

**Issues raised by IVCA and awaiting clarity w.r.t. SEBI Circular dated June 21, 2023 on  
Standardised approach to valuation of investment portfolio of AIFs**

Sr. No.	Issue	Action Point
1	Conflicts between IPEV Valuation Guidelines and Mutual Funds Valuation Guidelines	IVCA has shared a note with SEBI and clarity from SEBI is awaited
2	Eligibility criteria for Independent Valuer	Clarity from SEBI Awaited
3	Change in valuation methodology and approach to be construed as 'Material Change' requiring exit option to be provided to investors	Clarity from SEBI Awaited
4	Details of changes in accounting practices / policies of investee companies to be covered in change in PPM document for submission to SEBI	SEBI to examine alternative reporting format / annexure for reporting the same instead of change in PPM document
5	Submission to valuation to performance benchmarking agencies only after audit of books of accounts of AIF	SEBI to examine providing one month extension for submission of the same
6	Applicability of circular	<p>Clarity given by SEBI as under:</p> <ul style="list-style-type: none"> <li>i. All requirements w.r.t. valuation that are not dependent on endorsement of valuation guidelines by AIF industry association, shall come into effect from November 01, 2023. These requirements were notified in June 2023 (i.e. over 4 months before they shall come into effect)</li> <li>ii. Further, endorsement of valuation guidelines by AIF industry association shall be effectively applicable for valuation of investments portfolio based on March 30, 2024 data and which has to be reported by AIF managers to Performance Benchmarking Agencies by September 30, 2024, thus AIF industry will get almost a year to implement the same.</li> </ul>