



Fortnightly Newsletter

SARVAANK
ASSOCIATES

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Security and Exchange Board of India

SEBI Issues New Due Diligence Guidelines for Alternative Investment Funds (AIFs)

SEBI has mandated the Key Management Personnel of the Alternative Investment Fund (AIF) Manager to conduct due diligence of investors and investments of the AIFs to prevent regulatory circumvention, with immediate effect. The guidelines require AIFs to conduct detailed checks on investors including but not limited to such investors who are availing benefits as Qualified Institutional Buyers (QIBs) or Qualified Buyers (QBs), and for schemes involving stressed loans or investments from countries bordering India. These guidelines have a retrospective effect on any existing investments by April 2025. These rules aim to strengthen compliance across the AIF sector.

This Circular can be accessed [here](#).

SEBI's New Measures to Strengthen the Equity Index Derivatives Framework

SEBI has introduced new regulations to enhance investor protection and market stability in the equity index derivatives market.

In this newsletter you can expect:

SEBI Issues New Due Diligence Guidelines for Alternative Investment Funds (AIFs)

SEBI's New Measures to Strengthen the Equity Index Derivatives Framework

MCA Issues Revised Guidelines for Company Compliance

RBI Unveils New Measures to Enhance Financial Stability and Digital Payments

Indian Startups Raise \$4 Billion in September Quarter



These measures shall be effective from November 2024 to April 2025, key changes include the upfront collection of options premiums, the removal of calendar spread benefits on expiry day, and intraday monitoring of position limits. Additionally, SEBI is modifying contract sizes for index derivatives to a minimum value of ₹15 lakhs, limiting weekly expiries to one benchmark index per exchange, and increasing tail risk coverage on expiry days with an extra 2% margin for short options. These measures aim to address excessive speculative trading and ensure the market remains secure and transparent for investors.

This Circular can be accessed [here](#).

SEBI Extends Relaxation on Compliance for Listed Entities

SEBI has extended the relaxation from certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Annual General Meetings (AGMs) and general meetings to be held in electronic mode. Initially set to expire on September 30, 2024, these relaxations shall be applicable until September 30, 2025, following the Ministry of Corporate Affairs' (MCA) recent extension. The relaxation includes not requiring companies to send physical copies of financial statements to shareholders. Listed entities are also required to comply with the conditions specified in SEBI's Master Circular while availing these relaxations.

This Circular can be accessed [here](#).

Ministry of Corporate Affairs

MCA Issues Revised Guidelines for Company Compliance

The MCA has amended the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, specifically updating the requirement for the authentication of the annual statement of accounts. Previously, the rules required the statement to be authenticated by one member of the IEPF Authority, but the recent amendment substitutes such member with the "the chief executive officer" (CEO). This change ensures that the CEO, is responsible for signing off on the annual financial statements, enhancing accountability in financial reporting.

The Notification can be accessed [here](#).

Reserve Bank of India

RBI Unveils New Measures to Enhance Financial Stability and Digital Payments

In its latest Statement on Developmental and Regulatory Policies, the Reserve Bank of India (RBI) has announced a series of initiatives aimed at



improving lending transparency, promoting co-operative bank capitalisation, and enhancing climate risk data availability. These measures include extending responsible lending norms to loans for Micro and Small Enterprises (MSEs), issuing a discussion paper on capital-raising avenues for Urban Co-operative Banks, and launching the Reserve Bank Climate Risk Information System (RB-CRIS) to address financial risks posed by climate change. Additionally, the RBI has increased transaction limits for UPI products like UPI123Pay and UPI Lite, alongside introducing a beneficiary account name verification facility for NEFT and RTGS systems to reduce errors and fraud. These reforms aim to boost transparency, sustainability, and digital payment adoption across the financial ecosystem.

The Press Release can be accessed [here](#).

RBI Unveils New Guidelines for Risk Assessments in Anti-Money Laundering and Countering the Financing of Terrorism Compliance

The RBI has released a detailed Guidance Note on internal risk assessments for money laundering (ML), terrorist financing (TF), and proliferation financing (PF). This framework is targeted at regulated entities to help them periodically evaluate and manage risks linked to clients, products, transactions, and delivery channels. These guidelines align with the RBI's Know Your Customer guidelines and provides key principles and methodologies for Anti-Money Laundering, Countering the Financing of Terrorism, and Counter Proliferation Financing compliance. The Guidance aims to enhance the financial sector's ability to detect and deter ML/TF/PF activities and must be read in conjunction with existing RBI instructions.

The Press Release can be accessed [here](#).

RBI Mandates Stricter Credit Reporting Guidelines for Asset Reconstruction Companies

The RBI has introduced updated guidelines requiring all Asset Reconstruction Companies (ARCs) to become members of at least one Credit Information Companies (CICs) and submit borrower data regularly. This move aims to align ARC reporting practices with those of banks and Non-Banking Financial Companies, ensuring comprehensive credit history tracking even after loan transfers. ARCs are required to update credit data fortnightly, resolve discrepancies within seven days, and follow standard operating procedures to maintain accurate reporting. Compliance with these measures is mandatory by January 1, 2025, to enhance transparency and accountability in the credit ecosystem.

The Notification can be accessed [here](#).



RBI Extends Interest Equalization Scheme for Export Credit with Revised MSME Limits

The Reserve Bank of India (RBI) has announced the extension of the Interest Equalization Scheme (IES) on pre- and post-shipment rupee export credit for three months, up to December 31, 2024. This extension includes modifications such as limiting the fiscal benefits for MSME exporters to ₹50 lakhs for the financial year 2024-25. MSME manufacturer exporters who have already availed ₹50 lakhs or more in benefits by September 30, 2024, will not be eligible for further benefits during the extension.

The Notification can be accessed [here](#).

Startup

Indian Startups Raise \$4 Billion in September Quarter

In the September quarter of 2024, Indian startups secured \$4 billion in funding, reflecting a robust investment climate despite global economic challenges. This figure indicates a diverse range of sectors attracting investor interest, showcasing the resilience and growth potential of the startup ecosystem in India.

The Article can be accessed [here](#).



Sarvaank
Law Decoded for *Entrepreneurs*

Contact us

REGISTERED ADDRESS: Office No. 8, First Floor, Atmaram Mansion (Scindia House), Connaught Place, New Delhi 110001

OPERATING ADDRESS: Shanti Vatika Farms, Ram Mandir Road, Opposite Fortis Hospital, Vasant Kunj, New Delhi -110070

WEBSITE: www.sarvaankassociates.com

EMAIL: info@sarvaankassociates.com

CONTACT NUMBER: +91 88267 18554