

BEFORE THE SECURITIES APPELLATE TRIBUNAL
MUMBAI

Date of Decision : 28.02.2023

**Misc. Application No. 150 of 2023
And
Appeal No. 114 of 2023**

GSF Managers LLP
A/402, The IVY Apartments,
Sushant Lok Phase 1,
Gurgaon,
Haryana – 122 001. ...Appellant

Versus

Securities and Exchange Board of India,
SEBI Bhavan, Plot No. C-4A, G-Block,
Bandra-Kurla Complex, Bandra (East), ...Respondent
Mumbai – 400 051

Mr. Saurabh Bachhawat, Advocate with Mr. Deepak Dhane,
Advocate i/b. Corporate Pleaders for the Appellant.

Mr. Manish Chhangani, Advocate with Ms. Samreen Fatima
and Mr. Sumit Yadav, Advocates i/b The Law Point for
Respondent – SEBI.

CORAM : Justice Tarun Agarwala, Presiding Officer
Ms. Meera Swarup, Technical Member

Per : Justice Tarun Agarwala, Presiding Officer (Oral)

1. There is a delay in the filing of the appeal. For the reasons
stated in the application, the delay is condoned. The application
is allowed.

2. We have heard the learned counsel for the parties. The appellant has challenged the order dated September 30, 2022 passed by the Adjudicating Officer ('AO' for short) of the Securities and Exchange Board of India ('SEBI' for short) wherein a penalty of Rs. 1 lakh has been imposed for violation of Regulation 24(b) read with Regulation 28 of SEBI (Alternative Investment Funds) Regulations, 2012.

3. We find that during the pendency of the proceedings before the AO a settlement application was filed by the appellant under the SEBI (Settlement Proceedings) Regulations, 2018. Regulation 8(1) states that the adjudication proceedings shall not continue during the pendency of the settlement application.

4. In the instant case, during the pendency of the adjudication proceedings a settlement application was filed which is admitted by the respondent. In view of this fact that the settlement application was pending, the impugned order cannot be sustained and is quashed. The appeal is allowed. The matter is remitted to SEBI to consider the settlement application and pass appropriate order and only thereafter the AO shall proceed in accordance with law.

5. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala
Presiding Officer

Ms. Meera Swarup
Technical Member

28.02.2023
msb