CGM/HO/AFD/I/15384/2026

SECURITIES AND EXCHANGE BOARD OF INDIA

ORDER

ORDER UNDER SECTION 12(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 READ WITH REGULATION 30A OF SECURITIES AND EXCHANGE BOARD OF INDIA (INTERMEDIARIES) REGULATIONS, 2008

Name of the Noticee	**SEBI Registration No.**
ISF Special Opportunity Fund	IN/AIF1/18-19/0575

1. ISF Special Opportunity Fund *(hereinafter referred to as '**Noticee**")* is registered with Securities and Exchange Board of India *(hereinafter referred to as "**SEBI**")* as Alternative Investment Fund (hereinafter referred to as "**AIF**") in terms of Section 12(1) of the Securities and Exchange Board of India Act, 1992 *(hereinafter referred to as '**SEBI Act, 1992**")* and SEBI (Alternative Investment Fund) Regulations, 2012 *(hereinafter referred to as "**AIF Regulations, 2012**").*

2. In terms of the Regulation 28 of the AIF Regulations read along with clause 15.1.1 of the SEBI Master Circular dated May 07, 2024, the registered AIFs are required to file report on their activity as an AIF to SEBI on quarterly basis within 15 calendar days from the end of each quarter in the reporting format hosted by AIF Industry Associations– Indian Venture and Alternate Capital Association ("**IVCA**") and Equalifi (*hereinafter referred to as 'industry associations'*), on their websites. The Quarterly Activity Reports ("**QARs**") are required to be filed on the SEBI Intermediary Portal ("**SI Portal**") as mandated by the SEBI Circular: SEBI/HO/IMD/DF1/CIR/P/2017/87 dated July 31, 2017.
3. It is, however, noted that the Noticee, which is a registered AIF with SEBI, has failed to file QARs for quarters ending March-2025, June-2025, September-2025 and December-2025 with SEBI.
4. In view of non-filing of QARs by the Noticee, SEBI initiated Summary Proceedings under Regulation 30A of the SEBI (Intermediaries) Regulations, 2008 (*hereinafter referred to as '**Intermediaries Regulations, 2008**")* read with Section 12(3) of the SEBI Act, 1992.
5. Accordingly, a Show Cause Notice dated April 24, 2026 ('**SCN**") was issued to the Noticee through Registered Post Acknowledgement Due ("**RPAD**") on its address: C9 First floor Pamposh Enclave, Greater Kailash 1, Delhi-

110048 and on email id kapil@indianstartupfactory.com. The SCN was duly served upon the Noticee.

6. Vide the aforesaid SCN the Noticee was called upon to show cause as to why the certificate of registration as AIF, granted to it under SEBI Act, 1992 read with the AIF Regulations, 2012, should not be cancelled under section 12(3) of the SEBI Act, 1992 read with Regulation 30A of the Intermediaries Regulations, 2008. It was also advised to file its reply, *if any* along with documentary evidence.
7. The Noticee vide its email dated May 18, 2026 requested time till June 02, 2026 to file detailed reply which was granted by the Designated Authority. Further vide emails dated June 02, 2026 and June 10, 2026, the Noticee has made the following submissions:

i. That the Annual Activity Report (AAR) of this year has been filed and it is in process of completing the Quarterly Compliance Report (QCR) that was missed as mentioned in the SCN.
ii. Post filing of the above, a detailed reply will be filed highlighting the issues due to which QCRs were not earlier filed, which was mainly due to delayed login issues.

8. The Noticee has also shared its email communication with SEBI during December 2023. On perusal of the same it is noted that vide email dated December 05, 2023 SEBI had sought comments for delayed filings of QAR for the December -2022 quarter and non-filing of QARs for June 2023 and September 2023 quarters. Noticee vide email dated December 06, 2023 had replied that issues with respect to uploading the QARs had been raised previously with SEBI but no reply was received. Further, the reports were uploaded on portal; however the same went missing and the system was not allowing to upload later QARs.
9. Vide emails dated June 19, 2026 and July 01, 2026 the Noticee was advised to provide the information regarding the monies raised and investment made in the fund. The Noticee vide email dated July 02, 2026 informed that no monies have been raised by the fund till date.

Consideration of Submissions and Issues

10. Before proceeding further, it would be appropriate to refer to the relevant extracts of the provisions of law involved in the matter. The relevant extracts of the provisions of the SEBI Act, 1992, Intermediaries Regulations, 2008, AIF Regulations, 2012 and Master Circular on AIFs are reproduced herein below:

SEBI Act 1992

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

...

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

Intermediaries Regulations, 2008

"30A. Summary Proceedings.............................

2. *The competent authority shall issue a notice to the person referred to in sub-regulation (1) communicating the grounds for initiation of the proceedings under this regulation and the violation(s) alleged to have been committed by such person.*
3. *The notice issued under sub-regulation (2) shall require the noticee to make submission(s), if any, within twenty-one calendar days from the date of receipt of the notice, only through a written response, along with documentary evidence, if any, as to why the certificate of registration granted under the Act and the regulations made thereunder shall not be cancelled or suspended:*

   Provided that the competent authority may, for the reasons to be recorded, permit the noticee to submit a written response within a further period not exceeding fifteen calendar days.

4. *No further opportunity beyond the timelines specified in subregulation (3) shall be allowed.*
5. *After considering the facts and circumstances of the case, material on record and the written submissions, if any, the competent authority shall endeavour to pass an order within twenty-one calendar days from—*

   (i) the date of receipt of the written submissions of the noticee; or

   ii) the date of expiry of the time period granted by the competent authority to file the written submissions under sub-regulation (3), in case no written submissions are filed within the specified period

6. *No opportunity of personal hearing shall be granted while*

disposing of the proceedings initiated under this regulation.

7. *The competent authority shall pass an appropriate order of cancellation or suspension of the certificate of registration of the notice or any other order, as deemed fit. "*

AIF Regulations, 2012:

Regulation 28 of AIF Regulations, 2012 reads as follows:

"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(1)(d) of the AIF Regulations, 2012 states that,

"(1) An Alternative Investment Fund which—

.....

(b) does not submit periodic returns or reports as required by the Board.

.....

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

15.1.1 of the SEBI Master Circular for, dated May 07, 2024,

"All AIFs shall submit report on their activity as an AIF to SEBI on quarterly basis within 15 calendar days from the end of each quarter in the reporting format hosted by AIF Industry Associations– Indian Venture and Alternate Capital Association (IVCA) and Equalifi (hereinafter referred to as 'industry associations'), on their websites."

11. I note that the Noticee is registered with SEBI as AIF in terms of AIF Regulations, 2012. As required by AIF Regulations, 2012, every registered AIF is required to submit a report on its quarterly activity on the SI Portal to SEBI within 15 calendar days from the end of each quarter in the prescribed format.
12. Having recorded the submissions, I now proceed to deal with the grounds raised by the Noticee point-wise:

    i. I note that the Noticee has admitted that it had missed filing of QARs for 2025 Quarters.

ii. The Noticee has contended that it had approached SEBI in 2023 to resolve errors faced during the filing of QARs. However, I note that no efforts were taken by the Noticee to resolve the issue and file the QARs after 2023, specifically during the quarters ending March 2025, June 2025, September 2025, and December 2025, for which the instant proceedings have been launched.

iii. I note from the email communications of December 2023 that SEBI had advised the Noticee to provide comments on the delayed filing of QAR for December 2022 quarter and non-filing of QARs for June and September 2023 in reply to which the Noticee had stated that the uploaded reports went missing and system did not allow to upload the later reports. However, no further communication has been provided by the Noticee to show the efforts taken by it to file the reports after 2023.

iv. I further note that the Noticee has submitted that AAR for this year has been filed but on verifying the same it is noted that the filing of AAR is not reflected in the system. Hence the submission of the Noticee cannot be accepted.

v. I also note that the Noticee was advised to submit the details about the monies raised and the investors onboarded in the fund, in reply to which the Noticee has submitted that no monies were raised by the fund till date. Here I note that the Master Circular on AIFs does not carve out an exception for AIFs which have not launched any schemes. Thus, in the absence of any business, Noticee was still required to file a 'NIL' report with SEBI in timely manner.

13. In view of the above, I find that the technical glitches cited by the Noticee cannot be accepted as a valid ground for prolonged non-compliance. While the Noticee initiated communication with SEBI in 2023, it demonstrated a complete lack of diligence and took no proactive steps to resolve the issue or complete its mandatory filings during the entire period of 2025.

14. In view of aforesaid facts and observation, as once the violation of aforementioned provisions of law has been established, I find it to be a fit case for taking regulatory action in terms of provisions of Section 12(3) of the SEBI Act, 1992 read with Regulation 30A of the Intermediaries Regulations, 2008.

ORDER:

15. In view of the foregoing, I, in exercise of the powers conferred under Section 12(3) read with Section 19 of the Securities and Exchange Board of India Act, 1992 and Regulation 30A of the Intermediaries Regulations, 2008, hereby

cancel the certificate of registration of the Noticee, bearing Registration No. IN/AIF1/18-19/0575 as Alternative Investment Fund.

16. This Order shall come into force with immediate effect.
17. A copy of this order shall be served upon the Noticee.

Digitally signed by
Sampathkumar Madhusudhanan
Date: 03-07-2026 16:17:50

DATE: June 03, 2026 **S MADHUSUDHANAN**

PLACE:MUMBAI **DESIGNATED AUTHORITY**

SECURITIES AND EXCHANGE BOARD OF INDIA