



INDIALAW

Private Equity And Funds

Leading Private Equity and Funds Law Firm in India for SEBI AIF Compliance

PRACTICE PROFILE • MAY 2026

Overview

India's private equity and venture capital landscape has witnessed significant growth, with increasing investments across sectors such as technology, healthcare, infrastructure, and consumer goods. The regulatory framework governing private equity and investment funds in India includes the Securities and Exchange Board of India (SEBI) regulations, Foreign Exchange Management Act (FEMA), and various tax laws. Our team is well-versed in these regulations and provides strategic legal advice to ensure compliance and facilitate successful transactions.

We provide comprehensive legal services to private equity and venture capital investors, fund managers, and portfolio companies. Our expertise spans the entire investment lifecycle, from fund formation and capital deployment to exits and post-investment compliance. We assist clients in navigating the complex legal and regulatory landscape of India's private equity and investment funds sector.

Our Services

- **Fund Formation and Structuring:**
 - Advising on the establishment of domestic and offshore funds.
 - Structuring funds in compliance with SEBI's Alternative Investment Funds (AIF) regulations.
 - Drafting and reviewing fund documentation, including private placement memoranda and limited partnership agreements.
- **Investment Transactions:**
 - Conducting legal due diligence on target companies.
 - Drafting and negotiating term sheets, share subscription agreements, and shareholders' agreements.
 - Advising on regulatory approvals and compliance requirements for investments.
- **Exit Strategies:**
 - Assisting with exits through initial public offerings (IPOs), secondary sales, and strategic buyouts.
 - Advising on regulatory and tax implications of exit transactions.
 - Drafting and negotiating exit-related agreements.
- **Regulatory Compliance:**
 - Advising on compliance with SEBI regulations, FEMA guidelines, and other applicable laws.
 - Assisting with filings and approvals from regulatory authorities.
 - Providing ongoing compliance support to funds and portfolio companies.
- **Dispute Resolution:**
 - Representing clients in disputes arising from investment agreements and fund operations.
 - Advising on arbitration and litigation strategies.
 - Assisting with enforcement of rights and recovery of investments.

Key Highlights

Our firm combines deep industry knowledge with legal expertise to deliver practical solutions tailored to the private equity and investment funds sector. We understand the commercial objectives of our clients and offer proactive legal support to help them achieve their investment goals while mitigating risks.

Frequently Asked Questions



What does a private equity and funds practice cover in India?

It covers the full investment lifecycle: structuring and forming domestic or offshore funds under SEBI AIF regulations, negotiating investment transactions, advising on regulatory compliance under FEMA and tax laws, planning exits, and resolving disputes arising from fund operations or portfolio investments.

Q2**When should a fund manager or investor engage a PE lawyer in India?**

Ideally before the fund is formed or capital is committed. Early legal input shapes fund structure, domicile choice, SEBI AIF category selection, and FEMA compliance. Engaging counsel after documents are drafted often leads to costly restructuring or regulatory delays.

Q3**Which Indian regulators and laws govern private equity funds?**

SEBI regulates fund formation and operation through the AIF Regulations, 2012. FEMA and RBI rules govern foreign capital inflows and downstream investments. The Companies Act 2013, Income Tax Act, and GST law apply to portfolio company transactions and fund distributions.

Q4**How long does it typically take to set up an AIF in India?**

SEBI registration of an AIF generally takes three to six months from filing, depending on the category and completeness of the application. Key cost drivers include structuring complexity, drafting the private placement memorandum, and negotiating the limited partnership agreement with anchor investors.

Q5**What documents are needed to begin setting up a private equity fund?**

Core documents include the fund's investment thesis, proposed structure and target corpus, draft contribution agreement or term sheet with anchor investors, KYC details of the sponsor and fund manager, and compliance certificates needed for SEBI AIF registration and RBI filings.

Q6**What common mistakes do PE investors make in Indian transactions?**

A frequent pitfall is neglecting FEMA pricing guidelines and sectoral caps, which can invalidate an investment or trigger penalties. Others include inadequate legal due diligence on target companies, poorly drafted shareholder agreements lacking enforceable exit rights, and missing SEBI reporting deadlines.