

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

In respect of Summary Settlement Application

Summary Settlement Application Number	Name of the Applicant	PAN
SS-13/2026	Everstone Capital Advisors Private Limited	AACCN7541C

In the matter of Kshitij Venture Capital Fund

1. Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") *prima facie* observed that Everstone Capital Advisors Private Limited (hereinafter referred to as "**Investment Manager**" or "**Applicant**"), Investment Manager of Kshitij Venture Capital Fund (hereinafter referred to as "**VCF**" or "**Fund**") has 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 a scheme of the VCF was 7 years, beginning June 30, 2005 and ending on June 30, 2012, extendable by 1 year on recommendation of the Trustee/Investment Advisor. Based on this, the term of the scheme was extended for one year until June 30, 2013. Instead of winding up the scheme within 3 months, *i.e.* by September 30, 2013, the scheme was further extended for one more year, *i.e.* until June 30, 2014. Moreover, it was observed that the last asset of the scheme was liquidated in May 2018 and proceeds were distributed after setting aside ₹3 crores for meeting liabilities, contingencies, and expenses. Hence, it *prima facie* appeared that the VCF wound up the scheme with a delay of 4 years and 8 months (September 2013-May 2018). Therefore, the VCF was alleged to be in violation of regulation 23(1)(a) read with regulation 24(2) of the VCF Regulations. The Applicant,

being the Investment Manager of the Fund, was responsible for the day-to-day management and administration of the VCF 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. It was also observed that post settlement of tax litigations pertaining to a tax-related demand notice in the Hon'ble High Court of Bombay, the final distribution to the investors was made on February 23, 2024.
4. 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 March 17, 2026 (hereinafter referred to as the "**Notice**") to the Applicant intimating it of the violations referred to in paragraph 1 above and stating that, if it 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 ₹10,87,500/- (Rupees Ten Lakh Eighty Seven Thousand and Five hundred only) within 30 calendar days from the date of receipt of the Notice in terms of Chapter VII of the Settlement Regulations.
5. In response to the same, the Applicant filed settlement application dated April 16, 2026 proposing to settle the enforcement proceedings that may be initiated against it for the violation as mentioned in paragraph 1 above and remitted the settlement amount of ₹10,87,500/- (Rupees Ten Lakh Eighty-Seven Thousand and Five hundred only) on April 10, 2026. SEBI has confirmed credit of the said settlement amount.
6. 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 Applicant on the following terms:
 - i. SEBI shall not initiate any enforcement action against the Applicant 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 Applicant, if SEBI finds that:
 - a. any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
 - b. the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - c. the Applicant has failed to pay the difference due to any discrepancy while arriving at the settlement terms.
7. This Settlement Order shall come into force with immediate effect.
8. In terms of regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

K.V.R. MURTY
WHOLE TIME MEMBER

KAMLESH C. VARSHNEY
WHOLE TIME MEMBER