**WTM/MPB/EFD-1-DRA-4/ 64 /2019**

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

**CORAM: MADHABI PURI BUCH, WHOLE TIME MEMBER**

**FINAL ORDER**

**Under Regulation 28 (2) of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008**

**In the matter of Life Fund**

**In respect of:**

| Sl.No | Name of the Entity | Registration No./ PAN |
|---|---|---|
| 1 | Life Fund | IN/AIF1/14-15/0117 |

**In re SEBI (Alternative Investment Funds) Regulations, 2012**

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1. Life Fund ("hereinafter referred to as "**the Noticee/ Life Fund**") is an Alternate Investment Fund (hereinafter referred to as "**AIF**") registered with Securities and Exchange Board of India ("**SEBI**") from August 21, 2014, having registration number IN/AIF1/14-15/0117. The Manager of Life Fund is M/s Global Life Investment and Advisory Services Private Limited.

**Brief Background:**

2. SEBI conducted an examination into the fund-raising activity of Neesa Technologies Limited (hereinafter referred to as "**NTL**") and found that NTL had made an offer of Non-Convertible Debentures ("**NCDs**") in the financial year 2013-2014 and raised an amount of Rs.5.96 Crores from 341 persons. The same was found to be in violation of provisions of the SEBI Act, 1992 (hereinafter referred to as "**SEBI Act**") and the Companies Act, 1956. In view of this, SEBI passed an Order dated June 02, 2016 and issued the following directions against NTL and its promoters and directors viz., Arvind Gupta, Yogesh Ghisumal Gemawat, Girishchandra Mukundram Baluni, Nimain Charan Biswal, Sanjay Gupta, Kamlendra Joshi, Manoj Singhal and Suresh Kumar:

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***a.*** *Neesa Technologies Limited [PAN: AABCG5430A], Mr. Arvind Gupta [PAN: AERPG2839N; DIN: 00064391], Mr. Yogesh Ghisumal Gemawat [PAN: ADVPG4051D; DIN: 02550021],* ***Mr. Girishchandra Mukundram Baluni*** *[PAN: AAKPB5408R; DIN: 02745783], Mr. Nimain Charan Biswal [PAN: ACRPB3767C; DIN: 03306090],* ***Mr. Sanjay Gupta*** *[PAN: ABUPG5799B; DIN: 00006361], Mr. Kamlendra Joshi [PAN: ABIPJ6029P; DIN: 05356425] and Mr. Manoj Singhal [PAN: ARFPS7604E; DIN: 01830419], jointly and severally, shall forthwith refund the money collected by the Company through the issuance of Non-Convertible Debentures (which have been found to be issued in contravention of the public issue norms stipulated under the Companies Act, 1956 and the ILDS Regulations), to the investors including the money collected from investors, till date, pending allotment of securities, if any, with an interest of 15% per annum compounded at half yearly intervals, from the date when the repayments became due (in terms of Section 73(2) of the Companies Act, 1956) to the investors till the date of actual payment.*

***b.*** *The repayments to investors shall be effected only in cash through Bank Demand Draft or Pay Order.*

***c.*** *The Company/its present management are permitted to sell the assets of the Company only for the sole purpose of making the refunds as directed above and deposit the proceeds in an Escrow Account opened with a nationalised Bank.*

***d.*** *The Company and others named above shall issue public notice, in all editions of two National Dailies (one English and one Hindi) and in one local daily with wide circulation, detailing the modalities for refund, including details of contact persons including names, addresses and contact details, within fifteen days of this Order coming into effect.*

***e.*** *After completing the aforesaid repayments, the Company shall file a certificate of such completion with SEBI, within a period of three months from the date of this Order, from two independent peer reviewed Chartered Accountants who are in the*

*panel of any public authority or public institution. For the purpose of this Order, a peer reviewed Chartered Accountant shall mean a Chartered Accountant, who has been categorized so by the Institute of Chartered Accountants of India ("ICAI").*

***f.*** *Neesa Technologies Limited, Arvind Gupta, Yogesh Ghisumal Gemawat, Girishchandra Mukundram Baluni, Nimain Charan Biswal, Sanjay Gupta, Kamlendra Joshi and Manoj Singhal are also directed to provide a full inventory of all their assets and properties and details of all their bank accounts, demat accounts and holdings of shares/securities, if held in physical form.*

***g.*** *In case of failure of the company, Neesa Technologies Limited, Arvind Gupta, Yogesh Ghisumal Gemawat,* ***Girishchandra Mukundram Baluni****, Nimain Charan Biswal,* ***Sanjay Gupta****, Kamlendra Joshi and Manoj Singhal, in complying with the aforesaid directions, SEBI, on the expiry of the three months period from the date of this order, -*

*a) shall recover such amounts in accordance with section 28A of the SEBI Act including such other provisions contained in securities laws.*

*b) may initiate appropriate action against the Company, its promoters/ directors and the persons/ officers who are in default, including adjudication proceedings against them, in accordance with law.*

*c) would make a reference to the State Government/ Local Police to register a civil/ criminal case against the Company, its promoters, directors and its managers/ persons in-charge of the business and its schemes, for offences of fraud, cheating, criminal breach of trust and misappropriation of public funds; and*

*d) would also make a reference to the Ministry of Corporate Affairs to initiate appropriate action as deemed fit.*

*e) would also make a reference to the Ministry of Corporate Affairs to flag the names of noticee directors in its database so that information may be perused by RoC or any other regulatory authority.*

***h.*** *Neesa Technologies Limited is directed not to, directly or indirectly, access the capital market by issuing prospectus, offer document or advertisement soliciting money from the public and are further restrained and prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of this Order till the expiry of four (4) years from the date of completion of refunds to investors as directed above.*

***i.*** *Arvind Gupta, Yogesh Ghisumal Gemawat,* ***Girishchandra Mukundram Baluni****, Nimain Charan Biswal,* ***Sanjay Gupta****, Kamlendra Joshi and Manoj Singhal are restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever manner, with immediate effect. They are also restrained from issuing prospectus, offer document or advertisement soliciting money from the public and associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI. The above directions shall come into force with immediate effect and shall continue to be in force from the date of this Order till the expiry of four (4) years from the date of completion of refunds to investors, as directed above.*

***j.*** *For the reasons stated above in this Order, the directions imposed on Mr. Suresh Kumar [PAN: ADZPK2242A; DIN: 03155198], vide the interim order dated June 03, 2015, are revoked and the proceedings against these is disposed of.*

***k.*** *The above directions shall come into force with immediate effect."*

3. It is observed that one of the directors of NTL viz., Mr. Sanjay Gupta is the Sponsor of Life Fund and is also a shareholder/director of the Manager of Life Fund namely, M/s Global Life Investment and Advisory Services Private Limited (hereinafter referred to as Manager) Mr. Girishchandra Mukundram Baluni (hereinafter referred to as "**Mr. Baluni**") who is also one of the directors of NTL is another shareholder/director of the Manager of Life Fund.

4. In view of the above, SEBI initiated proceedings against the Noticee in terms of the SEBI

(Intermediaries) Regulations, 2008 (hereinafter referred to as **'the Intermediaries Regulations**') in order to determine whether the Noticee continues to satisfy the criteria of *'fit and proper person'* in the light of the aforesaid SEBI order. SEBI vide order dated May 25, 2017 appointed a Designated Authority (hereinafter referred to as **'DA'**) under Section 19 of the SEBI Act read with Regulation 24 of the Intermediaries Regulations to enquire into the alleged violations of Regulation 4(f) of SEBI (Alternative Investment Funds) Regulations, 2012 (hereinafter referred to as 'AIF **Regulations**') read with Regulation 23, Schedule II of the Intermediaries Regulations. On completion of the proceedings, the DA vide Report dated November 10, 2017 recommended cancellation of the certificate of registration granted to the Noticee.

5. Subsequently, SEBI issued a Show Cause Notice dated November 30, 2017 ("**SCN**") under Regulation 28(1) of the Intermediaries Regulations, to the Noticee, asking it to show cause as to why the action recommended by the DA should not be taken against it.

6. The Noticee was advised to reply to the SCN within twenty one (21) days from the receipt thereof. SEBI informed the Noticee that in case of failure to reply, it would be presumed that they had no explanation to offer and that the matter would be proceeded on the basis of the evidence available on record. The Noticee was further advised to indicate if they would like to avail an opportunity of personal hearing before SEBI. A copy of the Report of DA was also forwarded to the Noticee along with the said SCN.

7. ***Service of SCN:*** The SCN was sent to the Noticee through Speed Post with acknowledgment ("**SPAD**").

8. ***Replies:*** The Noticee vide letter dated December 23, 2017 acknowledged the receipt of the SCN and *inter alia* submitted the following:

   *1) "Despite various submissions made from us along with the assurance that LIFE Fund shall not raise any Fund until the SAT Final order in case of Neesa Technologies Ltd., As per the copy of the Report submitted by the designated Authority enclosed along with the notice, Mr. Sanjay Gupta and Mr. Girishchandra Mukundram Baluni are not "fit*

*and proper person" fulfilling the criteria as per clause (b) of Schedule II of intermediaries Regulations i.e. absence of convictions and restraint orders.*

2) *In such case the Life Fund would like to restructure its management and hence, Mr. Sanjay Gupta and Mr. Girish Baluni will offer resignation to Life Fund as settler of the Fund and as Trustee of Fund.*
3) *The Life Fund will be reconstituting its trust along with amended trust deed and also the settler of the fund soon that constitute trusties having standing and reputation in the business world and/or business professionals and that fulfills SEBI's criteria of "fit and proper".*
4) *Moreover, as mentioned in show cause notice, opportunity of personal hearing must have to be granted to us to make a proper presentation of stands and grounds. And, therefore, give us at least 30 days' time to represent our self before you.*
5) *Mr. Sanjay Gupta and Mr. Baluni shall make a separate reply for this show cause notice and shall appear for personal hearing at convenience.*
6) *In view of the above facts, you are kindly requested to grant some time to the Fund and abreast with the decision till then."*

9. Subsequently, the Noticee vide letter dated February 16, 2018 submitted that Mr. Girish Baluni who was found not "fit and proper person' had already resigned from Asset Management Company i.e. Global Life Investment and Advisory Services Private Limited as well as trust Life Fund. It is also submitted that they were in search of alternative for both Mr. Sanjay Gupta and Mr. Baluni and requested SEBI not to cancel their registration.

10. Mr. Baluni filed an appeal against the aforesaid order dated June 02, 2016 before Hon'ble Securities Appellate Tribunal (Appeal No. 260 of 2016). Hon'ble SAT vide order dated June 20, 2017 set aside the SEBI order dated June 02, 2016 qua the appellant and directed SEBI for passing a fresh order on merits within three months from the date of the order. Pursuant to that SEBI passed an order September 20,2017, inter alia, directing that Mr. Baluni shall ensure that the refund is made by Neesa Technologies Limited with respect to the money collected by the Company through the issuance of Non-Convertible Debentures and

restraining from accessing the securities market and further prohibited from buying, selling or otherwise dealing in the securities market, directly or indirectly in whatsoever man manner, with immediate effect, till the expiry of four(4) year period from the date of this Order.

11. The order dated September 20,2017 passed by SEBI was set aside subsequently vide Hon'ble SAT order dated April 20, 2018 (Appeal No.340 of 2017) stating *"In the result impugned order is quashed and set aside qua the appellant and the appeal is allowed in the aforesaid terms with no order as to costs."* Subsequently SEBI filed a Review Application No.5 of 2018 In Appeal No.340 of 2017 seeking the review of the order dated April 20, 2018. The said Review application was disposed of stating "*Considering the totality of the facts and the fact that the appellant has undergone restraint of 35 months from the securities market and he has been discharged from any liability as far as refund is concerned, without getting into the details of the matter, I hold that no further restraint beyond 20/4/2018 – the date of this Appellate Tribunal in Appeal No.340 of 2017 – is warranted."*

12. Similarly Shri Sanjay Gupta also filed an Appeal (Appeal No. 156 of 2017) against the aforesaid order dated June 02, 2016 before Hon'ble Securities Appellate Tribunal. However, Hon'ble SAT vide order dated April 16, 2019 dismissed the appeal filed by Shri Sanjay Gupta.

**Personal Hearing:**

13. Vide hearing notice dated March 07, 2018, an opportunity of personal hearing was granted to the Noticee on April 10, 2018. The said notice was sent to the address ""*1st Floor, Cambay Plaza, Inside Cambay Grand, Behind PERD Centre, near Sola Over Bridge, S.G.Road, Thaltej, Ahmedabad, Gujarat-380 054".* The same was acknowledged by the Noticee vide letter dated March 22, 2018 and also confirmed their presence. However, vide letter dated April 03, 2018, the Noticee sought an adjournment in the matter due to the reason of some unavoidable circumstances. Considering the same, another opportunity of hearing was granted to the Noticee on May 22, 2018. However, the hearing notice dated May 04, 2018 sent to the Noticee which was sent to the same address mentioned in this paragraph above, returned undelivered with the remarks "*insufficient address"*. The hearing notice was also

sent to the Noticee through e-mail id of the Company and also to the e-mail id of the entity who sent the reply on behalf of the Noticee. Despite the same, no reply/confirmation received from the Noticee. In view of the same, one more opportunity of hearing was granted to the Noticee on July 10, 2018. The hearing notice dated June 20, 2018 was sent to the Noticee through Speed Post with acknowledgment to the above mentioned address. Considering the earlier non service of hearing notices, the same was also served through affixture at the last known address of the Noticee i.e. "*1st Floor, Cambay Plaza, Inside Cambay Grand, Behind PERD Centre, near Sola Over Bridge, S.G.Road, Thaltej, Ahmedabad, Gujarat-380 054".*

14. In response, the Noticee vide letter dated June 25, 2018 confirmed the presence of their representative on July 10, 2018. However, vide letter dated July 04, 2018, the Noticee sought an adjournment of the hearing on account of medical grounds. Considering the said request, another opportunity of hearing was granted to the Noticee on September 11, 2018. The Noticee vide letter dated September 05, 2018 acknowledged the same and confirmed their presence on September 11, 2018. However, the Noticee vide letter dated September 10, 2018 sought an adjournment on the ground of religious ceremony. The same was granted. It is noted that the Noticee sought four times adjournment of the hearing and the same was granted to him.

15. Meanwhile, the appeal filed by Shri Sanjay Gupta (Appeal No. 156 of 2017) before Hon'ble Securities Appellate Tribunal against the order dated June 02, 2016 passed by SEBI was dismissed by Hon'ble SAT vide order dated April 16, 2019.

16. Thereafter, an opportunity of hearing was granted to the Noticee Life Fund on June 20, 2019. It is noted that the hearing notice dated May 29, 2019 sent to the Noticee to the address, "*1st Floor, Cambay Plaza, Inside Cambay Grand, Behind PERD Centre, near Sola Over Bridge, S.G.Road, Thaltej, Ahmedabad, Gujarat-380 054"* through SPAD could not be delivered with the remarks "refused". The hearing notice could not be served through hand delivery nor through Affixture due to change in address. In view of the same, the hearing notice was served through e-mail id of the Noticee i.e. info@lifefund.in and also notified through publication dated June 12, 2019 in the newspapers viz., "The India Express" Gujarat edition,

"Khabar Gujarat" and "Sandesh".

17. I note that no one appeared on behalf of the Noticee on June 20, 2019 nor did SEBI receive any written submission till date despite several opportunities and adjournments given to the Noticee. In view of the same, I am constrained to proceed the matter ex-parte on the basis of material available on record including Noticee's reply dated December 23, 2017.

**Consideration of Issues and Findings:**

18. I have considered the SCN, the Report submitted by DA, reply file by the Noticee and other relevant material available on record. On perusal of the same, the following issue arise for consideration:

    - *Whether the Noticees satisfy the criteria for 'fit and proper persons' in terms of Regulation 4(f) of the AIF Regulations read with Schedule II of Intermediaries Regulations?*

19. Before dealing with the issue, the relevant legal provisions, the contravention of which have been alleged in the instant case are reproduced hereunder:

***"Regulation 4 (f) of AIF Regulations:***

*For the purpose of the grant of certificate to an applicant, the Board consider the following conditions for eligibility, namely-*

*….*

*(f) the applicant, Sponsor and Manager are fit and proper persons based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008;*

*…*

***Schedule II- Intermediaries Regulations:***

***Criteria for determining a "fit and proper person"***

*For the purpose of determining as to whether an applicant or the intermediary is a "fit and proper person" the Board may take account of any consideration as it deems fit, including but not limited to the following criteria in relation to the applicant or the intermediary, the*

*principal officer, the director, the promoter and the key management persons by whatever name called –*

*(a) integrity, reputation and character;*

*(b) absence of convictions and restraint orders;*

*(c) competence including financial solvency and networth*

*(d) absence of categorization as a wilful defaulter."*

***Issue : Whether the Noticees satisfy the criteria for 'fit and proper persons' in terms of Regulation 4(f) of the AIF Regulations read with Schedule II of Intermediaries Regulations?***

20. I note that SEBI has granted registration to the Noticee-Life Fund as an Alternative Investment Fund on August 21, 2014. I note that Mr. Sanjay Gupta is the Sponsor of the Noticee and shareholder/director of the Manager viz., M/s Global Life Investment and Advisory Services Private Limited (Manager) and Mr. Baluni was a shareholder/director of the Manager of the Noticee. I note that the instant proceedings has been initiated against the Noticee on account of the restraint Order dated June 02, 2016 passed by SEBI *inter alia* against Mr. Sanjay Gupta and Mr. Baluni in the matter of Neesa Technologies Limited ("NTL").

21. I note that SEBI vide its Order dated June 02, 2016 held that NTL was engaged in fund raising activity from the public through offer of NCDs during the financial year 2013-2014 and raised an amount of Rs. 5.96 crores from 341 persons. The said allotment was found to be a deemed public issue in contravention of provisions of the Companies Act, 1956, SEBI Act and Regulations made thereunder. Accordingly, NTL was required to comply with the requirement of listing such securities in a stock exchange in terms of Section 73 of the Companies Act, 1956. NTL neither made any application for listing of NCDs nor refunded the amounts to its investors forthwith. In view of the same, SEBI *inter alia* directed the Company and its promoter/directors including Mr. Sanjay Gupta and Mr. Baluni to refund the money collected from the investors and also prohibited them from buying, selling or

otherwise dealing in the securities market, directly or indirectly in whatsoever manner, from the date of the said order till the expiry of 4 years from the date of completion of refunds to investors. They were also restrained from issuing prospectus, offer document or advertisement soliciting money from the public and associating themselves with any listed public company and any public company which intends to raise money from the public, or any intermediary registered with SEBI during the period.

22. In view of the above Order, it is necessary to determine whether Mr. Sanjay Gupta and Mr. Baluni are '*fit and proper* person' in terms of Regulation 4(f) of the AIF Regulations read with Schedule II of Intermediaries Regulations.

23. As regards the shareholding/directorship of Mr. Baluni**,** I note from the Enquiry Report that the Noticee was considered not fit and proper person in view of the restraint order dated September 20, 2017 passed by SEBI.

24. However, I note that Mr. Baluni filed an appeal (Appeal No.340 of 2017) before SAT challenging the order dated September 20, 2017 passed by SEBI. Hon'ble SAT vide its order dated April 20, 2018 set aside the order dated September 20,2017 stating *"In the result impugned order is quashed and set aside qua the appellant and the appeal is allowed in the aforesaid terms with no order as to costs."*. Subsequently SEBI filed a Review Application No.5 of 2018 In Appeal No.340 of 2017 seeking the review of the order dated April 20, 2018. The said Review application was disposed of stating "*Considering the totality of the facts and the fact that the appellant has undergone restraint of 35 months from the securities market and he has been discharged from any liability as far as refund is concerned, without getting into the details of the matter, I hold that no further restraint beyond 20/4/2018 – the date of this Appellate Tribunal in Appeal No.340 of 2017 – is warranted."*

25. Hence, as on this date, the restraint order dated September 20, 2017 against Mr. Baluni has been set aside. Therefore, the basis of recommendation of the Designated Authority and the basis of SCN dated November 30, 2017 does not survive any more against Mr. Girishchandra Mukundram Baluni.

26. As regards Mr. Sanjay Gupta, I note from the Enquiry Report that the Mr. Sanjay Gupta was

considered not fit and proper person in view of the restraint order dated June 02,2016 passed by SEBI. I note that Shri Sanjay Gupta had filed an Appeal (Appeal No. 156 of 2017) against the aforesaid order dated June 02, 2016 before Hon'ble Securities Appellate Tribunal.

27. Further as regards Mr. Sanjay Gupta, I also note from the Enquiry Report that the Noticee was advised to submit whether Mr. Sanjay Gupta would continue to act as Sponsor of the Noticee and also as shareholder/director of Manager of the Noticee. I note that in response, the Noticee had stated that considering the requirement of capital contribution from the Sponsor and various other obligations, it was essential that Mr. Sanjay Gupta continue as the Sponsor of the Noticee. During the proceedings before the DA, the Noticee submitted that it was currently dormant and it would not be raising any fund until the matter was sub-judice. I also note the Noticee had requested to consider Mr. Sanjay Gupta as 'fit and proper person' and allow him to continue as Sponsor of the Noticee until any adverse final order is passed by the Hon'ble SAT in the matter. Further, I also note the submission of the Noticee before the DA that they would like to restructure its management and Mr. Sanjay Gupta would offer resignation to Life Fund as a settler of the Fund and as Trustee of Fund.

28. However, I note that the Noticee failed to submit any documentary evidence such as resignation letter, amended Trust Deed, etc., to prove that Mr. Sanjay Gupta is no longer the Sponsor of the Noticee and shareholder/director of the Manager of the Noticee.

29. Considering the association of Mr. Sanjay Gupta as a Sponsor of the Noticee and also as a shareholder/director of its Manager, I am of the view that the determination of the question as to whether Mr. Sanjay Gupta is a 'fit and proper person' is essential so as to determine whether the Noticee is a fit and proper person or not.

30. I note that being the Sponsor of the AIF and shareholder/director of the Manager of the AIF, Mr. Sanjay Gupta was mandatorily required to be a 'fit and proper person'. The same is noted from the Regulation 4(f) of AIF Regulations that the Sponsor and Manager of AIF shall fulfil the criteria of 'fit and proper' person as envisaged in Schedule II of the Intermediaries Regulations. As per the criteria laid down for determining 'fit and proper person' under Schedule II of the Intermediaries Regulations, SEBI can take into account any

consideration as it deems fit, including the integrity, reputation and character; convictions and *restraint orders*; competence including financial solvency and networth in relation to the intermediary, the principal officer and the key management persons.

31. I note that the intermediaries registered with SEBI have to fulfill the criteria of 'fit and proper person' at the time of registration and the same criteria should continuously be satisfied throughout the period of the validity of their registration/ the period they are associated with the securities market. In this regard, I place reliance on the following observations of Hon'ble Securities Appellate Tribunal in the matter of ***Jermyn Capital LLC Vs. SEBI*** (*Appeal No. 21/2006*) :

> "*The Regulations apply across to all sets of regulations and all intermediaries of the securities market including those who associate themselves with the market and they all have to satisfy the criteria of "fit and proper person" before they could be registered under any of the relevant regulations and this criteria they must continue to satisfy throughout the period of validity of their registration and throughout the period they associate with the market. The purpose of the Regulations is to achieve the aforesaid objects and make the securities market a safe place to invest. One bad element can, not only pollute the market but can play havoc with it which could be detrimental to the interests of the innocent investors. In this background, the Board may, in a given case, be justified in keeping a doubtful character or an undesirable element out from the market rather than running the risk of allowing the market to be polluted."*

32. From the plain reading of above provisions, I note that one of the criteria for determining 'fit and proper person' is absence of any conviction or ***restraint orders***. Hon'ble SAT vide order dated April 16, 2019 dismissed the appeal filed by Shri Sanjay Gupta. Therefore, as regards Mr. Sanjay Gupta, the restraint order dated June 02, 2016 is in force. Considering the restraint Order dated June 02, 2016 passed by SEBI qua Mr. Sanjay Gupta which was upheld by the Hon'ble SAT, I find that Mr. Sanjay Gupta, being the Sponsor of the Noticee and shareholder/director of the Manager viz., M/s Global Life Investment and Advisory Services Private Limited (Manager) does not satisfy requirement of 'fit and proper person'

under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

33. In view of continuance of Mr. Sanjay Gupta as Sponsor and Manager of the Noticee and the failure on the part of the Noticee to reconstitute the management of the Noticee excluding Mr. Sanjay Gupta, I conclude that the Noticee is not a 'fit and proper person' in accordance with regulation 4(f) of AIF Regulations. Accordingly, I am inclined to agree with the recommendation of the DA that the certificate of registration of the Noticee be cancelled.

34. It is observed that Sanjay Gupta has filed an appeal challenging the order dated April 16,2019 passed by the Hon'ble SAT in Appeal No. 156 of 2017 before Hon'ble Supreme Court ( C.A. No. 005091 /2019 ) which is listed for hearing. Therefore, it would be appropriate to defer the cancellation till the disposal of the appeal before the Hon'ble Supreme court.

35. I further note from the material available on record, AIF has no investible funds as per last and latest quarterly report for the year April-March 2016. Therefore, it appears that there are no investors in the AIF. Therefore, it is appropriate that no fresh clients are permitted to be taken by the Noticee.

36. In view of the above, I, in exercise of the powers conferred upon me in terms of Section 19 of the Securities and Exchange Board of India Act, 1992 read with Regulation 28(2) of Securities and Exchange Board of India (Intermediaries) Regulations, 2008, hereby issue the following directions;

a) LIFE Fund is prohibited from taking up new clients and any new contracts including contracts from the existing clients, if any from the date of service of this order.

b) The Certificate of Registration granted to LIFE Fund as an Alternate Investment Fund is hereby cancelled. LIFE Fund shall submit the certificate of registration in original to SEBI within fifteen days from the date of this direction coming into force.

c) The M/s Global Life Investment and Advisory Services Private Limited and the Trustees of the Life Fund shall, liquidate the, investments if any made by the Life

Fund, and return the proceeds it its investors, if any, within three months from the date of this direction coming into force.

d) The M/s Global Life Investment and Advisory Services Private Limited and the Trustees of the Life Fund shall file a Report of Compliance to SEBI within fifteen days from the expiry of the three months period above referred to in para 35(c).

37. The direction at para 35(a) of this order, takes effect immediately and directions at para 35(b) (c) and (d) of this order shall take effect, subject to the outcome of the C.A. No. 005091 /2019 filed before the Hon'ble Supreme court, on the date of the order of Hon'ble Supreme court.

38. The SCN issued to the Noticee is accordingly disposed of. This Order shall be served to the Noticee.

-Sd-

**DATE: August 30, 2019** **MADHABI PURI BUCH**

**PLACE: Mumbai** **WHOLE TIME MEMBER**

**SECURITIES AND EXCHANGE BOARD OF INDIA**