



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

ORDER

Order under regulation 143 of International Financial Services Centres Authority (Fund Management) Regulations, 2022 r/w Section 13 of the International Financial Services Centres Authority Act, 2019 and Section 11B of the Securities and Exchange Board of India Act, 1992- In the matter of We Founder Circle Angel Accelerator LLP (IFSC Branch)

In respect of:

1. We Founder Circle Private Limited
2. We Founder Circle Angel Accelerator LLP (IFSC Branch) (Registration Number: IFSC/FME/I/2022-23/028)

A. BACKGROUND

- We Founder Circle Angel Accelerator LLP (IFSC Branch)* (hereinafter referred to as “Noticee No. 2”) is a registered Fund Management Entity (FME) bearing registration number ‘IFSC/FME/I/2022-23/028’. Further, *We Founder Circle Private Limited* (hereinafter referred to as “Noticee No. 1”) is the parent entity of the Noticee No. 2.
- International Financial Services Centres Authority (IFSCA) carries out Market Intelligence (MI) or Surprise visits to operational Fund Management Entities (FMEs) in GIFT IFSC to check the status of regulatory compliance of the operational FMEs in GIFT IFSC. One such exercise was carried out by IFSCA during the period from July to October 2024 for fund management entities including Noticee No.2. On the basis of the said exercise, a report on on-site visit was prepared containing details of various violations observed against the Noticee No. 2.
- During surprise visit conducted on July 31, 2024 and August 21, 2024 the office of Noticee No.2 was found closed. The IFSCA vide email dated August 2,2024 intimated the schedule of the onsite visit to Principal Officer (PO) of the Noticee No. 2. The Principal Officer vide his email dated August 9,2024 informed the IFSCA that he would not be present during IFSCA’s onsite visit on account of his travel plans.

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INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Second & Third Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT SEZ, GIFT City,
Gandhinagar-382 355, Gujarat, India. P: +91 79 6180 9800



4. An onsite visit of Noticee No.2 was undertaken on August 12 and 13, 2024 by IFSCA. An Advisory Letter was issued to Noticee No.2 on September 12, 2024, advising it to have its office open and key managerial personnels present at the earliest and in any case not later than 4 weeks from the date of the letter. Post completion of the 4-week period, IFSCA conducted surprise visits on October 17 and October 24, 2024, wherein on October 17 the office of the Noticee No.2 was found to be closed and on October 24 the office was found open, but the Principal Officer was not present. As mentioned above, an onsite visit report was prepared alleging violation of relevant laws against the Noticee No. 2.

B. SHOW CAUSE NOTICE, REPLY AND OPPORTUNITY OF PERSONAL HEARING

5. On the basis of the observations made in the aforesaid onsite visit report, a Show Cause Notice (hereinafter referred to “SCN”) dated July 15, 2025 was issued to the Noticees under Regulation 143 of International Financial Services Centres Authority (Fund Management) Regulations, 2022 (FM Regulations, 2022) r/w Section 13 of the International Financial Services Centres Authority Act, 2019 (IFSCA Act, 2019) and Section 11B of the Securities and Exchange Board of India Act, 1992 (SEBI Act, 1992) for the violations alleged against the Noticee No. 2 mentioned in the said SCN. Wherever the provisions of FM Regulations, 2022 have been referred in this order, the same shall be read with Regulation 148(3) of International Financial Services Centres Authority (Fund Management) Regulations, 2025 as quoted under:

“(3) Notwithstanding such repeal and supersession, —

(a) anything done or any action taken or purported to have been done or taken including registration or approval granted, suspended or cancelled, fees collected, any adjudication, enquiry or investigation commenced or show-cause notice issued, under the repealed regulations, superseded circulars, shall be deemed to have been done or taken or commenced under the corresponding provisions of these regulations;

(b) any application made to the Authority under the repealed regulations, prior to such repeal, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations;

(c) the previous operation of the repealed regulations, superseded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty incurred in respect of any violation committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such

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right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the repealed regulations have never been repealed.”

6. The Noticee No. 1 is the parent entity of the Noticee No. 2, however, no allegations were levelled against it and the allegations have been levelled against the Noticee No. 2 only.
7. The Noticee No. 2 submitted its reply on July 30, 2025. Thereafter, an opportunity of personal hearing was provided to the Noticee No. 2 before the Quasi-Judicial Authority for Enforcement (hereinafter referred to QJAE) on December 8, 2025, wherein following authorised representatives appeared on behalf of the Noticee No. 2:
 - a) Mr. Gaurav Singhvi, Principal Officer
 - b) Mr. Harshit Chanduka
 - c) Ms. Aarti Patel
8. In the aforesaid hearing, the authorized representatives of the Noticee No. 2 made submissions *inter alia* in line with the reply dated July 30, 2025. Further, the QJAE also issued a direction to provide the copy of onsite visit report to the Noticee granting an opportunity to file its response within 10 days. As per direction of the QJAE, the copy of onsite visit report was provided to the Noticee No. 2 vide e-mail dated December 8, 2025 and the Noticee No. 2 provided its additional response on December 19, 2025.

C. CONSIDERATION AND FINDINGS

9. The QJAE has perused the SCN, onsite visit report and submissions of the Noticee No. 2 to each allegation mentioned in the SCN. In the SCN dated July 15, 2025, three allegations have been made and the same have been dealt with separately in the succeeding paragraphs. The three allegations are:
 - (i) Allegation No. 1: Conducting business affairs in violation of requirements laid down under the FM Regulations, 2022
 - (ii) Allegation No. 2: Conducting business affairs in violation of requirements laid down under the International Financial Services Centres Authority (Anti Money Laundering, Counter Terrorist-Financing and Know Your Customer) Guidelines, 2022 (AML Guidelines, 2022).



- (iii) Allegation No. 3: Conducting business affairs in violation of requirements laid down under IFSCA Circular No. 817/IFSCA/Distribution/2022-23 dated December 21, 2022 on distribution activities.

Allegation No. 1 Conducting business affairs in violation of requirements laid down under the FM Regulations, 2022:

10. In respect of the captioned allegation, the SCN dated July 15, 2025 read with onsite visit report alleges that:
- 10.1. Allegation No. 1.1: The Noticee No.2 does not have a Principle Officer (PO) based out of IFSC. Therefore, it is alleged that the Noticee No. has not complied with Regulation 7(4) of the FM Regulations, 2022.
- 10.2. Allegation No. 1.2: As per the net worth certificate presented by the officials of Noticee No.2 during the visits conducted by IFSCA, it was observed that their net worth is below the prescribed level under the FM Regulations, 2022. As per Noticee No. 2's response they had complied with the requirements after September 2024. Additionally, the Noticee No.2 has not maintained the quarterly statement of net worth. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 8(2) and 119(2)(d) of the FM Regulations.
- 10.3. Allegation No. 1.3: The Noticee No.2 has on boarded new investors in the schemes without restoring the net worth to the minimum level specified in the FM Regulations, 2022. Therefore, it is alleged that the Noticee No. 2 has violated IFSCA Circular dated February 16, 2024.
- 10.4. Allegation No. 1.4: The Noticee No.2's officials informed the IFSCA officials that the first close of Avinya Ventures Offshore (hereinafter referred to as Scheme 2) was declared with capital commitment of USD 1 million, which is below the minimum requirement of USD 5 million. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 23(1) of the FM Regulations, 2022.
- 10.5. Allegation No. 1.5: The Noticee No.2 has not disclosed the NAV to the investors of the We Founder Circle Angel Investors Fund (hereinafter referred to as Scheme 1) for FY 2023-24. Furthermore, the Noticee does not have a fully documented procedure and methodology for calculating the NAV. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 24(2) and 27(2) of the FM Regulations, 2022.



- 10.6. Allegation No. 1.6: The Noticee No.2 has not disclosed the portfolio to the investors of Scheme 1 within 1 month from the end of financial year. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 24(3) of the FM Regulations, 2022.
- 10.7. Allegation No. 1.7: The Noticee No.2 has not conducted valuation within the time frame as provided under the Placement Memorandum (PPM) of Scheme 1 and has extended the timeline without obtaining the consent of the super majority unit holders by value. Therefore, the onsite visit report *inter alia* observes that the Noticee No. 2 has violated Para 33 of Section VI of Scheme 1's PPM.
- 10.8. Allegation No. 1.8: The Noticee No.2 does not have sound risk management policy for comprehensively managing all risks. Furthermore, the Noticee does not have a gift and entertainment policy. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 123(1), 123(2) and Sub-clause (e)(x) of Part C of Third Schedule of the FM Regulations, 2022.
- 10.9. Allegation No. 1.9: The Noticee No.2 has not implemented the Operational Risk Management Policy of We Founder Circle Global Angels Fund. Furthermore, the Noticee No.2 has not undertaken the annual review of 'Operational Risk Management Policy' and 'Valuation Policy' of We Founder Circle Global Angels Fund. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 7(1) of the FM Regulations, 2022. Further, the Onsite Visit Report *inter alia* alleges violation of Paragraph 5 and 11 of Operational Risk Management Policy and Valuation Policy, respectively.
- 10.10. Allegation No. 1.10: The Noticee No.2 has submitted periodic reports to IFSCA with incorrect information. Therefore, it is alleged that the Noticee No. 2 has violated Regulation 120(1) of the FM Regulations, 2022.
- 10.11. Allegation No. 1.11: With regards to the infrastructure and workforce requirements, the Noticee No.2 does not have an office which is secure and accessible only by authorized persons. Further, the Noticee No.2 does not have the necessary infrastructure and manpower commensurate to the size of its operations. Therefore, it is alleged that the Noticee No. 2 has not complied with Regulation 10 of the FM Regulations, 2022.

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- 10.12. Allegation No. 1.12: Further, the Noticee No.2 does not have a Business Continuity Plan (BCP). Therefore, it is alleged that the Noticee No. 2 has violated Regulation 121(1) of the FM Regulations, 2022.
- 10.13. Allegation No. 1.13: The Noticee No.2 has accepted contribution from two individual investors below the mandated limit of USD 40,000. Therefore, it is alleged that the Noticee No. 2 has violated Clause 15 of IFSCA Circular F. No. 645/IFSCA/Angel Schemes/2022-23 dated July 01, 2022 (hereinafter referred to as Circular dated July 01, 2022).
- 10.14. Allegation No. 1.14: The Noticee No.2 has not ascertained the financial assets of an accredited investor. Therefore, it is alleged that the Noticee No. 2 has violated Sub-clause 1(a)(ii) of IFSCA Circular F. No. IFSCA-IF-10PR/1/2023-Capital Markets dated January 25, 2024 (hereinafter referred to as Circular dated January 25, 2024).
- 10.15. Allegation No. 1.15: The Noticee No.2 has onboarded an investor as an individual investor for the purposes of investment into Noticee No.2's scheme ignoring the fact that accreditation of such investor is based on the joint investment criteria. Therefore, it is alleged that the Noticee No. 2 has violated Clause 1(a)(iii) of IFSCA Circular dated January 25, 2024.
- 10.16. Allegation No. 1.16: The Noticee No.2 has not taken appropriate measures to ensure that angel investors are not associates of investee companies. Therefore, it is alleged that the Noticee No. 2 has violated Clause 7 of IFSCA Circular dated July 01, 2022.

Reply of the Noticee No.2 on Allegation No. 1

11. In respect of the allegations pertaining to violation of requirements laid down under the FM Regulations, 2022, the Noticee No. 2 has *inter alia* made following submissions:
- 11.1. As regards Allegation No. 1.1, the Noticee No. 2 has *inter alia* submitted that the requirement of Principal Officer that the FM Regulations, 2022 does not define "based out of IFSC" and the same may include virtual presence. Further, Mr. Gaurav Singhvi is the Principal Officer having overall oversight of the Noticee No. 2 and due to his extensive travel plan his physical presence in GIFT City office has not been on daily basis and the Noticee No. 2 acknowledges regulatory intent of Regulation 7(4) of the FM Regulations, 2022 and are actively in the process of

identifying and appointing a suitable individual as Principal Officer permanently stationed at GIFT City IFSC.

- 11.2. In respect Allegation Nos. 1.2 and 1.3, the Noticee No. 2 has submitted that it was under bona fide interpretation that the net worth requirement under the FM Regulations, 2022 stood compliant with by considering the net worth of the principal officer subject to availability of adequate funds for the day to day operations of the branch. The Noticee No. 2 has submitted that since September 2024 it took necessary steps to align its operations and have been fully compliant and any prior lapses which were inadvertent maybe condoned. Further, in respect of non-maintenance of quarterly net worth requirement, the Noticee No. 2 has submitted that the same were inadvertently not operationalised during the initial phase of the operations and have undertaken to preserve the same as part of statutory records and has also produced copies of the said statements.
- 11.3. As regards Allegation No. 1.4, the Noticee No. 2 has submitted that Regulation 23(1) of the FM Regulations, 2022 does not prescribe a minimum corpus requirement to be achieved at the first close and the clarification regarding minimum corpus at first close was issued subsequently vide Circular dated April 8, 2025 which is prospective in nature. The corpus position has since been reviewed and the said fund is presently in the process of being wound up.
- 11.4. In respect of Allegation Nos. 1.5 and 1.6, the Noticee No. 2 has submitted that while portfolio-level information was maintained internally the formal communication of NAV to investors for FY 2023-24 was not part of process earlier. The NAV disclosures have since been completed and some of such communications to investors have also been enclosed by the Noticee No. 2 with its reply. Further, as regards NAV calculation methodology, the Noticee No. 2 the NAV was computed based on accepted valuation practices, however, the same was not formally documented. A comprehensive Valuation Policy setting out detailed methodology for valuation and computation of NAV in accordance with regulatory requirements has since been prepared and has also been enclosed by the Noticee No.2 with its reply.
- 11.5. Insofar as Allegation No. 1.7 is concerned, the Noticee No. 2 has submitted that the delay arose due to practical and procedural difficulties in collating valuation related data from Venture



Capital Units in foreign jurisdiction and the extension was unintentional and undertaken solely to ensure accurate valuation. Further, it is confirmed that the Contribution Agreement has been revised to expressly provide that the requisite consents may be obtained at the initial stage of onboarding of contributors and in this regard, the Noticee No. 2 has enclosed revised Contribution Agreement with its reply.

11.6. As regards Allegation Nos. 1.8, 1.9 and 1.12, the Noticee No. 2 has submitted that:

11.6.1 While internal controls and oversight mechanisms were being followed in practice, the same were not comprehensively documented and demonstrable in the manner envisaged under Regulation 123(2) of the FM Regulations, 2022 at the time of the onsite inspection. The Noticee No. 2 has revised its Operational Risk Management Policy which now ascribes a comprehensive approach towards an enterprise level adherence to the Regulation 123(1) of FM Regulations, 2022.

11.6.2 While internal controls and oversight mechanisms were being followed in practice, the same were not comprehensively documented in the manner envisaged under Regulation 123(2) at the time of the onsite inspection. The internal procedures and controls relating to risk management, governance, investor protection, and compliance have since been formalised and implemented through the policies maintained by the FME for its respective schemes and the deal evaluation and PPM of the respective schemes ascribes the fundamental procedures and internal check for any deal initiation and closure.

11.6.3 The Operational Risk Management Policy was in place and was reviewed within the timeline prescribed under paragraph 5 of the said Policy. However, during the course of implementation, demonstrable evidence of implementation at the IFSC premises, were procedurally and inadvertently missed. The same has since been rectified, and the revised policy, along with the requisite approvals, has now been formally adopted and implemented in compliance with the FM Regulations, 2022. In this regard, the Noticee No. 2 has enclosed copy of resolutions approving appointment of risk assessment officer.

11.6.4 The annual review of the Valuation Policy was undertaken in substance within the timeline stipulated under paragraph 11 of the said Policy, however, the updated version number reflecting such review was not formally incorporated. The policy is reviewed annually, and the version history has been kept in record.

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- 11.6.5 As on the date of the onsite inspection, a separate Gift and Entertainment Policy was not formally placed in IFSC premises and the same has been duly formulated, approved, and implemented, and has thereafter been placed and maintained at the IFSC premises of the Noticee No. 2.
- 11.6.6 A comprehensive Business Continuity Plan (“BCP”) covering operational disruptions, technology failures, data protection, and contingency arrangements was formally adopted and was available and the same has been enclosed by the Noticee No. 2 with its reply.
- 11.6.7 The Noticee No. 2 is open to take any corrective action as may be suggested by IFSCA.
- 11.7. In respect of Allegation No. 1.10, the Noticee No. 2 has submitted that the errors in the Periodic Reports were inadvertent and has also confirmed that it has taken the corrective actions such as disbursing compensation to 2 employees from Noticee No.2 and not from parent entity, capturing correct legal form of the Noticee No. 2, introducing cross-table reconciliation checks and maintaining the minimum net worth.
- 11.8. In respect of Allegation No. 1.11, the Noticee No. 2 has submitted that there was no intention to compromise confidentiality, data security, or regulatory safeguards and that the branch was in an initial growth and stabilization phase. Further, all requisite safety compliance requirements have been duly implemented, and the Noticee No. 2 has taken comprehensive review of its infrastructure and manpower requirements, and necessary steps have been taken to appoint and hire more individuals to operate from IFSC branch. In this regard, the Noticee 2 has enclosed invoice of fire and safety compliance and photographs of the premises with its reply.
- 11.9. As regards Allegation No. 1.13, the Noticee No. 2 has submitted that the first and second holders are related individuals (spouses) and their onboarding was made in joint names and minimum capital commitment requirement was complied with on a joint basis rather than through separate individual basis.
- 11.10. As regards Allegation No. 1.14, the Noticee No. 2 has submitted that the specific bifurcation of financial assets as required under Clause 1(a)(ii) of the IFSCA Circular dated January 25, 2024 was not explicitly captured and was inadvertently overlooked. As regards Allegation No. 1.15, the Noticee No. 2 has submitted that while the relevant accreditation documents were reviewed at the time of onboarding, it was inadvertently missed that the net worth certificate was issued in



joint names, whereas the investors were onboarded as individual investors. For the identified sample records, communications have been initiated with the concerned investors to obtain the requisite bifurcation details. For existing records in the database, KFin Technologies Limited has been instructed to perform verification checks and facilitate necessary corrections. In this regard, the Noticee No. 2 has enclosed copies of the email.

- 11.11. As regards Allegation No. 1.16, the Noticee No. 2 has submitted that specific confirmations are taken from the investors wherein the investors confirm that they are not associates of the investee company. In this regard, the Noticee No. 2 has enclosed the contributor consent terms sheet with its reply.

Observation of QJAE on Allegation No. 1

12. The QJAE has perused the submissions made by the Noticee No. 2 on each of the alleged violation pertaining to Allegation No. 1. In respect of most of the alleged violation and non-compliances, the Noticee No. 2 has claimed inadvertence and sought condonation of lapses. Further, the Noticee No. 2 has *inter alia* also submitted that it did not intend to violate the requirements of the FM Regulations, 2022 and has taken corrective actions or is in process of taking corrective actions. The QJAE has discussed allegations pertaining to Allegation No. 1 and has also provided its observation in succeeding paragraphs.
13. The Allegation Nos. 1.1 and 1.11 pertain to violation of Regulation 7(4) of the FM Regulations, 2022 which requires a FME to have Principal Officer based out of IFSC, Regulation 10(1) of the FM Regulations, 2022 which requires a FME to have necessary infrastructure commensurate to the size of its operation and Regulation 10(2) of the FM Regulations, 2022 which requires a FME to have an office which is dedicated, secured and accessible only by authorized person(s) of the FME. The QJAE notes that as per the onsite visit report, the office of the Noticee No. 2 was found to be closed on three occasions. Even after issuance of advisory letter dated September 12, 2024, the office was found to be closed on one occasion and on another occasion when the office was found to be opened, Principal Officer was not present. Further, on one occasion the office was found to be unlocked without any security measures and none of the officials of FME were present. It was also observed that the employees of the Noticee No. 2 are on payroll of the parent organization. In this regard, the QJAE notes that the Noticee No. 2 has a Principal Officer, though he is not able to manage daily affairs on account of his extensive plans. Further, the Noticee No. 2 has already



undertaken to appoint a Principal Officer permanently stationed in GIFT IFSC and has submitted that it has also started process of hiring employees. Furthermore, it has also started paying its employees from the IFSC office rather than from office of parent organization. Therefore, the submissions of the Noticee No. 2 and corrective action taken by it are noted.

14. The Allegation No. 1.2 pertains to violation of Regulation 8(2) and 119(2)(d) of the FM Regulations, 2022 which requires FME to maintain a minimum net worth and to also maintain quarterly net worth statements, respectively. Further, the Allegation No. 1.3 pertains to violation of the IFSCA Circular dated February 16, 2024 which prevents a FME from onboarding new clients till fulfillment of minimum net worth requirement. As regards allegation no. 1.2, Regulation 8(2) of the FM Regulations, 2022 states as under:

(2) An entity operating as a branch shall at all times comply with the minimum net worth requirements specified in these regulations for its activities in IFSC which may be maintained at the parent level. However, the parent entity shall ensure that adequate funds are available for branch for its day to day operations.

(3) The minimum net worth requirements as stated above shall be separate and in addition to the minimum net worth requirements applicable for other activities within or outside IFSC.

15. The aforementioned provision requires a branch to maintain minimum net worth at parent level. Further, as per 8(3) as quoted above, the said minimum net worth requirement shall be separate. In this regard, at the time of inspection, the Noticee produced net worth certificate dated August 14, 2024 which mentioned that We Founder Circle Angel Accelerator LLP (parent entity) had a net worth of INR 1.02 Crores approximately out of which INR 35.96 lakhs approximately were earmarked for the Noticee No. 2. Therefore, though the parent entity had more net worth than the required amount, the amount of net worth allocated to the Noticee No. 2 was less than amount of net worth specified in the FM Regulations, 2022. The contention of the Noticee No. 2 regarding misinterpretation of provision that the net worth requirement was to be maintained at promoter level, is not tenable. Furthermore, the Noticee No. 2 has also onboarded client during the period when it was not maintaining the net worth. In view of the same, the Noticee No. 2 has violated the Regulation 8(2) and 119(2)(d) of the FM Regulations, 2022 and the Circular dated February 16, 2024 read with Regulation 148(3) of the FM Regulations, 2025.

16. As regards allegation regarding non-maintenance of quarterly net worth report, the QJAE has taken note of submission of the Noticee and also perused the quarterly net worth statement enclosed by the Noticee. While the Noticee has taken corrective action, the QJAE notes that quarterly statement for third quarter of FY 2024-25 has not been enclosed and the quarterly statement of second quarter of FY 2025-26 shows net worth “as on October 31, 2025” instead of “as on September 30, 2025”. The Noticee shall rectify the said details in its quarterly net-worth statements.
17. The Allegation. No. 1.4 pertains to violation of Regulation 23(1) of the FM Regulations, 2022 which specifies a minimum corpus of USD 5 Million for venture capital schemes. The onsite visit report observes that Scheme 2 did not achieve the said minimum corpus. The Noticee No. 2 has claimed that there was no requirement of first close of scheme achieving minimum corpus and the same came after Circular dated April 8, 2025. The QJAE notes that the first close is the stage where the scheme starts investing the corpus it has collected from the investors and a scheme cannot operate if it does not have corpus of USD 5 Million. Therefore, when a scheme declares its first close, it is an indication that the scheme has achieved minimum corpus required to start its operation. Further, the Circular dated April 8, 2024 does not talk about first close at all. Therefore, the argument of Noticee No. 2 cannot be accepted and the declaration of first close of Scheme 2 at USD 1 Million is in violation of Regulation 23(1) of the FM Regulations, 2022 read with Regulation 148(3) of the FM Regulations, 2025.
18. The Allegations Nos. 1.5 and 1.6 pertain to violation of Regulation 24(2) of the FM Regulations, 2022 which requires a FME to make disclosure of portfolio and NAV and Regulation 24(3) of the FM Regulations, 2025 which requires the said disclosure to be made within one month from the end of financial year. Further, the Noticee No. 2 is also alleged to have violated Regulation 27(2) of the FM Regulations, 2022 which requires a FME to document the procedure and methodology for calculating NAV. In this regard, the QJAE notes that the Noticee No. 2 did not disclose NAV value to the investors and also did not have a documented NAV calculation methodology as is evident from the onsite visit report and submissions of the Noticee No. 2. Further, the QJAE also notes that there was delay on part of the Noticee No. 2 in disclosing annual portfolio to the investors for FY 2023-24, as the same was disclosed on July 10, 2024 instead of within one month from the end of the said financial year. Therefore, the Noticee No. 2 has violated Regulation 24(2) and 24(3) of the FM Regulations, 2022 read with Regulation 148(3) of the FM Regulations, 2025. As regards Regulation 27(2) of the FM Regulations, 2022, the QJAE has taken note of correction action taken by the Noticee.

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Order in the matter of We Founder Circle Angel Accelerator LLP (IFSC Branch)



19. The Allegation No. 1.7 pertains to non-compliance with Para 33 of Section VI of Scheme 1's PPM. In this regard, the QJAE notes that the said violation does not culminate into violation of any provision of the FM Regulations, 2022.
20. The Allegation Nos. 1.8, 1.9 and 1.12 pertain to violate of Regulation 7(1), 121(1), 123(1), 123(2) and Sub-clause (e)(x) of Part C of Third Schedule of the FM Regulations, 2022. It is also alleged that the Noticee No. 2 has also violated Paragraph 5 and 11 of its 'Operational Risk Management Policy' and 'Valuation Policy', respectively. In this regard, the observations of the QJAE are as under:
- 20.1. Regulation 121(1) of the FM Regulations, 2022 requires a FME to have business continuity plan. The QJAE notes that at the time of onsite visit the Noticee No. 2 did not have such plan. However, submission of the Noticee regarding corrective action has been noted.
- 20.2. Regulation 123(1) of the FM Regulations, 2022 requires a FME to have a sound management policy for comprehensively managing all risks. In this regard, the QJAE has noted that the Noticee has included other risks in its operational risk management policy and no further adverse inference can be drawn on this account and has also adopted Gift and Entertainment Policy.
- 20.3. As regards implementation of Operational Risk Management Policy, the QJAE has noted the submission of the Noticee No. 2 regarding corrective actions taken by it in respect of observations in the onsite visit report.
- 20.4. Regulation 123(2) of the FM Regulations, 2022 requires a FME to have adequate internal procedure and controls with the aim of protecting the interest of clients/investors and their assets and ensuring proper risk management. In this regard, the QJAE has noted the submissions of Noticee No. 2 that internal procedures and control relating to risk management, governance, investor protection and compliance have since been formalized and implemented through the policies maintained by the FME for its respective schemes and the deal evaluation and PPM of the respective scheme ascribes the fundamental procedures and internal check for any deal initiation and closure.
21. The Allegation No. 1.10 pertains to violation of Regulation 120(1) which requires a FME to furnish reports as may be specified by IFSCA from time to time. The onsite visit report observes that the

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Noticee No. 2 had made false disclosure in five periodical reports (for periods ending on March 31, 2023, September 30, 2023, December 31, 2023, March 31, 2024 and June 30, 2024) regarding 2 employees on payroll in IFSC who were actually getting paid from the parent entity, legal structure of the Noticee No. 2 which was being mentioned as LLP, non-reporting of cash equivalents in Table 3.1 and wrong disclosure regarding net worth requirement. The Noticee No. 2 has claimed inadvertence regarding the said disclosure and has also submitted that it has taken steps to ensure complete accuracy and consistency across all reporting tables in all future regulatory filings. The QJAE has noted the said submission of the Noticee No. 2, however, the fact remains that there were incorrect disclosures in the report. Therefore, the Noticee No. 2 has violated Regulation 120(1) of the FM Regulations, 2022.

22. The Allegation Nos. 1.13, 1.14, 1.15 and 1.16 pertain to violations of clauses of Circulars dated July 01, 2022, and January 25, 2024 issued by IFSCA. In this regard, the observations of QJAE are as under:

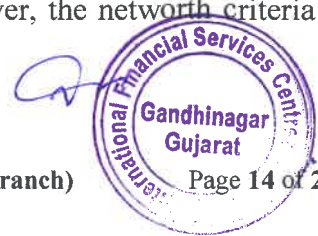
22.1. Clause 15 of Circular dated July 1, 2022 requires an angel scheme to accept a commitment of USD 40,000 from each angel investor. The onsite inspection report observes that in respect of two investors who have invested jointly, the scheme has accepted a joint capital commitment of USD 40,000 instead of accepting commitment from each of such investors. The Noticee No. 2 has claimed that since the said investors are husband and wife, the onboarding and investment was made in joint names, and the minimum capital commitment requirement was complied with on a joint basis. However, the QJAE notes that at the relevant point in time such joint investment by spouses were not allowed in the said circular.

22.2. Clause 1(a)(ii) of IFSCA Circular dated January 25, 2024 on Accredited Investors in IFSC specifies "*Net assets not less than USD 1 Million, out of which at least USD 500,000 worth of net assets comprise of financial assets.*" as one of the criteria for individuals to be considered as accredited investor. The onsite visit report observes that for one of the investors the net worth certificate did not provide information regarding financial assets to demonstrate that the said investor had USD 500,000 and the same has also been admitted by the Noticee No. 2.

22.3. Clause 1(a)(iii) of IFSCA Circular dated January 25, 2024 *inter alia* specifies that if the joint investments are made by relatives (parent(s) and their children or spouses) then the combined income/networth should meet the eligibility criteria. The onsite report observes that in one case the investment has been made in the name of one individual, however, the networth criteria is

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satisfied by taking into account joint net worth of three individuals. The Notice No.2 has admitted the said lapse.

- 22.4. As regards violation Clause 1(a)(ii) and 1(a)(iii) of IFSCA Circular dated January 25, 2024, the QJAE notes that the Noticee has admitted the said lapses and has also submitted that it is in process of taking corrective action. While the same has been noted, the Noticee is advised to ensure compliance with same.
- 22.5. Clause 7 of IFSCA Circular dated July 01, 2022 *inter alia* specifies that Angel schemes shall not make any investment in the associates of FME. The onsite report observes that it was informed by FME officials that the Noticee No. 2 has not taken any measures to check and ensure that the angel investors are not associates of investee company. In this regard, the Noticee No. 2 has submitted that as part of investment process it takes explicit confirmation from investors under the contributor consent term sheet that the investors are not associates of the investee company. Further, the QJAE notes that the onsite report does not bring out any case where Angel Scheme has actually invested in associates of investee company. Therefore, the charge is not pressed on this account.

Allegation No. 2 Conducting business affairs in violation of requirements laid down under the AML Guidelines, 2022:

23. In respect of the captioned allegation, the SCN dated July 15, 2025 read with onsite visit report alleges that:
- 23.1. Allegation No. 2.1: The Noticee No.2 has not undertaken enterprise wide risk assessment, business risk assessment and costumer risk assessment. Therefore, it is alleged that the Noticee No. 2 has violated Clause 1.5(a), 2.1(c), 2.1(d), 3.1(a), 3.1(b) and 4.1 of the AML Guidelines, 2022.
- 23.2. Allegation No. 2.2: The Noticee No.2 has not incorporated the revised threshold for identification of beneficial owners. Furthermore, the Noticee No.2 has not identified the beneficial owners as per the revised thresholds. Therefore, it is alleged that the Noticee No. 2 has violated Clause 8.1 and 5.4.5 of the AML Guidelines, 2022.

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- 23.3. Allegation No. 2.3: The Noticee No.2 has accepted copies of Officially Valid Documents (OVD) not certified by authorised person. Therefore, it is alleged that the Noticee No. 2 has violated Clause 4 of Part II of Annexure I of AML Guidelines, 2022.
- 23.4. Allegation No. 2.4: The registration of Noticee No.2 with Financial Intelligence Unit (FIU) is not complete as on the date of onsite visit. Therefore, it is alleged that the Noticee No. 2 has violated Clause 1.5(a), 2.1(c), 2.1(d) and 4.1 of the AML Guidelines. 2022.

Reply of the Noticee No.2 on Allegation No. 2

24. In respect of allegations pertaining to the AML Guidelines, 2022, the Noticee No. 2 has *inter alia* submitted as under:
- 24.1. As regards Allegation No. 2.1, the Noticee No. 2 acknowledged the non-compliances observed in the onsite report. Further, the Noticee No. 2 has also submitted that AML/CFT & KYC Policy has since been comprehensively reviewed and updated to fully incorporate the key principles prescribed under Clause 1.5(a), and the enterprise-wide risk assessment and business risk assessment have now been duly conducted, documented, and approved in accordance with Clauses 2.1(c), 2.1(d), 3.1 and 4.1 of the AML Guidelines and has also enclosed the same with its reply.
- 24.2. In respect of Allegation No. 2.2, the Noticee No. 2 acknowledged the non-compliances observed in the onsite report. Further, the Noticee No. 2 has also submitted that the revised threshold for identification of beneficial owners has now been incorporated into the Noticee No. 2 AML/CFT & KYC framework and inter procedures. Further, the Noticee No. 2 has initiated follow-up communications with existing investors via email to obtain updated beneficial ownership information in line with the revised threshold.
- 24.3. As regards Allegation No. 2.3, the Noticee No. 2 has submitted that the requisite certified copies of OVDs have since been obtained, and appropriate corrective actions have been implemented to ensure adherence to the prescribed requirements.
- 24.4. In respect of Allegation No. 2.4, the Noticee No.2 has submitted that the FIU registration could not be completed due to technical concerns, and the registration has been completed thereafter.

Observation of QJAE on Allegation No. 2

25. The QJAE has perused the submissions made by the Noticee No. 2 on each of the alleged violation pertaining to Allegation No. 2. The Noticee No. 2 has acknowledged the non-compliances observed in the onsite visit report and has also submitted the corrective actions taken by it. Allegation No. 2.1 pertains to violations of Clause 2.1(c) and 2.1(d), Clause 3.1(a) and 3.1(b), and Clause 4.1 of the AML Guidelines, 2022 which *inter alia* specifies requirements pertaining to identification and assessment of money laundering and terror funding related risks at enterprise level, business level and customer level, respectively. Further, it is also alleged that the Noticee No. 2 has also violated Clause 1.5(a) of the AML Guidelines, 2022 which requires formulation of AML-CFT policy incorporating key principles and elements of the said guidelines. The onsite visit report observes that though the Noticee No. 2 has a KYC & PMLA policy for Scheme 1, it does not incorporate key principles and elements of the AML Guidelines, 2022 such as customer risk categorisation into low, medium or high-risk categories, undertaking business risk assessment and enterprise-wide risk assessment, latest thresholds for identification of beneficial owner etc. Further, the onsite report also observes that the Noticee No. 2 has not undertaken enterprise risk assessment, customer risk assessment and business risk assessment. The Noticee No. 2 has acknowledged all the said deficiencies. Therefore, the Noticee No. 2 has violated Clause 1.5(a), 2.1(c), 2.1(d), 3.1(a), 3.1(b) and 4.1 of the AML Guidelines, 2022.
26. The QJAE notes that the Noticee No. 2 has submitted that the policy and risk assessment documents have been formally adopted and implemented as specified in the said provisions of the AML Guidelines, 2022. The said document has been perused, and it appears that the Noticee No. 2 has added paras in its AML-CFT policy pertaining to each non-compliances observed in the onsite visit report. However, a detailed procedure or process of undertaking business risk assessment, customer risk assessment and enterprise risk assessment have not been provided. The actual implementation of the said changes have to be seen in the subsequent inspection to ascertain as to whether the Noticee No. 2 is complying with the aforesaid requirements in pith and substance.
27. The Allegation No. 2.2 pertains to violation of Clause 8.1 and 5.4.5 of the AML Guidelines, 2022. Clause 8.1 of the AML Guidelines, 2022 *inter alia* specifies requirement of developing and implementing internal policies to prevent money laundering/terror funding including timely update of its policies considering various development including legal and regulatory developments. The onsite visit report *inter alia* observes that the Noticee No. 2 did not update its AML/CFT policy to

align the threshold for identification of beneficial owner in line with the revised threshold specified vide IFSCA Circular dated May 23, 2023. The same has been acknowledged by the Noticee No. 2 in its reply. Clause 5.4.5 of the AML Guidelines *inter alia* specifies that where there are one or more beneficial owners in relation to a customer, the regulated entity (in this case the Noticee No.2) shall identify the beneficial owners and take reasonable measures to verify their identities. The onsite visit report has identified three instances where the Noticee No. 2 has failed to comply with requirement of Clause 5.4.5 and the same has also been acknowledged by the Noticee No. 2. Therefore, the Noticee No. 2 has violated Clause 8.1 and 5.4.5 of the AML Guidelines, 2022. Without prejudice to the same, the QJAE notes that the Noticee No. 2 has submitted that it has taken corrective action by updating the thresholding in its AML/CFT policy and has also started follow up communication with the investors to rectify the non-compliances observed in the onsite visit report.

28. The Allegation No. 2.3 pertains to violation of Clause 4 of Part II of Annexure I of AML Guidelines, 2022 which *inter alia* specifies that the certification of true copy of OVDs shall be carried out by authorized official of Notary Public (outside India), Judge (Outside India) etc. The onsite visit report *inter alia* observes that in respect of various investors the Noticee No.2 has accepted self-certified OVDs rather than OVDs certified by authorized person and has also mentioned name of such investors. While collecting OVDs from the investors, the Noticee No. 2 was obligated to ensure that the said documents align with the regulatory requirements of certification by authorized personnels. However, the Noticee No. 2 has failed to comply with the said requirement. Therefore, the Noticee No. 2 has violated Clause 4 of Part II of Annexure I of AML Guidelines, 2022. Without prejudice the same, the QJAE notes that the Noticee No. 2 has submitted that it has obtained requisite certified copies of OVDs and has enclosed emails sent to investors and its Fund Administrator.
29. The Allegation No. 2.4 pertains to incomplete FIU registration of the Noticee No. 2. In this regard, the onsite visit report observes that the appointment of Designated Director of the Noticee No. 2 for the purpose of FIU registration is pending. The QJAE has noted the submission of the Noticee No. 2 that the same could not be completed on account of technical difficulties and no adverse inference can be drawn in this regard.

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Allegation No. 3: Conducting business affairs in violation of requirements laid down under IFSCA Circular No. 817/IFSCA/Distribution/2022-23 dated December 21, 2022 on distribution activities.

30. The Noticee No.2 has entered into a Memorandum of Understanding/collaboration agreement with 3 entities i.e., namely, Growx Ventures Private Limited, AC Ventures, and Noticee No.1 (hereinafter referred to as "Syndicate"). As per the agreements, the three entities shall assist qualified prospective investors who express an interest in investing via the funds. It is *inter alia* alleged that by virtue of the said agreement the three entities essentially fall under the definition of distributor as defined under the IFSCA Circular dated December 21, 2022. It is alleged that the Noticee No. 2 has failed to comply with Clause 35 of the said Circular as it failed to carry out the assessment to satisfy itself that the said three entities have the capability to ensure compliance with code of conduct specified in the said Circular.

Reply of the Noticee No. 2 on the Allegation No. 3

31. In respect of the Allegation No. 3, the Noticee No. 2 has submitted that the Memorandum of Understanding/Collaboration Agreement (MoU) entered with the three entities was neither intended to appoint them as a distributor nor any of the clauses of such MOU provides for distribution and there is no prohibition on entering into MOU with domain experts who can render their expertise in startup domain. The said entities were engaged to provide domain expertise in the realm of startups. The Noticee No. 2 does not take the services of the three entities as distributors as defined under the IFSCA circular dated December 21, 2022.

Observation of QJAE on the Allegation No. 3

32. The Allegation No. 3 pertains to violation of Clause 35 of Circular F. No. 817/IFSCA/Distribution/2022-23 dated December 21, 2022 which *inter alia* requires a regulated entity to ensure that prior to empanelment of a distributor an assessment is carried out satisfying that distributor has capability to ensure compliance with code of conduct and to also ensure that the distributor complies with the code of conduct on an ongoing basis. This allegation has been made in respect of agreement signed by the Noticee No. 2 with Growx Ventures Private Limited, AC Ventures, and Noticee No.1. The Noticee No. 2 is claiming that the said agreements are not in nature of distribution and has only been entered into to get the domain expertise of the said three entities. In this regard, it is relevant to refer the Clause 2.3 of the agreement (which defines responsibilities of Growx) signed with Growx Ventures Private Limited, which is quoted below:

“a. The syndicate shall assist qualified prospective investors who express an interest in investing via the funds;
b. the Syndicate, shall be responsible to comply with all applicable laws and regulations and provide all the necessary details of such prospective investors and shall also provide regular updates of such details to the Invstt or other Parties as appointed by the Invstt.
c. the Syndicate, with the assistance of Invstt, will periodically organise discussion meetings (if necessary) for the personnel or any authorised representative of the funds, in order to meet with present and prospective Investors who have expressed an interest in investing; and”

33. The Circular dated December 21, 2022 defines “distributor” means a person who for remuneration engages with clients on behalf of an issuer or a service provider to facilitate investment or subscription into capital market products or capital market services, respectively. The agreement pertains to funds established under the FM Regulations, 2022. Further, the aforesaid clause *inter alia* seeks services of Growx (referred to as syndicate in the agreement) in respect of assisting prospective investors, providing necessary details and updates of investors and to periodically organize discussion meetings for the personnel or authorize representatives of the funds. This clearly indicates that Growx is engaging with the investors on behalf of funds to facilitate investment in the funds. Further, Annexure 2 of the agreement also mentions that for investment via syndication, the fund shall pay to the Syndicate (Growx) a carry fee in excess of 3% from investors. Therefore, for its services Growx is also receiving remuneration as a percentage for the investments made through it. Hence, there is no denying that Growx is providing distribution services. Similar clauses and remuneration arrangements have also been made in the agreements signed by the Noticee No. 2 with Ace Ventures and Noticee No. 1.

34. Since the three aforementioned entities are providing distributions services to the Noticee No. 2, the requirements of the Circular dated December 21, 2022 were required to be complied with by the Noticee No. 2. However, the Noticee No. 2 empaneled the said three entities without fulfilling the said requirements. Hence, the Noticee No. 2 has violated Clause 35 of the Circular dated December 21, 2022.

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D. ANALYSIS OF FINDINGS AND PROPORTIONATE ACTION

35. The allegations levelled against the Noticee No. 2 in the SCN, the facts mentioned in the onsite visit report and the reply of the Noticee No. 2 to the said allegations have been perused. The QJAE notes that there are violations which pertain to internal documents and policies required to be maintained by the Noticee No. 2 in compliance with the applicable provisions of the FM Regulations, 2022 and the AML Guidelines, 2022. In this regard, the QJAE has noted the submissions of the Noticee No. 2 regarding corrective actions taken by the Noticee as detailed in the earlier paras dealing with respective allegations. Considering the same, the QJAE finds it appropriate to direct the Noticee No. 2 to ensure compliance with all the lapses observed in the onsite visit report *inter alia* including as under:

- i. Complying with all the requirements of the AML Guidelines, 2022 including conducting KYC processes for all its investors and to maintain adequate KYC documentations for all investors (including investors of Scheme 2) in line with the said guidelines .
- ii. Appointing dedicated Principal Officer based out of GIFT IFSC and ensuring sufficient infrastructure commensurate with its business.
- iii. Maintenance of quarterly networth statements.
- iv. The QJAE notes that quarterly statement for third quarter of FY 2024-25 has not been enclosed and the quarterly statement of second quarter of FY 2025-26 shows net worth “as on October 31, 2025” instead of “as on September 30, 2025”. The Noticee No. 2 is directed ensure that the same is rectified.
- v. Rectification of errors in the periodical reports as observed in onsite visit report.
- vi. Rectification of all the non-compliances pertaining to IFSCA Circular dated January 25, 2024.
- vii. Compliance with IFSCA Circular No. 817/IFSCA/Distribution/2022-23 dated December 21, 2022 in respect of agreements entered with the Syndicate.

36. However, the following violations were found serious in nature and indicate adverse conduct of the Noticee No. 2:

- (i) The Noticee No. 2 for almost 2 years (since inception of business till September, 2024) did not maintain the minimum net worth and also onboarded new clients without complying with the said condition. This has led to violation of Regulation 8(2) of the FM Regulations, 2022 read with Regulation 148(3) of the FM Regulations, 2025 read with Circular dated February 16, 2024.



- (ii) The Noticee No. 2 started operation of Scheme 2 without achieving the minimum corpus USD 5 Million by declaring its first close at USD 1 Million itself. The same has led to violation of Regulation 23(1) of the FM Regulations, 2022 read with Regulation 148(3) of the FM Regulations, 2025.
- (iii) The Noticee No. 2 has also failed to disclose the portfolio of NAV to investors and also delayed the disclosure of annual portfolio to investors for FY 2023-24 by two months which has led to violation of Regulation 24(2) and 24(3) of the FM Regulations, 2022 read with Regulation 148(3) of the FM Regulations, 2025. These are serious in nature as it affects rights of the investors to receive timely disclosure of information regarding their investments in the scheme.
- (iv) The Noticee No. 2 also made incomplete and incorrect disclosures in its periodical reports as observed while dealing with allegation no. 1.10 and the same has led to violation of Regulation 120(1) of the FM Regulations, 2022 read with Regulation 148(3) of the FM Regulations, 2025. The regulatory filings are important legal obligations of the regulated entities as these also provide information regarding compliance status of such entities with applicable laws, to the regulatory bodies. Since the Noticee No. 2 has continued such incomplete and incorrect disclosure for five quarters, the same is viewed seriously.
- (v) The Noticee No. 2 has also violated various requirements of the AML Guidelines, 2022. While some of the lapses pertain to lack of internal policies and documentations as per the requirements of the said guidelines for which corrective actions may be taken, the other lapses are serious in nature pertaining to failure to ensure KYC of customers in compliance with the requirements of the AML Guidelines, 2022. The lapses on KYC requirements cannot be viewed leniently as the same have been put in place primarily to counter anti-money laundering and terror funding.
- (vi) Further, the Distribution Circular *inter alia* obliges FME that prior to empanelment of a distributor an assessment is carried out satisfying that distributor has capability to ensure compliance with code of conduct and to also ensure that the distributor complies with the code of conduct on an ongoing basis. The Noticee No. 2 has failed to comply with said legal requirement leading to violation of the Distribution Circular.

37. Considering the above-discussed analysis, the QJAE is of the opinion that the Noticee No. 2 is liable to be penalized under section 15EA and 15HB of the SEBI Act, 1992 as the aforesaid six violations show adverse conduct of the Noticee No. 2 and the claim of inadvertence cannot be accepted. Section 15EA and 15HB of the SEBI Act, 1992 reads as under:

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Order in the matter of We Founder Circle Angel Accelerator LLP (IFSC Branch)



Penalty for default in case of alternative investment funds, infrastructure investment trusts and real estate investment trusts.

15EA. Where any person fails to comply with the regulations made by the Board in respect of alternative investment funds, infrastructure investment trusts and real estate investment trusts or fails to comply with the directions issued by the Board, such person shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees or three times the amount of gains made out of such failure, whichever is higher.

Penalty for contravention where no separate penalty has been provided.

15HB. Whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

38. Since the Noticee No. 2 has violated certain requirements of the FM Regulations, 2022, the same attracts penalty under Section 15EA of SEBI Act, 1992. The Noticee No. 2 has also violated the AML Guidelines, 2022 and Distribution Circular for which no separate provision has been provided in the SEBI Act, 1992. Therefore, the same attracts penalty under Section 15HB of the SEBI Act, 1992.
39. The QJAE notes that while imposing penalty under Section 15EA and 15HB of SEBI Act, 1992, the factors enumerated in Section 15J are to be taken into consideration. Section 15J of the SEBI Act, 1992, reads as under:

Factors to be taken into account while adjudging quantum of penalty

15J. While adjudging quantum of penalty under 15-I or section 11 or section 11B, the Board or the adjudicating officer shall have due regard to the following factors, namely :—

- (a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;
- (b) the amount of loss caused to an investor or group of investors as a result of the default;
- (c) the repetitive nature of the default.

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Explanation.—For the removal of doubts, it is clarified that the power to adjudge the quantum of penalty under sections 15A to 15E, clauses (b) and (c) of section 15F, 15G, 15H and 15HA shall be and shall always be deemed to have been exercised under the provisions of this section.

40. The QJAE notes that the onsite visit report does not give any detail of disproportionate gain or unfair advantage made by the Noticee No. 2 nor does it provide any details of loss caused to the investor. Further, the Noticee No. 2 has not been penalized by IFSCA in past. However, in terms of the Hon'ble Supreme Court decision in *Adjudicating Officer, SEBI vs. Bhavesh Pabari (2019)5 SCC 90*, while imposing penalty, factors other than those mentioned under section 15J may also be considered. In this regard, while imposing the penalty, the QJAE has considered the nature, gravity and instances of violations committed by the Noticee No. 2. The QJAE notes that both section 15EA and section 15HB of SEBI Act, 1992 provides for a minimum penalty of Rs. 1 lakhs which may extend to one crore.
41. All the above factors have been considered while imposing penalties under Section 15EA and Section 15HB of the SEBI Act, 1992.

E. ORDER

42. In view of the aforesaid findings and having regard to the facts and circumstances of the case, the QJAE, in exercise of the powers conferred under regulation 143 of the FM Regulations, 2022 r/w Section 13 of the IFSCA Act, 2019 and Section 11B(1) and 11B(2) of the SEBI Act, 1992, orders as under:
- (i) The Noticee No. 2 is directed to comply with the requirements mentioned at para 35 above within three months from date of receipt of this order and submit compliance report, thereafter, within next fifteen days.
 - (ii) A penalty of Rs. 1 lakh is imposed upon the Noticee No. 2 under section 15EA of SEBI Act, 1992 as explained at para 36 and 38 of this order.
 - (iii) A penalty of Rs. 1 lakh is imposed upon the Noticee No. 2 under section 15HB of SEBI Act, 1992 as explained at para 36 and 38 of this order.
43. The Noticee No. 2 shall pay the penalties imposed under section 15EA and 15HB of SEBI Act, 1992 within a period of forty-five (45) days, from the date of receipt of this order. In case of failure to do so, simple interest at the rate of 12% per annum shall be applicable from the date of receipt of this order.

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Order in the matter of We Founder Circle Angel Accelerator LLP (IFSC Branch)



the said 45 days till the date of actual payment. In terms of section 13(5) of the IFSCA Act, 2019, the Noticee No. 2 shall deposit the penalty amount in the foreign currency equivalent and the rate of deposit for computing the foreign currency equivalent to Indian rupees shall be such as are as notified by the Reserve Bank of India on the date of the order imposing the penalty.

44. The SCN dated July 15, 2025 issued to the Noticees stands disposed.

45. This order shall come into effect with immediate effect.



Gyan Chand Jain

Member

QJAE



Pradeep Deo

Member

QJAE



K Mahipal Reddy

Member

QJAE

Place: Gandhinagar

Date: 06/04/2026

