/2009)	Mauritius (Global Business Category 1)	04/02/2008	16/08/2017	Not Available [#]

Blackstone Capital Partners (Singapore) VI Fvci Pte. Ltd. (Reg. No. IN/FVCF/13-14/0209 Date of Regn: 25/09/2013)	Singapore (Other Holding Company)	21 Jun 2012	Not Available*	Not Available [#]
Blackstone Family Investment Partnership (Singapore) VI-Esc Fvci Pte. Ltd. (Reg. No. IN/FVCF/13-14/0212 Date of Regn: 01/11/2013)	Singapore (Other Holding Company)	21 Jun 2012	Not Available*	Not Available [#]
Canaan VII Mauritius (Reg. No. IN/FVCI/06-07/63 Date of Regn: 20/12/2006)	Mauritius (Global Business Category 2)	13/03/2006	07/03/2019	04/04/2017
Ecolutions Singapore Pte Ltd ('Esgp') (Reg. No. IN/FVCF/10-11/0165 Date of Regn: 23/03/2011)	Singapore (Other Holding Company)	30 Jan 2009	Not Available*	15/10/2013
Firstmark India Mauritius III Ltd (Reg. No. IN/FVCI/05-06/21 Date of Regn: 18/07/2005)	Mauritius (Global Business Category 1)	08/06/2005	04/10/2018	05/10/2018
Global Asia Venture Company (Mauritius) (Reg. No. IN/FVCI/06-07/76 Date of Regn: 21/03/2007)	Mauritius (Global Business Category 1)	17/05/2006	13/04/2023	25/01/2021
HS Venture Limited (Reg. No. IN/FVCI/07-08/82 Date of Regn: 01/06/2007)	Mauritius (Global Business Category 1)	03/11/2006	18/09/2018	07/03/2017
IFCI Sycamore India Infrastructure Fund (Reg. No. IN/FVCF/13-14/0204 Date of Regn: 28/05/2013)	Mauritius (Global Business Category 1)	25/01/2012	28/09/2018	14/01/2015
Omega Fvci Investments Pte Ltd (Reg. No. IN/FVCF/13-14/0203 Date of Regn: 16/05/2013)	Singapore (Other Holding Company)	02 Mar 2012	Not Available*	06/04/2017
P6 Asia Holding Investments (Cyprus) Limited (Reg. No. IN/FVCI/07-08/97 Date of Regn: 21/02/2008)	Cyprus (Limited Company)	05/02/2007	Not Available*	16/01/2013
Pequot India Mauritius IV, Ltd (Name changes to FirstMark India Mauritius IV) (Reg. No. IN/FVCI/05-06/25 Date of Regn: 31/08/2005)	Mauritius	06/07/2005	04/10/2018	05/10/2018
Sandler Mauritius Investments, Ltd ("Smil") (Reg. No. IN/FVCI/05-06/35 Date of Regn: 20/02/2006)	Mauritius (Global Business Category 1)	28/09/2005	08/07/2021	Not Available [#]
Structured Investments Ltd (Reg. No. IN/FVCI/06-07/78 Date of Regn: 21/03/2007)	Mauritius (Global Business Category 1)	21/06/2006	15/07/2013	04/04/2012
Summit Partners India Venture Capital Investments (Reg. No. IN/FVCF/11-12/0183 Date of Regn: 15/03/2012)	Mauritius (Global Business Category 1)	09/09/2010	12/05/2018	Not Available [#]

iii. From the above table, SEBI observed that out of the 14 entities whose date of strike off is available, 11 entities had been defunct for more than 5 years in their home jurisdiction, while 3 others had been defunct for a period of 10 months to 3 years.

iv. The summary of jurisdiction wise list of defunct FVCIs and source of obtaining status of the companies, is as below:

S no	No. of Defunct Companies	Jurisdiction	Source
1.	14	Mauritius	Website of Corporate and Business Registration Department of Govt. of Mauritius (https://onlinereach.mns.mu/)
2.	4	Singapore	https://www.companies.sg . Companies were registered with Accounting and Corporate Regulatory Authority (ACRA)
3.	1	Cyprus	https://i-cyprus.com Website of Cyprus Corporate Registry

- v. In this regard, SEBI also sought information from the regulators in Mauritius, Cyprus and Singapore regarding the status of these 19 FVCIs. SEBI vide email dated February 08, 2024, received response from Cyprus Securities and Exchange Commission (CySEC), confirming that the status of the FVCI P6 Holding Investments (Cyprus) Limited., is recorded in the records of Registrar of Companies as '*Dissolution followed by Voluntary Liquidation*'.
- vi. Thereafter, SEBI received an email dated March 20, 2024 from Apex Fund services (Mauritius) Ltd., on behalf of FVCI AV 2014 Global Investments Limited confirming that it has been removed from the Register of Mauritius, which was further confirmed by a letter from Corporate and Business Registration Department of Mauritius.
- vii. Next, SEBI also sent emails to the last available contact email ids of 11 FVCIs where email ids were available. However, no response was received by SEBI.
- viii. In this connection, the DA has observed that as the entity-seeking registration the Noticee as FVCIs should be regulated by an appropriate foreign regulatory authority and as per the conditions of certificate i.e. Regulation 8 of the FVCI Regulations, 2000, sub regulation (d), the regulated entity has to inform SEBI of any change in information provided at the time of registration, which the Noticees failed to do.
- ix. In view of the foregoing, the DA has noted that the allegations such as the Noticees ceasing to exist as incorporated entities in their respective jurisdictions and thus no longer satisfy the condition of being an entity incorporated outside India, the Noticees failing to file quarterly reports and failing to intimate change in eligibility criteria, stands established. Therefore,

the DA held that the Noticees have violated Regulation 4(1) (c) and (d) of the FVCI Regulations, 2000, Regulation 13 (1) of FVCI Regulations, 2000 read with SEBI Circular dated April 29, 2003, & SEBI Circular dated January 12, 2010 and Regulation 4(1)(f) & 8(d) of FVCI Regulations, 2000.

Considerations and Findings

16. In this regard, I note from SEBI's examination and the DA's Enquiry Report that FVCIs are investor incorporated and established outside India, registered under the FVCI Regulations, 2000 under certain conditions, and propose to make investment in accordance with the said regulation, like abiding by the provisions of the SEBI Act and the Regulations, appointing a domestic custodian for the purpose of custody of securities, etc. Having said that, I note that these conditions encompasses within its ambit the requirement to file quarterly reports, intimating change in eligibility criteria and maintaining its existence as an entity incorporated outside India.
17. In the present matter, the SCN alleged that the Noticees were not found at their registered address to contact and communicate with. This goes to show that the subsequent change in the address of the FVCIs was not communicated to SEBI and also did not submit the periodic reports as required under the FVCI Regulation. In this connection, it is noted that SEBI tried to contact and communicate with the Noticees through various means but failed.
18. In this regard, I note from SEBI's examination and the DA's enquiry that the Noticees who were registered with SEBI earlier, do not exist now and have become defunct in their respective jurisdictions, i.e. Mauritius, Singapore and Cyprus, as observed from the websites of the Business Registration Department of the respective FVCIs, Cyprus SEC, Apex Fund services (Mauritius) Ltd., lack of response from the remaining 11 FVCIs, etc. In this regard, I note that the DA has provided the jurisdiction wise complete list of the 19 FVCIs along with date of becoming defunct, as available from their respective websites, from which SEBI had inter alia observed that out of the 14 entities whose date of strike off is

available, 11 entities had been defunct for more than 5 years in their home jurisdiction and 3 other entities have been defunct for 10 months to 3 years' time range.

19. In this regard, I note that SEBI has extensively attempted to contact/communicate with the Noticees, at various stages of this proceeding but has been unsuccessful in establishing contact with them. Further, SEBI had also enquired with the SEBI registered Custodians regarding any investments made by the Noticees and it was confirmed by the Custodians that none of them presently had a custody account with any of the Custodians. Accordingly, it was inter alia observed that in the absence of custody accounts, it was evident that the Noticees did not hold any securities in India.

20. Accordingly, I find that the Noticees cease to exist as incorporated entities in their respective jurisdictions.

21. Further, it is pertinent to note that any information submitted to SEBI while seeking registration as FVCI is considered as material information, which, inter alia, includes name, address of the registered office, address for correspondence and principal place of business, telephone number(s), fax number(s), e-mail address of the FVCI, etc. Such information depicts the place where the FVCI has its registered address and the various mode through which communication can be established with it. Accordingly, it is the responsibility of the Noticees, being a Foreign Venture Capital Investors to inform SEBI of the change in its address, status, whether the applicant is regulated by an appropriate foreign regulatory authority or is an income tax payer; or submits a certificate from its banker of its or its promoter's track record where the applicant is neither a regulated entity nor an income tax payer, etc., which it failed to do.

22. Similarly, disclosure of discontinuation of Foreign Venture Capital Investors activity is also material information, which should have been informed to SEBI in writing and also the same should have been widely publicized on the Noticees' website and through other channels communicating the same to their Indian custodian, as per FVCI Regulations, 2000.

23. In this regard, I note that as per the provisions of Regulations 4(1) (c), (d) and (f) of the FVCI Regulations, 2000, a FVCI has to follow honesty and integrity while complying with the regulatory requirements. I also note that as per Regulation 8(d) of the FVCI Regulations, 2000, the FVCI is under the obligation to inform in writing if any information provided is false or misleading or there is a change in the information already submitted. However, in the present matter, I note that the Noticees have chosen not to inform SEBI about the discontinuation of their activities. Thus, the Noticees did not inform SEBI about change in material information which is in total disregard to the conditions of registration as mentioned above, and thereby violated the provisions of Regulations 4(1) (c), (d), (f) and 8(d) of the FVCI Regulations, 2000.

24. Further, I note that being a Foreign Venture Capital Investor registered under Regulation 27(1) of the SEBI (Intermediaries) Regulations, 2008, the Noticees had certain responsibilities and duties to comply with the said regulation and filing of returns is one such key responsibility. Thus, in this connection, I find that as per Section 13(1) of FVCI Regulations, 2000, SEBI has the power to call for information from a Foreign Venture Capital Investor with respect to any matter relating to its activity, also, SEBI Circular No. SEBI/MFD/VCF/CIR no 2/7350 /2003 dated April 29, 2003, specifies that in accordance with the aforesaid regulation all the Foreign Venture Capital Investors are directed to submit the report on venture capital activity to SEBI, complete in all respects, strictly in the prescribed format. However, in the present matter, I note that the Noticees failed to submit the same on quarterly basis which is against the said provisions.

25. I also note from the table at para 15(ii) above, that the said 19 FVCIs had not submitted quarterly data on SI portal for 4 calendar quarters i.e., from quarter ending March 31, 2023 to quarter ending December 31, 2023, as required under Regulation 13(1) of the FVCI Regulations, 2000, read with SEBI Circular dated April 29, 2003, and SEBI Circular dated January 12, 2010. In this regard, it was also observed that 6 of these FVCIs had never filed any quarterly reports, and 4 other FVCIs had filed as long back as FY 2012-13.

26. Accordingly, from the material available on record, I note that the Noticees were not carrying out any FVCI activities and also hardly submitted the relevant reports ever since being registered with SEBI. The said facts clearly show that the Noticees are not interested to continue as a registered Foreign Venture Capital Investors.
27. Thus, with regard to the aforesaid non-compliance by not filing the quarterly report, I agree with the recommendation of the DA that the Noticees have violated the provisions of Regulation 13(1) of FVCI Regulations, 2000 read with SEBI Circular No. SEBI/MFD/VCF/CIR no 2/7350 /2003 dated April 29, 2003, & SEBI Circular dated January 12, 2010.
28. In view of the above, in this regard, I agree with the observation of SEBI and findings of the DA that consequent to being defunct, the said 19 FVCIs did not intimate SEBI about the change in their regulatory status i.e. the eligibility criteria, did not file their quarterly filings and also could not satisfy the condition of being an entity incorporated outside India and accordingly violated the provisions of Regulation 4(1) (c), (d), (f) and 8 (d) of the FVCI Regulations, 2000 and Regulation 13(1) of FVCI Regulations, 2000 read with SEBI Circular dated April 29, 2003, & SEBI Circular dated January 12, 2010.
29. Further, I note that as per Regulation 23 of the FVCI Regulations, 2000, cancellation of certificate of FVCIs can be done only after holding an enquiry in accordance with the procedure specified under Chapter V of the SEBI (Intermediaries) Regulations, 2008. Thus, as established above, the Noticees are liable for action under the Intermediaries Regulations, SEBI circulars and the FVCI Regulations, 2000 for the said violations. Accordingly, I agree with the recommendations given by DA vide report dated November 29, 2024, that the certificate of registration of 19 FVCIs be cancelled and note that same may meet the ends of justice.

Directions:

30. In view of the foregoing, I, in exercise of the powers conferred upon me in terms of Section 19 of SEBI Act, 1992 read with Regulation 27 of the Intermediaries Regulations and Regulation 22 of the FVCI Regulations, 2000, hereby cancel the Certificate of Registration of the 19 defunct FVCI companies i.e. the Noticees.
31. This order comes into force with immediate effect.
32. A copy of this order shall be forwarded to the Noticees.

DATE: February 18, 2025

PLACE: MUMBAI

G. RAMAR
CHIEF GENERAL MANAGER
SECURITIES AND EXCHANGE BOARD OF INDIA