



CIRCULAR

SEBI/HO/IMD-1/ DF9/CIR/2022/032

March 23, 2022

To,

All Alternative Investment Funds

Sir / Madam,

Sub: Change in control of Sponsor and/or Manager of Alternative Investment Fund involving scheme of arrangement under Companies Act, 2013

1. Regulation 20(13) of SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”), inter-alia, requires that in case of change in control of the Sponsor and/or Manager of the Alternative Investment Fund (AIF), prior approval from the Board shall be taken by the AIF. Further, SEBI circular no. CIR/IMD/DF/14/2014 dated June 19, 2014 read with SEBI circular no. CIR/IMD/DF/16/2014 dated July 18, 2014 inter-alia provides for the process to be followed in case of change in control of Sponsor / Manager.
2. To streamline the process of providing approval to the proposed change in control of the Sponsor and/or Manager of the AIF involving scheme of arrangement which needs sanction of National Company Law Tribunal (“NCLT”) in terms of the provisions of the Companies Act, 2013, following has been decided:
 - i. The application seeking approval for the proposed change in control of the Sponsor and/or Manager of the AIF under Regulation 20(13) of AIF Regulations shall be filed with SEBI prior to filing the application with the NCLT;
 - ii. Upon being satisfied with compliance of the applicable regulatory requirements, in-principle approval will be granted by SEBI;
 - iii. The validity of such in-principle approval shall be three months from the date of issuance, within which the relevant application shall be made to NCLT;

- iv. Within 15 days from the date of order of NCLT, applicant shall submit the following documents to SEBI for final approval:
 - a. Application for the final approval;
 - b. Copy of the NCLT Order approving the scheme;
 - c. Copy of the approved scheme;
 - d. Statement explaining modifications, if any, in the approved scheme *vis-à-vis* the draft scheme and the reasons for the same; and
 - e. Details of compliance with the conditions/ observations mentioned in the in-principle approval provided by SEBI.
3. The provisions mentioned in Para 2.b.iv of SEBI Circular No. CIR/IMD/DF/14/2014 dated June 19,2014 read with Para 3 of SEBI Circular No. CIR/IMD/DF/16/2014 dated July18,2014 shall remain unchanged.
4. The provisions of this Circular shall be applicable to all the applications for change in control of Sponsor and/or Manager of the AIF for which the scheme(s) of arrangement is filed with NCLT on or after April 01, 2022.
5. This Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
6. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework - Circulars” and “Info for - Alternative Investment Funds”.

Yours faithfully,

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