



CIRCULAR

CIR/IMD/DF/16/2014

July 18, 2014

To
All Alternative Investment Funds ("AIFs") registered with SEBI

Dear Sir / Madam,

Sub: Clarification and extension of deadline with respect to circular on 'Guidelines on disclosures, reporting and clarifications under AIF Regulations'

SEBI had issued a circular No. CIR/IMD/DF/14/2014 dated June 19, 2014 on 'Guidelines on disclosures, reporting and clarifications under AIF Regulations'. In this regard, it is clarified as under:

1. The deadline for sending of annexure to the placement memorandum to the investors under clause 2(a)(iii) is extended till August 31, 2014.
2. With respect to disclosure of disciplinary history under clause 2(a)(ii), the same shall be applicable for the last 5 years and where monetary penalty is involved, in cases where such penalty is greater than Rs. 5 lakhs. With respect to disputed tax liabilities, the same shall not apply to liabilities in personal capacity of an individual. Contingent liabilities shall be as disclosed in books of accounts of the entity.
3. With respect to clause 2(b)(iii), the changes shall include modifications in terms or documents of the fund/scheme and the same may be intimated to investors and SEBI once every six months on a consolidated basis. With respect to clause 2(b)(iv), 'material' changes may be construed as changes in the fundamental attributes of the fund/scheme and the process for exit under the clause shall not apply in cases where the AIF has approval of not less than 75% of unit holders by value of their investment in the AIF with respect to sub-clauses (a) and (b).
4. With respect to clause 3(d), joint investors shall mean where each of the investor contributes towards the AIF. With respect to clause 3(g), such investee company shall hold or propose to hold not less than one project, directly or indirectly.

Yours faithfully,

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