



# Fortnightly Newsletter

SARVAANK  
ASSOCIATES

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## Security and Exchange Board of India

### Revision of the Valuation Framework for Alternate Investment Funds ("AIFS")

On September 19, 2024, SEBI introduced significant updates to the valuation framework for AIFs to enhance transparency and consistency, aligning the valuation of various securities with existing Mutual Fund (MF) norms. Key updates include standardizing the valuation process for most securities according to MF norms, while AIFs will still use the International Private Equity and Venture Capital Valuation (IPEV) Guidelines for unlisted, non-traded, and thinly traded securities. Changes in valuation methods will not be classified as "Material Changes," but AIFs must disclose both old and new methodologies to investors for transparency. Additionally, independent valuers must now be registered with the Insolvency and Bankruptcy Board of India (IBBI) and hold relevant professional qualifications, ensuring credible valuations. AIFs are also granted an extended reporting timeline of seven months (up from six) to report valuations based on audited data from investee companies.

In this newsletter you can expect:

Revision of the Valuation Framework for Alternate Investment Funds

SEBI Introduces New Operational Guidelines for Foreign Venture Capital Investors (FVCIs)

Ministry of Corporate Affairs Announces Amendment to Prospectus and Allotment of Securities Rules

Competition Commission of India (General) Regulations, 2024

BHASKAR: Driving Growth and Collaboration in India's Startup Ecosystem



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These changes take effect immediately, aiming to improve consistency and bolster investor confidence within the AIF industry.

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

### **SEBI Introduces New Operational Guidelines for Foreign Venture Capital Investors (FVCIs)**

The SEBI has announced updated operational guidelines for FVCIs and Designated Depository Participants (DDPs), effective January 1, 2025. Key changes include mandatory registration through DDPs, requiring existing FVCIs to comply by March 31, 2025, or face restrictions on further investments and liquidation of holdings. DDPs will conduct due diligence and ensure compliance with Anti-Money Laundering (AML) regulations. FVCIs must renew their registration every five years, meet stringent Know Your Client (KYC) requirements, and report ownership changes within seven working days. The guidelines also remove the requirement for FVCIs to secure commitments of at least USD 1 million from investors, reducing entry.

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

### **SEBI Introduces Faster Listing Timelines for Debt Securities and Preference Shares**

SEBI has reduced the listing timeline for debt securities and non-convertible redeemable preference shares from T+6 to T+3 working days, allowing quicker access to funds for issuers and faster liquidity for investors. Beginning November 1, 2024, issuers can opt for the new T+3 timeline, with full implementation becoming mandatory on November 1, 2025.

This circular can be accessed [here](#)

### **SEBI Unveils Key Amendments to Enhance Efficiency and Compliance in REIT Operations**

The SEBI (Real Estate Investment Trusts) (Third Amendment) Regulations, 2024, introduced on 26th September 2024 and effective from 27th September 2024. Notably, the regulations reduce the timeline for distributions from 15 days to 5 working days from the record date, as stated in Regulation 18(16)(c). The voting process has been recalibrated, now requiring thresholds to be based on unit holders present and voting, including those participating electronically (Regulations 22(2) and 26ZM(2)). Meetings can be convened with shorter notice if consent is given by 95% of unit holders for annual meetings and a majority for other meetings, with provisions for virtual participation. Furthermore, at least 50% of votes must be cast in favour of any resolutions needing unit-holder approval (Regulations 22(4)(b) and 22(5)).



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Additional requirements in Regulation 26 emphasize the need for electronic record-keeping systems, including adequate data backup, business continuity plans, and disaster recovery sites to maintain data integrity and secure transactions. Regulation 3(1) will come into effect on 25th November 2024.

This circular can be accessed [here](#)

## Ministry of Corporate Affairs

### Ministry of Corporate Affairs Announces Amendment to Prospectus and Allotment of Securities Rules

On September 20, 2024, the Ministry of Corporate Affairs issued a notification to amend the Companies (Prospectus and Allotment of Securities) Rules, 2014. The amendment, effective immediately upon publication in the Official Gazette, introduces a new proviso to sub-rule (2) of rule 9B. This proviso stipulates that producer companies must comply with the provisions outlined in this sub-rule within five years of the closure of the relevant financial year. This change aims to provide clearer compliance timelines for producer companies under the Companies Act, 2013.

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

### India Signs Key Agreements under Indo-Pacific Economic Framework to Promote Clean and Fair Economies

On September 21, 2024, India signed landmark agreements under the Indo-Pacific Economic Framework (IPEF) focusing on Clean Economy and Fair Economy. The Clean Economy Agreement promotes technical cooperation and access to clean energy technologies, facilitating investments and capacity building, particularly for MSMEs. The Fair Economy Agreement aims to enhance transparency and combat corruption, focusing on tax transparency and information sharing. An overarching agreement establishes a ministerial oversight mechanism for IPEF activities, supporting economic growth and stability in the region.

The full press release can be accessed [here](#).

## Competition Commission of India

### Competition Commission of India (General) Regulations, 2024

The notification CCI/General Regulations/08/2024-25, dated September 17, 2024 outlines the rules and procedures of the CCI's statutory powers, detailing regulations for submission, filing, and processing of legal documents.



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It specifies how the commission conducts inquiries, handles official languages, electronic submissions, and timelines for various proceedings, among other legal administrative functions.

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

## Department for Promotion of Industry & Internal Trade

### BHASKAR: Driving Growth and Collaboration in India's Startup Ecosystem

The Department for Promotion of Industry and Internal Trade (DPIIT) has launched the Bharat Startup Knowledge Access Registry (BHASKAR), a groundbreaking digital platform aimed at transforming India's startup ecosystem. By bringing together nearly 1.5 lakh startups, BHASKAR fosters collaboration through advanced searchability, interaction, and knowledge sharing, acting as a central hub for entrepreneurs, investors, and mentors. Aligned with the Government of India's vision to become a global leader in innovation, the platform supports job creation and economic growth by simplifying access to funding and mentorship resources. BHASKAR also focuses on promoting inclusivity by addressing regional disparities, ensuring equal opportunities for startups from underserved areas.

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

## Startup

### Funding update

Indian startups raised approximately \$461 million, with 36 early and growth-stage companies securing over \$558.24 million. Of these, 10 growth-stage startups attracted \$397.7 million, while 18 early-stage startups raised \$63.32 million. Bengaluru led the funding activity with 17 deals, followed by Delhi-NCR, Mumbai, Chennai, Hyderabad, and Pune. AI startups topped the segment with 5 deals, along with notable activity in E-commerce, Fintech, SaaS, Food & Beverages, Adtech, and Automotive Tech. Seed funding was the most active category, with 10 deals, followed by 4 pre-seed, 3 debt, and 3 Series A deals.

Full article can be accessed [here](#).



**Sarvaank**  
Law Decoded for *Entrepreneurs*

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