VARDHARMA CHAMBERS

Deal *Docket*

Issue 04 · PE / VC Monthly Newsletter · July 2026

SEBI tightens the rules on investor consent, two deadlines land, and dealmaking comes roaring back. A consultation paper proposes a uniform 75% consent threshold and a broader "related party" test for conflicted transactions. The first Quarterly Activity Report deadline passed, and the legacy VCF liquidation window has now closed. Meanwhile, three headline rounds anchored a sharp rebound in deal flow.

IN THIS ISSUE

REGULATORY UPDATE · SEBI CONSULTATION · COMMENTS CLOSED 21 JULY 2026

SEBI's Consent Overhaul: One Threshold, One Playbook

SEBI's consultation paper, released 30 June 2026, drew comments through 21 July 2026, and proposes the most significant overhaul of the AIF investor consent framework in years. The regulator has observed that funds currently use inconsistent methods to obtain consent, and that approval thresholds vary confusingly across different types of decisions. The proposed fix is to standardise both.

75% — Proposed uniform consent threshold. Up from the current two-thirds for matters such as extending a close-ended fund's tenure or altering its investment strategy. Wherever investor consent is required under the AIF Regulations, the threshold would rise to 75% of unitholders by value, replacing today's patchwork of different thresholds for different decisions.

Three ways to vote. AIFs would choose from Deemed Consent, Present and Voting, or Express Voting, subject to uniform disclosure and documented policies applied consistently at the scheme level.

> **"Associate" gives way to "related party."** The current test, anchored to a narrow 15% shareholding threshold, misses transactions where a conflict is obvious. SEBI proposes importing the "related party" definition from Section 2(76) of the Companies Act, 2013, meaningfully widening the set of manager and sponsor transactions that will now require 75% investor approval.

COMPLIANCE DEADLINE · AIF MASTER CIRCULAR · DUE 15 JULY 2026

The First Quarterly Activity Report Has Come and Gone

Chapter 21 of SEBI's AIF Master Circular introduced a new quarterly cadence of reporting. AIFs must now submit a limited Quarterly Activity Report (QAR) on the SEBI Intermediary Portal within 15 calendar days of each quarter's end. The first report, covering the quarter ended 30 June 2026, fell due on **15 July 2026**, a deadline that has now passed for every registered AIF.

Who this applies to. Every AIF registered with SEBI, filed through the SEBI Intermediary (SI) Portal, on a recurring quarterly basis going forward.

> *Fund managers who have not already built a structured compliance calendar will find the new QAR obligation creates an immediate gap.*

What's next. The next QAR, covering the quarter ending 30 September 2026, will fall due 15 October 2026. Build it into the compliance calendar now.

DEADLINE WATCH · LEGACY VCF WIND DOWN · CLOSED 19 JULY 2026

The Legacy VCF Liquidation Window Has Closed

19 July 2026 was the final date of the one-time extended window SEBI granted to funds originally set up under the earlier Venture Capital Fund regulations, and later migrated into the AIF framework, to complete liquidation of any remaining investments. That window has now closed.

Managers who were unable to complete liquidation by the deadline should now assess whether the fund's remaining position — particularly one held up by an unresolved tax dispute or pending litigation — qualifies for "Inoperative Fund" status under the framework introduced in June. That route remains open, but is unavailable to any fund with an investor complaint still pending on SEBI's SCORES platform.

MARKET INTELLIGENCE · DEAL ACTIVITY · JULY 2026

Notable Transactions This Month

Deal flow rebounded sharply through July, led by a balance sheet clean-up ahead of a marquee IPO, a fresh AI unicorn, and a large AI infrastructure round, alongside a steady run of mid-stage growth deals.

$160mn **Udaan** Structured financing ahead of a planned IPO	**$150mn** **Yotta** AI data centre infrastructure round	**$130mn** **Emergent** AI unicorn Series C, led by Creaegis

A balance sheet fix, not just a raise. Udaan's $160 million, announced 14 July, combines fresh equity from existing backers Lightspeed and M&G, roughly $45 million in private credit, and the conversion of a slice of its outstanding convertible bonds into equity — all ahead of a planned IPO.

A PE bolt-on in D2C. On 1 July, Ananta Capital acquired a majority stake in D2C personal care brand Phitku for approximately ₹100 crore (about $12 million).

Two strong weeks back to back. Indian startups raised over $132 million across 21 rounds between 6 and 11 July, then over $297 million across 19 rounds between 13 and 18 July — more than doubling week-on-week as Emergent's round pushed the tally higher.

KEY FIGURES — JULY 2026

75%
Proposed uniform consent threshold

15 Jul
First QAR deadline — now passed

19 Jul
Legacy VCF liquidation window closed

$160mn
Udaan — July's headline transaction

$150mn
Yotta — AI data centre infrastructure

$130mn
Emergent — AI Series C, Creaegis-led

We'd welcome a conversation.

Vardharma Chambers advises PE and VC funds, portfolio companies, and founders on fund structuring, M&A, regulatory compliance, and disputes. If any development in this issue is relevant to a current matter, please reach out.

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