

**SECURITIES AND EXCHANGE BOARD OF INDIA
SETTLEMENT ORDER**

**In the matter of Settlement Applications filed under the Venture Capital Funds
Settlement Scheme 2025**

1. Securities and Exchange Board of India (hereinafter referred to as “SEBI”), notified the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (hereinafter referred to as “**AIF Regulations**”) in May 2012. Upon notification of the AIF Regulations, the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (hereinafter referred to as “**VCF Regulations**”) were repealed. In terms of sub-regulation (2) of regulation 3 of the AIF Regulations, Venture Capital Funds (hereinafter referred to as “**VCFs**”) registered under the VCF Regulations would continue to be regulated under the repealed VCF Regulations, till their existing funds or schemes are wound up.
2. Thereafter, SEBI *vide* an amendment to the AIF Regulations by the Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2024, provided flexibility to VCFs for migration into the framework governed by the AIF Regulations, and to avail the facility of dealing with unliquidated investments of their schemes upon expiry of their tenure. Further, the VCF schemes, whose liquidation period had expired but had not wound up and continued to hold the unliquidated investments, were found to be non-compliant with sub-regulation (1) of regulation 23 read with sub-regulation (1) of regulation 17 of the erstwhile VCF Regulations.
3. *Vide* the above mentioned Securities and Exchange Board of India (Alternative Investment Funds) (Third Amendment) Regulations, 2024, a new Chapter III-D

was inserted in the AIF Regulations. In the newly introduced chapter, clause (4) of regulation 19AF states as under:

“If the assets of a scheme of a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Regulations) 1996, are not liquidated after the expiry of its tenure in terms of sub-regulation (2) of regulation 24 of Securities and Exchange Board of India (Venture Capital Regulations), 1996 prior to the date of application for registration under this Chapter, and the venture capital fund has been granted registration is a migrated venture capital fund under these regulations, then such schemes of the migrated venture capital fund may be granted additional liquidation period, subject to conditions and in the manner as may be specified by the Board: Provided that the registration as migrated venture capital fund granted under regulation 19X of these regulations and the additional liquidation period granted under sub-regulation (4) of this regulation shall be without prejudice to the issuance of any direction or measures in accordance with the provision of the Act and regulations framed thereunder.”

4. Subsequently, SEBI vide a Circular dated August 19, 2024, issued the modalities for migration of VCFs registered under VCF Regulations to AIF Regulations. The Circular, *inter alia*, provided an option to the registered VCFs to migrate under AIF Regulations by July 19, 2025. Further, under clause 8 of the aforesaid circular, with respect to VCFs registered under VCF Regulations that do not opt for migration to AIF Regulations, the following is specified:

- (i) Scheme(s) of VCFs, whose liquidation period (in terms of Regulation 24(2) of VCF Regulations) has not expired, shall be subject to enhanced regulatory reporting as may be prescribed by SEBI in line with the regulatory reporting applicable to AIFs under AIF Regulations.*
- (ii) VCFs having at least one scheme whose liquidation period (in terms of Regulation 24(2) of VCF Regulations) has expired shall be subject to*

appropriate regulatory action for continuing beyond the expiry of their original liquidation period.

5. Separately, in respect of the non-compliance noted in paragraph 2, SEBI formulated a settlement scheme for VCFs, which have migrated to the AIF Regulations, namely, the VCF Settlement Scheme, 2025 (hereinafter referred to as "Scheme"), in accordance with the provisions of regulation 26 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "Settlement Regulations"). The said scheme provided an opportunity to such VCFs to settle any enforcement proceeding that may have arisen out of the non-compliance with the provisions of the VCF Regulations noted in paragraph 2.
6. A Public notice dated July 15, 2025 was issued to the VCFs informing them about the opportunity to avail the benefit of the scheme. In terms of the Scheme, eligible VCFs desirous of availing the benefit of the Scheme could avail the same by filling up the requisite details and paying the applicable settlement amount and settlement application fee through the online platform made available on the SEBI website (www.sebi.gov.in).
7. A total of 29 VCFs have availed the benefit of the Scheme, and remitted the specified settlement amount respectively. The details of the applicants and the payments made by them is placed as **Annexure-A**.
8. In view of the above, in exercise of the powers conferred under section 15JB read with section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 26 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may be initiated for the *prima facie* violations as mentioned in paragraph 2 be settled *qua* the applicants mentioned at Annexure-A, on the terms that SEBI shall not initiate any action against the said applicants for the said defaults.

9. The passing of this order is, however, without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate appropriate actions against the applicants, in case SEBI finds that:
- i. Any representation made by the applicant/s in the present settlement proceedings is untrue;
 - ii. The applicant/s has breached any of the clauses/conditions of undertakings/ waivers filed during the present settlement proceedings.
10. This settlement order shall come into force with immediate effect.
11. In terms of regulation 25 of the Settlement Regulations, a copy of this order shall be published on the website of SEBI.

KAMLESH CHANDRA VARSHNEY
WHOLE TIME MEMBER

AMARJEET SINGH
WHOLE TIME MEMBER

Annexure A

Sl. No.	Name of Applicant	Registration No.	Name of Scheme	PAN	Settlement amount (in ₹)
1.	Canbank Venture Capital Fund	IN/VCF/97-98/006	Canbank Venture Capital Fund – V	AAATC0548H	4,50,000
2.	Gaja Capital India Fund – I	IN/VCF/07-08/105	Gaja Capital India Fund – I	AABTG0711D	5,00,000
3.	Faering Capital India Evolving Fund	IN/VCF/10-11/0195	Faering Capital India Evolving Fund	AAATF3215E	6,50,000
4.	IndiaNivesh Venture Capital Fund	IN/VCF/11-12/0220	IndiaNivesh Special Situations & Emerging Sectors Fund – SMEs	AAATI9184R	5,50,000
5.	Ivy Cap Ventures Trust	IN/VCF/11-12/0214	Ivycap Ventures Trust - Fund I	AAAT18788F	4,50,000
6.	SBI Macquarie Infrastructure Trust	IN/VCF/10-11/0194	SBI Macquarie Infrastructure Trust	AAPCS4396H	7,50,000
7.	ACA Private Equity Trust	IN/VCF/08-09/136	Ascent India Fund - III	AACTA9435B	8,00,000
8.	ASK Real Estate Special Opportunities Fund	IN/VCF/10-11/0185	ASK Real Estate Special Opportunities Fund	AACTA9745N	8,50,000
9.	Blume Ventures Fund I	IN/VCF/10-11/0201	Blume Ventures Fund I	AABTB7316B	3,50,000
10.	The Ventureast Funds	IN/VCF/09-10/144	VenturEast Life Fund III	AADTT7493F	7,00,000

Sl. No.	Name of Applicant	Registration No.	Name of Scheme	PAN	Settlement amount (in ₹)
11.	Yournest Angel Fund	IN/VCF/11-12/0226	YourNest Angel Fund – Scheme I	AAATY2884L	3,00,000
12.	The Technology Venture Fund	IN/VCF/02-03/044	The Biotechnology Venture Fund	AACFT8532C	6,50,000
			Ventureast Proactive Fund	AAA AV6449H	3,50,000
			Ventureast Tenet Fund II	AAATV9017A	4,00,000
13.	SIDBI SME Venture Fund	IN/VCF/04-05/051	SME Growth Fund	AAETS6697R	8,00,000
			India Opportunities Fund	AAA AI4042H	2,50,000
14.	Kotak India Venture Fund I	IN/VCF/07-08/102	Kotak India Venture Fund I	AABTK2094D	4,50,000
15.	Karnataka Information Technology Ventures Capital Fund - 2	IN/VCF/07-08/109	Karnataka Information Technology Ventures Capital Fund - 2	AABTK3197K	4,50,000
16.	Zephyr Peacock India Master Trust	IN/VCF/10-11/0204	Zephyr Peacock India III Fund	AAATZ0890M	4,00,000
17.	True North Fund IV (Formerly known as India Value Fund IV)	IN/VCF/09-10/162	True North Fund IV	AAATI7526H	9,00,000
18.	India Advantage Fund S3 I	IN/VCF/07-08/113	India advantage Fund S3 I	AAATI6336F	9,00,000

Sl. No.	Name of Applicant	Registration No.	Name of Scheme	PAN	Settlement amount (in ₹)
19.	LICHFL Fund	IN/VCF/10-11/0193	LICHFL Urban Development Fund	AAATL8730G	4,50,000
20.	Tata Capital Healthcare Fund I	IN/VCF/09-10/157	Tata Capital Healthcare Fund I	AABTT7230Q	4,00,000
21.	Tata Capital Special Situations Fund – Trust	IN/VCF/09-10/158	Tata Capital Special Situations Fund – Trust	AABTT7007K	8,00,000
22.	Access India Fund	IN/VCF/10-11/0203	Access India Fund - I	AACAA1027C	3,50,000
23.	Tata Capital Innovations Fund	IN/VCF/09-10/155	Tata Capital Innovations Fund	AABTT7228E	2,00,000
24.	Business Excellence Trust II	IN/VCF/10-11/175	India Business Excellence Fund II	AABTB5671K	6,00,000
25.	Ventureast TeNet India Fund	IN/VCF/02-03/045	The Ventureast Tenet India Fund	AADFV4287B	7,00,000
26.	SREI Venture Capital Trust	IN/VCF/05-06/066	Infra Construction Fund	AAFTS3852H	6,00,000
			Infrastructure Project Development Capital	AAFTS3852H	4,50,000

Sl. No.	Name of Applicant	Registration No.	Name of Scheme	PAN	Settlement amount (in ₹)
			Infrastructure Project Development Fund	AAFTS3852H	7,50,000
27.	Gujarat Information Technology Fund	IN/VCF/00-01/023	Gujarat Information Technology Fund	AAAAG1037A	9,50,000
28.	Gujarat BioTechnology Venture Fund	IN/VCF/05-06/056	Gujarat BioTechnology Venture Fund	AAAAG3330J	6,00,000
29.	GVFL Venture Capital Fund	IN/VCF/07-08/098	GVFL Venture Capital Fund SME Technology Venture Fund	AABTG1525B	5,50,000
			GVFL Venture Capital Fund Golden Gujarat Growth Fund-1	AABTG5913H	6,50,000