SO/2026-27/PSD/19-20

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

IN RESPECT OF SUMMARY SETTLEMENT APPLICATIONS

Summary Settlement Application Number	Name of the Applicant	PAN
SS-19/2026	National Venture Fund for Software and Information Technology Industry	AAATN1889L
SS-20/2026	SIDBI Venture Capital Limited	AADCS3380F

In the matter of National Venture Fund for Software and IT Industry

1. Securities and Exchange Board of India (hereinafter referred to as '**SEBI**') *prima facie* observed that the National Venture Fund for Software and Information Technology Industry (hereinafter referred to as '**Fund**'), a Venture Capital Fund (hereinafter referred to as '**VCF**') having SEBI Registration No. IN/VCF/99-00/016 and its investment manager, the SIDBI Venture Capital Limited (hereinafter referred to as '**Investment Manager**'), have violated regulation 23(1)(a) read with regulation 24(2) of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (hereinafter referred to as '**VCF Regulations**').

2. It was observed that the tenure of the Fund was for a period of 10 years from indenture of trust deed *i.e.*, August 12, 1999 and expired on August 11, 2009. The extended term of 2 years as per Private Placement Memorandum also expired on August 11, 2011. Upon attaining the maximum permissible tenure, as per regulation 24(2) of the VCF Regulations, the Fund was required to divest the investment and distribute the proceeds within 3 months from the date of expiry *i.e.*, by November 11, 2011. On June 03, 2022, the Fund wound up its schemes

with a delay of 10 years and 7 months, beyond the stipulated period of 3 months. Therefore, the Fund was alleged to be in violation of regulation 23(1)(a) read with regulation 24(2) of the VCF Regulations. Further, the Investment Manager was responsible for the day-to-day management and administration of the Fund and thus it was also alleged to be in violation of regulation 23(1)(a) read with regulation 24(2) of the VCF Regulations.

3. In terms of regulation 16 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as '**Settlement Regulations**'), SEBI issued a 'Notice of Summary Settlement' dated April 29, 2026 (hereinafter referred to as the '**Notice**') to the Fund and Investment Manager (hereinafter collectively referred to as **'Applicants'**), intimating them of the violations referred to in paragraph 1 above and stating that, if they so desired, the enforcement proceedings to be initiated for the same may be settled and disposed of, upon filing of an application under the Settlement Regulations along with remittance of the settlement amount of ₹9,37,500/- (Rupees Nine Lakhs Thirty-Seven Thousand and Five Hundred only) to be paid jointly and severally within 30 calendar days from the date of receipt of the Notice in terms of Chapter VII of the Settlement Regulations.

4. In response to the same, the Applicants filed settlement application dated June 09, 2026 proposing to settle the enforcement proceedings that may be initiated against them for the violations as mentioned in paragraph 1 above and remitted the settlement amount of ₹9,37,500/- (Rupees Nine Lakhs Thirty-Seven Thousand and Five Hundred only) on June 09, 2026. SEBI has confirmed credit of the said settlement amount.

5. On the basis of the facts stated 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 23 of the Settlement Regulations, the specified proceedings, in respect of which the Notice was issued, are hereby settled in respect of the Applicants on the following terms:

i. SEBI shall not initiate any enforcement action against the Applicants for the said violations; and

ii. passing of this Settlement Order is without prejudice to the right of SEBI under regulations 28 and 31 of the Settlement Regulations to initiate appropriate action against the Applicants, if SEBI finds that:

(a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;

(b) the Applicants have breached any of the clauses/conditions of undertakings/waivers filed during the present settlement proceedings; and

(c) the Applicants have failed to pay the difference due to any discrepancy while arriving at the settlement terms.

6. This Settlement Order shall come into force with immediate effect.

7. In terms of regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

Kompella Venkata Ramana Murty
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K.V.R. MURTY
WHOLE TIME MEMBER

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