

---

VAISH ASSOCIATES ADVOCATES

---

# LEGALAXY

[WWW.VAISHLAW.COM](http://WWW.VAISHLAW.COM)

---

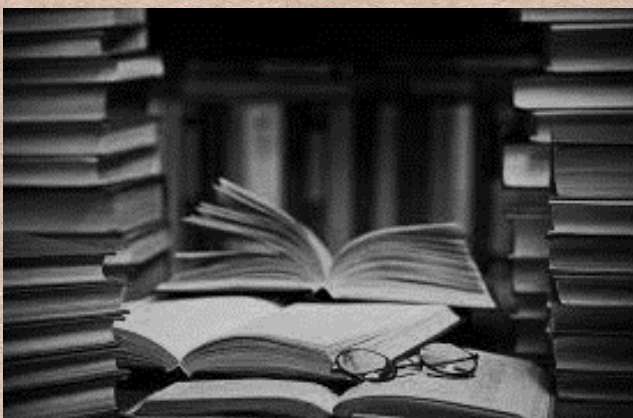


---

## LEGAL MAXIM

---

*In personam: "against the person"*



---

**VA** VAISH  
ASSOCIATES  
ADVOCATES  
ESTD. 1971

---

# INDEX

---

## SEBI UPDATES

- SEBI operationalises mechanism for lock-in of pledged shares under the ICDR Regulations
- SEBI grants one-time relaxation from penal provisions for non-compliance with minimum public shareholding requirements
- SEBI relaxes social stock exchange norms for not-for-profit organisations
- SEBI amends the 'fit and proper person' criteria for intermediaries
- SEBI amends the AIF Regulations 2012

## RBI & IFSC UPDATES

- RBI exempts NBFCs without public funds or customer interface from registration
- RBI issues standardised approach directions for credit risk capital charge
- IFSCA mandates certification courses for KMPs and employees of capital market intermediaries and fund management entities in IFSC
- IFSCA amends KMP circular for FMEs in IFSC
- IFSCA revises reporting norms for CMIIs in IFSC
- IFSCA mandates segregation of fiduciaries roles from fund administration roles in IFSC

## LABOUR UPDATES

- Karnataka exempts certain classes of enrolled persons from filing profession tax returns
- No profession tax in Odisha from April 2026

## OTHER UPDATES

- Central Government establishes Startup India Fund of Funds 2.0 with INR 10,000 crores corpus

---

## SEBI UPDATES

---

---

### SEBI OPERATIONALISES MECHANISM FOR LOCK-IN OF PLEDGED SHARES UNDER THE ICDR REGULATIONS

---

Securities and Exchange Board of India ("SEBI"), *vide* its circular dated April 8, 2026, has operationalised the mechanism for lock-in of pledged shares under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), as part of its ease of doing business initiatives.

SEBI, *vide* its notification dated March 16, 2026, had amended the ICDR Regulations to, *inter alia*, provide that specified securities on which lock-in cannot be created may be recorded as "non-transferable" by depositories for the duration of the applicable lock-in period (*as covered in our earlier edition of Legalaxy*).

To operationalise the aforesaid amendment, the depositories have issued the framework to be followed by issuers, which includes, *inter alia*, incorporation of suitable provisions in the articles of association, issuance of necessary intimations to the concerned lenders or pledgees, and suitable disclosures in the offer documents. The depositories have also made the necessary changes to their systems and processes.

Accordingly, stock exchanges, depositories, merchant bankers and issuers have been directed to ensure compliance with the mechanism for lock-in of pledged shares.

To read the circular [click here](#) & to read the notification [click here](#)



---

### SEBI GRANTS ONE-TIME RELAXATION FROM PENAL PROVISIONS FOR NON-COMPLIANCE WITH MINIMUM PUBLIC SHAREHOLDING REQUIREMENTS

---

SEBI's Master Circular dated July 11, 2023, for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by listed entities ("**2023 Master Circular**"), *inter alia*, prescribes the procedure to be followed by recognized stock exchanges and depositories in respect of listed entities not complying with minimum public shareholding ("**MPS**") requirements, including levy of fines, freezing of promoter shareholding, and other consequential actions.

SEBI, *vide* its circular dated April 7, 2026, has now granted a one-time relaxation from the applicability of penal provisions under the 2023 Master Circular, for listed entities whose due date for compliance with MPS requirements falls during the period from April 1, 2026 to September 30, 2026. This relaxation has been granted by SEBI pursuant to receiving representations from an industry body highlighting the difficulties faced by listed entities in achieving compliance with MPS requirements, *inter alia*, on account of capital market volatility arising from ongoing geopolitical tensions in the Middle East.

Accordingly, recognised stock exchanges and depositories have been advised not to take any penal action as envisaged under the 2023 Master Circular against such entities for non-compliance during the period from April 1, 2026 to September 30, 2026. Any penal actions already initiated by the stock exchanges or depositories against such listed entities during the period from April 1, 2026, till the date of the circular may be withdrawn.

To read the 2023 Master Circular [click here](#) & to read the circular [click here](#)



---

## SEBI RELAXES SOCIAL STOCK EXCHANGE NORMS FOR NOT-FOR-PROFIT ORGANISATIONS

---

SEBI, *vide* its circular dated April 15, 2026, has relaxed key regulatory requirements under the social stock exchange ("SSE") framework to boost participation by not-for-profit organizations ("NPOs").

The registration validity for NPOs on SSE has been extended from 2 years to 3 years, irrespective of whether the NPO undertakes fundraising activities during such period, subject to SSE approval. Additionally, the minimum subscription requirement for issuance of Zero Coupon Zero Principal (ZCZP) Instruments has been reduced from 75% to 50%, provided SSEs shall, prior to granting in principle approval for such partial fund raising, undertake due diligence to satisfy themselves that the funds raised towards the object(s) are capable of being deployed in a meaningful manner, taking into consideration the subscription scenarios disclosed in the fund raising document.

NPOs shall, in the fund raising document, disclose the manner of raising balance capital in case of under subscription and the possible impact on achieving the social objective(s) in case such under subscription is not arranged. Provided that the funds shall be refunded in case the minimum subscription is not achieved.

To read the circular [click here](#)



---

## SEBI AMENDS THE 'FIT AND PROPER PERSON' CRITERIA FOR INTERMEDIARIES

---

SEBI, *vide* its notification dated April 15, 2026, has amended the criteria of 'fit and proper person' under the SEBI (Intermediaries) Regulations, 2008 ("**Intermediaries Regulations**"), by notifying the SEBI (Intermediaries) (Amendment) Regulations, 2026 ("**Intermediaries Amendment Regulations**"). The Intermediaries Amendment Regulations shift the existing criteria to a principle-based framework and promotes ease of doing business for market participants.

The key highlights of the amendment are as follows:

- (a) While "a court conviction for any economic offence or an offence of securities laws" has been added as an event for disqualification for determination of the criteria of a 'fit and proper person' under Schedule II of the Intermediaries Regulations, the following disqualification criteria have been omitted: (i) a pending criminal complaint or information under Section 154

- of the Code of Criminal Procedure, 1973 filed against a person by SEBI; (ii) a pending charge sheet filed against a person by any enforcement agency in matters concerning economic offences, and (iii) the mere initiation of winding up proceedings;
- (b) Regulation 3A has been inserted, which mandates the applicant or intermediary to notify SEBI in the event of occurrence of any disqualifying event affecting a person who satisfies the 'fit and proper person' criteria. Such notification is required to be made within 15 working days from such occurrence;
  - (c) Regulation 3B has been inserted which requires SEBI to afford a person a reasonable opportunity of being heard prior to declaring such person as not meeting the 'fit and proper person' criteria; and
  - (d) Previously, if SEBI declared any person as not 'fit and proper person', that person was ineligible to apply for registration again for a period mentioned in SEBI's order or for a period of 5 years from the date of effect of the order, if no such period is specified in the order. This default 5 years prohibition has now been omitted.

To read the Intermediaries Amendment Regulations [click here](#)



---

## SEBI AMENDS THE AIF REGULATIONS 2012

---

SEBI, *vide* its notification dated April 16, 2026, has notified the SEBI (Alternative Investment Funds) (Amendment) Regulations 2026, thereby amending the SEBI (Alternative Investment Funds) Regulations, 2012.

The key highlights of the amendment are as follows:

- (a) The minimum investment amount by an individual investor in case of a social impact fund which invests only in securities of NPOs registered or listed on an SSE has been reduced from INR 2,00,000/- to INR 1,000/-;
- (b) Within the liquidation period, the assets shall be liquidated and the proceeds accruing to the investors in the Alternative Investment Fund ("AIF") or its scheme shall be distributed to them after satisfying all liabilities, subject to conditions specified by SEBI from time to time; and
- (c) A new sub-regulation 10A has been inserted under Regulation 29, which enables classification of an AIF as an "inoperative fund", in such manner and subject to conditions specified by SEBI from time to time.

To read the notification [click here](#)



---

## RBI & IFSC UPDATES

---

---

### RBI EXEMPTS NBFCs WITHOUT PUBLIC FUNDS OR CUSTOMER INTERFACE FROM REGISTRATION

---

Reserve Bank of India ("RBI") has issued the RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026 dated April 29, 2026 ("**NBFC Amendment Directions**"), thereby amending the RBI (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 ("**NBFC Directions**") to introduce a formal classification framework for Non-Banking Financial Companies ("**NBFCs**") that do not avail public funds and do not have any customer interface. These NBFC Amendment Directions shall come into force from July 1, 2026.

The key highlights of the NBFC Amendment Directions are as follows:

- (a) It introduces following key amendments to the definitions:
  - (i) Type I NBFC means an NBFC holding a certificate of registration as such, which neither accepts public funds nor has a customer interface and does not intend to access them in future as well;
  - (ii) Type II NBFC means an NBFC which is granted certificate of registration by RBI as NBFC other than Type I NBFC;
  - (iii) Unregistered Type I NBFC means an NBFC meeting the Type I NBFC criteria and exempted from registration under Sections 45IA and 45IC of the RBI Act, 1934 ("**RBI Act**"), subject to conditions set out in new paragraph 65A of the NBFC Directions; and
  - (iv) Indirect receipt of public funds through group and associates will also be treated as public funds.
  
- (b) NBFCs not availing public funds and not having any customer interface, with an asset size of less than INR 1,000 crores as per the latest audited balance sheet, are exempted from the mandatory registration with RBI, subject to conditions stated in para (d) below. Existing NBFCs not availing public funds and not having any customer interface, including those holding a certificate of registration as a Type I NBFC, and fulfilling the prescribed criteria for exemption, may apply to RBI for deregistration through the PRAVAAH platform by December 31, 2026. Further, for groups with multiple Unregistered Type I NBFCs, the asset size of all such entities shall be aggregated. If the aggregate asset size is INR 1,000 crores or more, all such entities in the group are required to register as Type I NBFCs and shall be subject to applicable instructions issued by RBI.
  
- (c) NBFCs not availing public funds and not having any customer interface with an asset size of INR 1,000 crores or above must apply for registration as Type I NBFC through the PRAVAAH platform.
  
- (d) If an Unregistered Type I NBFC intends to undertake overseas investment in financial services sector, it shall be required to be registered with RBI and be regulated like NBFC holding certificate of registration as Type I NBFC.

- (e) Conditions for the exemption include:
- (i) operating without public funds and without customer interface as a conscious and long-term business model;
  - (ii) asset size is less than INR 1,000 crores as per the latest audited balance sheet;
  - (iii) passing an annual board resolution at the beginning of the financial year that the company will not avail public funds and will also not have customer interface during the year; and
  - (iv) disclosing their Unregistered Type I NBFC status in notes to accounts, along with the status of public funds and customer interface.
- (f) Statutory auditors of both Unregistered Type I NBFCs and registered Type I NBFCs are required to submit an exception report to RBI in case of any violation of conditions relating to public funds or customer interface or any other condition for the exemption.
- (g) The exemption is solely from Sections 45IA and 45IC of the RBI Act. The Unregistered Type I NBFCs remain subject to other provisions of Chapter IIIB (*provisions relating to NBFC receiving deposits and financial institutions*) of the RBI Act. While directions issued by RBI shall apply to such entities only where specifically addressed to them, RBI retains the power to issue specific instructions and take action under Chapter V (*Penalties*) of the RBI Act as needed.

To read the NBFC Amendment Directions [click here](#)



---

## RBI ISSUES STANDARDISED APPROACH DIRECTIONS FOR CREDIT RISK CAPITAL CHARGE

---

RBI, *vide* its notification dated April 27, 2026, has issued the RBI (Commercial Banks - Capital Charge for Credit Risk - Standardised Approach) Directions, 2026 ("**SA Directions**") effective from April 1, 2027, thereby revising the framework for computation of Risk-Weighted Assets ("**RWAs**") for credit risk under the Standardised Approach ("**SA**"), in line with the Basel III final reform framework issued by the Basel Committee on Banking Supervision in December 2017. The SA Directions apply to banking book exposures of all commercial banks, excluding small finance banks, payments banks and local area banks.

The key elements of revised framework are:

- (a) RWAs shall be calculated as the product of the standardised risk weights and the exposure amount. The exposures shall be risk-weighted net of specific provisions (*including partial write-offs*);
- (b) Banks are also required to maintain a due diligence framework at origination and on regular basis (*at least annually*) to ensure that risk weights assigned to counterparties are broadly aligned with their internal credit assessment. Due diligence analysis cannot result in application of a lower risk weight than the applicable base risk weight as per the external credit rating. For exposures to entities belonging to consolidated groups, due diligence shall

be performed at the solo level to which there is a credit exposure. In evaluating the repayment capacity of the solo entity, banks shall take into account the support of the group and the potential for it to be adversely impacted by problems in the group;

- (c) Detailed risk weights have been prescribed for various exposure classes, including sovereigns, public sector entities ("PSEs"), multilateral development banks (MDBs), corporates, micro, small and medium enterprises (MSMEs), retail exposures, real estate exposures, subordinated instruments, non-performing assets, etc.;
- (d) Fund based and non-fund-based claims on the Central Government, Central Government guaranteed claims, direct loan/ credit/ overdraft exposure of banks to the State Governments and investments in State Government securities, RBI and Deposit Insurance and Credit Guarantee Corporation shall attract a 0% risk weight. However, claims guaranteed by State Governments attract 20% risk weight;
- (e) Exposures to foreign sovereigns are risk-weighted based on external credit ratings assigned by recognised international credit rating agencies, with risk weights ranging from 0% to 150%. Exposures to the International Monetary Fund, Bank for International Settlements, and MDBs specified in the SA Directions shall attract a 0% risk weight;
- (f) Corporate exposures have been categorised into general corporate exposures and specialised lending exposures such as project finance and object finance. All unrated claims on corporates (*including those categorized as MSMEs*) and NBFCs, except specialized lending exposures, having aggregate exposure from banking system of more than INR 500 crores, will attract a risk weight of 150%. NBFC-CICs shall always be risk weighted at 100%;
- (g) Regulatory retail exposures satisfying prescribed criteria of orientation, product type, granularity and exposure thresholds continue to attract a 75% risk weight, while specified personal loans, non-transactor credit card receivables and certain capital market linked exposures shall attract higher risk weights as specified in the SA Directions;
- (h) Exposures to PSEs and local government bodies (*both domestic and foreign*) are generally risk-weighted in the same manner as corporate exposures;
- (i) The framework governing external credit assessments and credit risk mitigation has also been strengthened. Banks are required to use ratings assigned by eligible credit rating agencies recognised by RBI and comply with prescribed norms relating to multiple ratings assessment, unsolicited ratings and 'issuer not cooperating' cases;
- (j) For credit risk mitigation, banks are mandated to adopt a comprehensive approach. Under this approach, banks, which take eligible financial collateral (*e.g., cash or securities, more specifically defined in the SA Directions*), are allowed to reduce their credit exposure to a counterparty when calculating their capital requirements to take into account the risk-mitigating effect of the collateral; and

- (k) The SA Directions shall repeal the corresponding provisions relating to the SA under the RBI (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025.

To read the SA Directions [click here](#)



---

## IFSCA MANDATES CERTIFICATION COURSES FOR KMPs AND EMPLOYEES OF CAPITAL MARKET INTERMEDIARIES AND FUND MANAGEMENT ENTITIES IN IFSC

---

International Financial Services Centres Authority ("IFSCA"), *vide* two circulars dated April 1, 2026 and April 2, 2026, has specified certification courses for Key Managerial Personnel ("KMPs") and other employees of (i) Fund Management Entities ("FMEs") under the IFSCA (Fund Management) Regulations, 2025 ("FM Regulations"); and (ii) Capital Market Intermediaries ("CMIs") under the IFSCA (Capital Market Intermediaries) Regulations, 2025 ("CMI Regulations"), respectively, in the International Financial Services Centres ("IFSCs").

For FMEs, the specified course is '*Regulatory Framework for Fund Management in IFSC: AIFs and Retail Schemes*', and for CMIs, the specified course is '*Regulatory Framework for Capital Market Intermediaries in IFSC*' - both offered by the Institute of Company Secretaries of India. KMPs and all other employees discharging core activities of the respective intermediary are required to successfully complete the applicable certification course on or before September 30, 2026. The FME/CMI and the persons in control thereof shall be responsible for ensuring timely completion of the course. Employees involved in non-operational or support services are encouraged, though not mandated, to undertake the relevant certification to enhance professional competence and regulatory preparedness.

To read the circular for FMEs [click here](#) & to read the circular for CMIs [click here](#)



---

## IFSCA AMENDS KMP CIRCULAR FOR FMEs IN IFSC

---

IFSCA, *vide* its circular dated April 1, 2026, has amended its earlier circular dated February 20, 2025, on '*Appointment and Change of Key Managerial Personnel by a Fund Management Entity*' ("KMP Circular") by omitting paragraph 4 thereof. All other provisions of the circular remain in force.

Paragraph 4 of the KMP Circular provided that any comments of IFSCA on an intimation filed by an FME regarding KMP appointment or change shall be communicated within 7 working days of filing of the intimation, and the FME shall suitably take such comments into consideration before effecting the appointment or change. With its omission, the obligation on IFSCA to respond within the stipulated 7 working day window no longer applies.

To read the amendment circular [click here](#) & to read the KMP Circular [click here](#)



---

## IFSCA REVISES REPORTING NORMS FOR CMIs IN IFSC

---

IFSCA, *vide* its circular dated April 8, 2026, has revised the quarterly reporting norms for CMIs in IFSCs, superseding its earlier circular dated February 8, 2024. The revision has been necessitated due to the introduction of new categories of CMIs under the CMI Regulations, with the reporting format now including 4 newly added registration categories, namely: global access provider, credit rating agency, ESG ratings and data products provider (ERDPP), and research entity.

CMIs are required to submit quarterly reports in the prescribed editable excel format available on the IFSCA website. The format comprises of common sheets to be filled by all CMIs, covering general information, complaint handling and grievance redressal data, video customer identification procedure reporting, the IFSCA (Anti-Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022 compliance sheet, and a signed undertaking, along with registration-specific sheets applicable to the particular category.

The anti-money laundering, counter-terrorist financing and know your customer compliance sheet shall be submitted half-yearly, along with the quarterly reports for July to September and January to March. In case of surrender/ suspension/ cancellation of the registration certificate, the CMIs are required to continue submitting quarterly reports until the date of cancellation of the certificate is communicated to them by IFSCA. Newly registered CMIs shall submit the quarterly report covering the period from the date of obtaining the registration certificate until the end of such quarter, within 21 calendar days from the end of such quarter.

CMIs holding registration as broker-dealer, clearing member or depository participant shall submit their registration-specific reports to the respective market infrastructure institutions of which they are members. CMIs holding registration as global access provider, custodian, investment banker, investment adviser, debenture trustee, registered distributor, credit rating agency, ERDPP and research entity, shall submit the report within 21 calendar days from the end of the quarter to IFSCA *via* e-mail. Reports for the quarter ending March 31, 2026, shall continue to be submitted under the earlier circular dated February 8, 2024.

To read the circular [click here](#)



---

## IFSCA MANDATES SEGREGATION OF FIDUCIARIES ROLES FROM FUND ADMINISTRATION ROLES IN IFSC

---

IFSCA, *vide* its circular dated April 10, 2026, has issued clarification regarding governance and oversight of FME schemes, pertaining to segregation of the role of fiduciaries under the FM Regulations.

Under Regulation 17(2) of the FM Regulations, FMEs are required to appoint fiduciaries, including trustees in trust-form scheme, board of directors in company-form schemes, and designated partners in limited liability partnership-form schemes. Further, the fiduciaries are mandated under Regulation 17(5) of the FM Regulations to exercise high standards of service, due diligence and

independent judgment and adhere to the code of conduct specified in the Third Schedule of the FM Regulations.

The circular clarifies that an FME shall not appoint an entity acting as a fiduciary to a scheme to also provide fund administration, valuation, audit and lending or financing services to that same scheme, whether directly or through its associate. FMEs whose schemes have already been taken on record by IFSCA or filed with IFSCA as on the date of the circular are required to take necessary steps to comply with the provisions of this circular by September 30, 2026.

To read the circular [click here](#)



---

## LABOUR UPDATES

---

---

### KARNATAKA EXEMPTS CERTAIN CLASSES OF ENROLLED PERSONS FROM FILING PROFESSION TAX RETURNS

---

Government of Karnataka, *vide* its notification dated April 1, 2026, has exempted certain classes of enrolled persons from furnishing returns under the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, subject to the condition that the supporting documents specified in the notification shall be furnished in support of the claim for such exemption. The complete list of 10 exempted categories and prescribed documentation requirements is provided in the notification. The prescribed documents have to be furnished through the online [E-Prerana portal](#).

Out of the 10 classes of enrolled persons being exempted, 8 classes are required to furnish the prescribed documents one-time only, whereas (a) owners of transport vehicles (*other than Autorickshaws*) not exceeding 2 in number, run on their own or through others under permits granted and (b) holders of permits of 2 or less taxies or three-wheeler goods/ passenger vehicles must submit supporting documents annually to claim the exemption.

To read the notification [click here](#)



---

### NO PROFESSION TAX IN ODISHA FROM APRIL 2026

---

Government of Odisha, *vide* its notification dated April 21, 2026, has promulgated the Odisha State Tax on Professions, Trades, Callings and Employment (Repeal) Ordinance, 2026, thereby repealing the Odisha State Tax on Professions, Trades, Callings and Employments Act, 2000 ("PT Act"). The repeal effectively discontinues the levy of profession tax in Odisha.

However, the ordinance expressly incorporates savings provisions to ensure continuity in respect of past matters. Accordingly, any tax already paid or payable, assessments made, returns filed, notices issued, or orders passed under the repealed PT Act prior to April 1, 2026, shall remain valid and enforceable as if the PT Act had not been repealed. All rights, obligations, liabilities, and pending or future proceedings arising under the repealed PT Act shall likewise continue unaffected.

To read the ordinance [click here](#)



---

## OTHER UPDATES

---

---

### CENTRAL GOVERNMENT ESTABLISHES STARTUP INDIA FUND OF FUNDS 2.0 WITH INR 10,000 CRORES CORPUS

---

Central Government, *vide* its notification dated April 13, 2026, has approved the establishment of the 'Startup India Fund of Funds 2.0' ("**Startup India FoF 2.0**") with a total corpus of INR 10,000 crores for the purpose of mobilizing venture capital for the country's startup ecosystem. Startup India FoF 2.0 shall have commitments to AIFs spread over the 16<sup>th</sup> and 17<sup>th</sup> finance commission cycles.

Startup India FoF 2.0 broadly follows the structure of the Fund of Funds for Startups 1.0 ("**FFS 1.0**") launched under the Startup India Action Plan in 2016, whereby the scheme contributes to the corpus of SEBI registered AIFs for investing in equity and equity-linked instruments of entities recognised as 'startups' by Central Government.

Startup India FoF 2.0 shall have an expanded scope through a segmented approach targeting 4 categories: (a) AIFs supporting deep tech startups; (b) smaller AIFs (*micro venture capital funds*) supporting early growth stage startups; (c) AIFs supporting tech-driven innovative manufacturing startups under the 'Make in India' initiative; and (d) AIFs supporting sector/ stage agnostic startups. Further operational flexibilities shall be incorporated to address the unique requirements of each segment, including support for AIFs with larger corpuses for capital-intensive sectors, support for longer-duration AIFs catering to longer research and development cycles, higher contribution from the scheme specific segments wherein private capital is limited, and moderation of the investment multiplier to encourage broader participation.

Department for Promotion of Industry and Internal Trade ("**DPIIT**") shall issue operational guidelines governing segment-wise provisions, eligibility criteria for AIFs and startups, selection and monitoring processes, and fund disbursement mechanisms. Small Industries Development Bank of India, and the Implementation Agency ("**IA**") under FFS 1.0, shall continue as IA for the Startup India FoF 2.0, with one or more additional domestic IAs to be selected for implementation. AIFs seeking funding under the Startup India FoF 2.0 shall be evaluated by a Venture Capital Investment Committee (VCIC) constituted by DPIIT, comprising of industry representatives, subject matter experts and IAs, following due diligence by the IA. The VCIC shall consider AIFs managed by experienced professionals with proven track records.

An Empowered Committee (EC) chaired by the Secretary, DPIIT, shall be constituted to monitor the implementation and performance of the Startup India FoF 2.0, with inter-ministerial representation and special invitees from the startup ecosystem. The EC shall have the powers to amend the Startup India FoF 2.0 notification and operational guidelines within the broad contours approved by the cabinet.

Distributions from the Startup India FoF 2.0 (*both capital redeemed and returns earned*), net of utilisation of up to 5% of returns for capacity building of the startup ecosystem, shall be deposited back to the Consolidated Fund of India.

**Contributors:**

**Krishna Kishore**  
Partner

**Yatin Narang**  
Partner

**Pritika Shetty**  
Senior Associate

**Navya Shukla**  
Senior Associate

**Neel Mehta**  
Associate

**Prerna Mayea**  
Associate

**Shubham Chordiya**  
Associate

**Tejas Pardeshi**  
Associate

We hope you like our publication. We look forward to your suggestions. Please feel free to contact us at [mumbai@vaishlaw.com](mailto:mumbai@vaishlaw.com).



Corporate, Tax and Business Advisory Law Firm

**DELHI**

1st, 9th, 11th Floor,  
Mohan Dev Building, 13, Tolstoy  
Marg, New Delhi, 110001  
(India)

+91 11 42492525  
delhi@vaishlaw.com

**MUMBAI**

106, Peninsula Centre,  
Dr. S.S. Rao Road, Parel,  
Mumbai, 400012  
(India)

+91 22 42134101  
mumbai@vaishlaw.com

**BENGALURU**

Bhive Premium Ramanashree,  
No. 2/1, Brunton Road, Off MG  
Road, Opposite Old Passport  
Office, Bengaluru, 560001 (India)

+91 80 40903588/89  
bangalore@vaishlaw.com

**DISCLAIMER:** The material contained in this publication is solely for information and general guidance and not for advertising or soliciting. The information provided does not constitute professional advice that may be required before acting on any matter. While every care has been taken in the preparation of this publication to ensure its accuracy, Vaish Associates Advocates neither assumes responsibility for any errors, which despite all precautions, may be found herein nor accepts any liability, and disclaims all responsibility, for any kind of loss or damage arising on account of anyone acting / refraining to act by placing reliance upon the information contained in this publication.