

CIRCULAR

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April 30, 2026

To,

**All Alternative Investment Funds (AIFs)
All Merchant Bankers**

Sir/Madam,

Sub: Fast-Track Mechanism for Processing of Placement Memorandum of AIFs filed with SEBI

1. In order to ensure that a minimum standard of disclosure is available in the Private Placement Memorandum (PPM) of AIFs, templates for PPMs were introduced vide SEBI circular dated February 05, 2020.
2. The requirement of filing of PPM of AIFs with SEBI through SEBI registered Merchant Banker was introduced vide SEBI circular dated October 21, 2021 *inter alia* to streamline the processing of applications for launch of scheme/ fund.
3. As per the extant procedure, SEBI reviews the disclosures made in PPMs, Merchant Banker Due Diligence Certificate, etc. and provide comments, if any, to Merchant Banker/ AIF. Thereafter, Merchant Banker/the AIF carries out necessary changes incorporating the SEBI comments and submits revised PPM/ other documents to SEBI for taking the same on record. Owing to time-consuming nature of the extant procedure, review of the current procedure is required to enable efficient deployment of capital by AIFs.
4. As an Ease of Doing Business Measure, considering various factors including sophistication level of AIF investors, due-diligence and experience gained by Merchant Bankers, etc. and after consultation with various stakeholders, it has been decided to follow fast-track mechanism for launch of scheme/fund in respect of the PPMs filed by Angel Funds and AIF schemes other than 'Large value fund for accredited investors (LVFs)' {herein after collectively referred as "non-LVF schemes"}, as given hereunder:

4.1. Launch of scheme/ circulation of PPMs for non-LVF schemes:

- 4.1.1. It is clarified that in terms of Regulation 12 and 19 of SEBI (AIF) Regulations, 2012, AIFs can proceed with launch of their new schemes and circulate the PPM to their investors for soliciting funds after 30 days of filing of application with SEBI, unless otherwise advised.

4.1.2. However, in case of first scheme of AIFs, it is clarified that AIFs can proceed with launch of such schemes from the date of grant of SEBI registration (or) after 30 days of filing of application with SEBI, whichever is later.

4.1.3. Comments, if any, provided by SEBI during this period of 30 days shall be complied with by Merchant Banker/ AIF prior to launch of the scheme/ circulation of PPM.

4.2. Timeline for First close:

Further, the first close of the scheme shall be declared not later than 12 months from the date on which the AIF becomes eligible to launch its scheme as stated at para 4.1.1 & 4.1.2 above. Para 2.3.1 of SEBI Master Circular for AIFs dated May 07, 2024 stands modified to this extent.

4.3. Responsibility:

The Merchant Banker and the Manager of the AIF shall be responsible for ensuring the accuracy and completeness of all disclosures made in the PPMs of non-LVF schemes, as well as in declarations submitted by them.

5. Filing requirements:

5.1. Documents required to be filed with SEBI:

PPM of non-LVF schemes shall be filed on SEBI intermediary portal along with the following documents in addition to payment of applicable (scheme) fee:

- (i) Duly signed Merchant Banker Due Diligence Certificate;
- (ii) Duly signed Fit and Proper declarations with respect to the AIF, Sponsor, Manager of the AIF as specified in Schedule II of SEBI (Intermediaries) Regulations, 2008;
- (iii) Sponsor / Manager declarations with respect to minimum continuing interest commitment in AIF/scheme;
- (iv) Copies of PANs of AIF, its scheme (if available), Sponsor, Manager, Trustee, directors/ partners of Sponsor, Manager & Trustee, key investment team members.

5.2. Disclaimer:

The following disclaimer clause shall be included in the PPMs of all non-LVF schemes:

"1. Merchant Banker viz., <Name of Merchant Banker> has independently exercised due-diligence regarding the information given in the placement memorandum, including the veracity and adequacy of disclosures made therein. Merchant Banker has certified in its Due-Diligence Certificate dated _____ submitted to SEBI that the disclosures made in the placement

memorandum are true, fair and adequate to enable the investors to make an informed decision with respect to the investment in the proposed Scheme/Fund and such disclosures are in accordance with the requirements of Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, circulars, guidelines issued thereunder and other applicable legal requirements.

2. It is to be distinctly understood that submission of the PPM to SEBI should not in any way be deemed or construed that the same has been approved by SEBI. SEBI does not assume any responsibility for the accuracy and correctness of disclosures, facts and claims made in the PPM and for the capability and performance of the Manager.

3. The Manager and Merchant Banker are responsible for ensuring that the information contained in the PPM is true and accurate in all material respects and in compliance with SEBI (Alternative Investment Funds) Regulations, 2012 and other applicable laws and that there are no material facts, the omission of which would make any statement in this memorandum, whether of fact or opinion, misleading.”

6. In case of any irregularity or lapse in the PPM, concerned entities shall be liable for action.
7. All other provisions of Master Circular for AIFs dated May 07, 2024 shall remain unchanged.
8. This circular shall come into force with immediate effect and would also apply to all PPMs of non-LVF schemes pending as on date with SEBI.
9. This circular is issued with the approval of the competent authority.
10. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulation 12, 19 & 36 of AIF Regulations, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
11. The 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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