

Frequently Asked Questions (FAQs) on the Venture Capital Funds Settlement Scheme 2025

The Securities and Exchange Board of India has introduced a Settlement Scheme for Venture Capital Funds ("VCF Settlement Scheme, 2025") vide Public Notice dated July 15, 2025. For the benefit of applicants to the said Scheme, FAQs have been drafted for easy understanding of the Scheme.

Q. 1. Where can one access the information regarding the VCF Settlement Scheme, 2025?

A. Information regarding the VCF Settlement Scheme, 2025 is available at the website of SEBI (www.sebi.gov.in) and may also be accessed using the following link: https://www.sebi.gov.in/media-and-notifications/public-notices/jul-2025/public-notice-in-respect-of-vcf-settlement-scheme-2025_95263.html

Q. 2. How to file a settlement application under the VCF Settlement Scheme, 2025?

A. An entity desirous of filing a settlement application under the VCF Settlement Scheme, 2025 is required to take the following sequential actions:

a) Click on the following link:

<https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>

b) Select "Settlement Scheme" option from the drop down menu of "Type of Category", enter the PAN, Captcha and click on "Go"

c) Online submission of scanned copies of the following documents:

i) An application for settlement as per Annexure -1.

ii) A copy of undertakings and waivers on non-judicial stamp paper with stamp duty duly paid as per Annexure -2.

iii) A self-attested copy of the PAN Card of the applicant.

d) Payment of the non-refundable settlement application fee of ₹29,500/- (i.e. ₹25,000/- + GST @ 18%).

e) Payment of the settlement amount as displayed with reference to the applicant.

Q. 3. What is the eligibility criteria for availing the VCF Settlement Scheme, 2025?

A. The VCF Settlement Scheme, 2025 would be applicable to VCFs with at least one scheme whose tenure has expired but not wound up and which have completed the process of migration under the SEBI (Alternative Investment Funds) Regulations, 2012.

Q. 4. What is the settlement amount applicable to me?

A. Under the VCF Settlement Scheme, 2025, the settlement amount applicable, is determined on the basis of the cost of cumulative unliquidated investments as on the date of application for migration and the number of years of delay. Accordingly, the applicable amounts for arriving at the final settlement amount using the above parameters would be as per the formulation given below:

- a. The Base Amount for settlement shall be ₹1,00,000 for delay up to 1 year in winding up the scheme. For every subsequent year of delay or part thereof, an additional amount of ₹50,000 shall be payable.
- b. Additionally, the following amount shall be levied for holding unliquidated investments of investors beyond the tenure of the fund/scheme:

Sr. No.	Cost of cumulative unliquidated investments as on the date of application for migration	Amount
1.	Upto ₹ 25 crore	₹ 1,00,000
2.	More than ₹ 25 crore up to ₹ 50 crore	₹ 2,00,000
3.	More than ₹ 50 crore up to ₹ 100 crore	₹ 4,00,000
4.	More than ₹ 100 crore up to ₹ 200 crore	₹ 5,00,000
5.	More than ₹ 200 crore	₹ 6,00,000

For example, if the liquidation period of a VCF, having unliquidated investment of ₹55,00,00,000, expired in September 2018, the amount of settlement amount shall be

Base Amount: ₹ 1,00,000

Amount for delay: (₹50,000*5) = ₹ 2,50,000

Amount for holding unliquidated investment: ₹ 4,00,000

Total Settlement Amount: ₹ 7,50,000

Q.5 What is the mode of payment of the application fee/settlement amount mentioned above?

A. Applicant would be required to make the online payment of the application fee/settlement amount using the following link:
<https://siportal.sebi.gov.in/intermediary/AOPaymentGateway.html>

Q. 6. When will the settlement order be passed under the Scheme?

A. Subsequent to the payment of the settlement amount, settlement order for each applicant shall be passed by the competent authority after reconciliation of records.

Q. 7. Should one wait till the last day for filing the settlement application under the Scheme?

A. The Scheme would be operational from July 21, 2025 till January 19, 2026, both days inclusive. It is advisable to file a settlement application under the Scheme at the earliest in order to avoid last minute delays.

Q. 8. What action would be taken, if the Scheme is not availed?

A. Upon conclusion of the VCF Settlement Scheme, 2025, action as per the relevant provisions of securities laws may be initiated against the entities, who have not availed the Scheme.

Q. 9. Would the VCFs be permitted to settle other non-compliances under this settlement scheme?

A. The settlement scheme has been devised only for settlement of any action for of non-compliance with Regulation 23(1) read with Regulation 17(1) of the repealed VCF Regulations. No other violation(s) shall be settled under this settlement scheme.

Any query/technical issues with respect to the VCF Settlement Scheme, 2025, may be sent to vcfsettlementscheme@sebi.gov.in, or assistance may be availed at helpline number 022-2644 9333 between 02:00 pm to 04:00 pm between Monday to Friday (excluding public holidays).

Part-A - FORM
Application for settlement

Before the Securities and Exchange Board of India

In the matter of Venture Capital Funds (VCFs) with at least one scheme whose tenure has expired but not wound up and that has completed the process of migration under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012– in terms of the VCF Settlement Scheme, 2025.

1. Name/Trade name of the applicant/co-applicants:
2. PAN of the applicant:
3. Address/correspondence address, contact number and email:
4. Name and contact details (including e-mail) of the contact person (s):
5. Stage at which pending (Show Cause Notice/Appeal before SAT or Court, whichever applicable): Pre-SCN
6. Date of Show Cause Notice/Appeal before SAT or Court (including reference number, wherever applicable):
7. Documents to be uploaded:
 - (a) Undertakings and waivers (as per Format specified in Annexure 2).
 - (b) Copy of the PAN card.

(Signature of the applicant)
(Stamp and Seal of the applicant in case of body corporate
along with Signature of the authorised representative(s))

Undertakings and Waivers

Format

Undertaking on non-judicial stamp paper of denomination of ₹100/- or above to be submitted by each applicant, along with the application with stamp duty duly paid.

I/We,,
the applicant(s) herein, as a condition for making the enclosed application to the Board for examining and consideration of the application, hereby declare that I/we agree and undertake that:

- (1) I/We admit the jurisdiction and right of the Securities and Exchange Board of India to initiate appropriate proceedings in respect of the alleged default.
- (2) I/We further agree and undertake that the time spent during the settlement proceedings shall be excluded for computing the limitation period or laches, if any, for initiating or continuing or restoring any legal proceedings, if any, against me/us, and waive any objections in this regard.
- (3) The Securities and Exchange Board of India may enforce any claims against me/us arising from or/in relation to any violation of the settlement order passed pursuant to this application.
- (4) Nothing in the settlement order shall preclude any other person from pursuing any other legal remedy to which such person may be entitled against me/us as per law.
- (5) The settlement proposed by me/us does not limit or create any private rights or remedies for any person who is not a party to these proceedings, against me/us.
- (6) The settlement amount including legal expenses, if any, shall be paid by me/us to the Board within the period stipulated by the Board.

- (7) The settlement order shall be construed and enforced in accordance with the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018, as amended from time to time.
- (8) I/We agree that subsequent to the passing of the settlement order, I/We shall not take any action or make or permit to be made any public statement denying, directly or indirectly, any finding of the Board including that recorded in the settlement order or creating impression that the settlement order is without factual basis.
- (9) I/We hereby declare that nothing in the waiver and undertaking given by me/us shall affect my/our (i) testimonial obligations, or (ii) right to take legal or factual positions in defence of litigation or in defense of a claim or in any other legal proceeding in which the Board is not a party.
- (10) I/We for the limited purpose of settlement under these regulations 'admit the findings of fact and conclusions of law' or 'neither admit nor deny the findings of fact and conclusions of law' (strike off whichever is not applicable), and agree to abide by the settlement order as may be passed in accordance with the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 and guidelines and circulars issued by the Board in that regard:
- Provided that, in relation to defaults related to disclosures other than relating to a prospectus or a letter of offer or a similar such document required to be made in relation to an issue of securities, I/we do not deny the alleged default.
- (11) I/We waive my/our right of taking any legal proceedings against the Securities and Exchange Board of India concerning any of the issue covered in the settlement order that may be passed.
- (12) I/We further waive the following:
- (a) the findings of fact and conclusions of law;
 - (b) the proceedings before the Board or any officer of the Board;
 - (c) the right to all post-hearing procedures;
 - (d) appeal/review before the Tribunal/courts;
 - (e) any plea relating to such provisions of the regulations or other requirements of law, including conflict of interest, as may be construed to prevent any member or officer of the Securities and Exchange Board of India from participating in the proceedings, including settlement proceedings or assisting or advising the Internal Committee, High Powered Advisory Committee or Panel of Whole Time Members, as to, any order, opinion, finding of fact, or conclusion of law, etc.;

- (f) any plea of bias or pre-judgment by the Securities and Exchange Board of India, the officers or the High Powered Advisory Committee, based on the consideration of or discussions concerning settlement of all or any part of the internal proceedings; and
 - (g) any plea of limitation or laches for initiating or restoring of the proceedings, if the applicant violates the settlement order.
- (13) I/We undertake as a condition of settlement to not seek, directly or indirectly, any set-off, reimbursement by way of indemnification, insurance coverage or any other form of non-tax reimbursement.

(Signature of the applicant with stamp and seal of the body corporate)