

Green Channel for AIFs

SEBI Introduces Fast-Track PPM Regime

6 May 2026

Background and Objective

The Securities and Exchange Board of India (SEBI), vide [circular](#) dated 30 April 2026 has introduced a fast-track mechanism for launch of schemes/fund in respect of the Private Placement Memorandum (PPMs) filed under the SEBI (Alternative Investment Fund) Regulations, 2012 (AIF Regulations) as part of SEBI's continuing efforts to streamline regulatory processes and enhance the ease of doing business.

Earlier, SEBI reviewed the disclosures made in the PPM along with Merchant Banker's (MB) due diligence certificate and issued comments for revisions to the PPM, which were required to be incorporated prior to taking the PPM on record. This was generally a time-consuming process. To address this issue, SEBI has now introduced a 30-day fast track mechanism for launch of schemes/fund in respect of the PPMs filed by Angel Funds and AIFs other than non-Large Value Funds for Accredited Investors (non-LVFs) under the AIF Regulations.

Key Changes

- **Time bound processing:** Existing AIFs can now proceed with the launch and circulation of their new schemes to investors after 30 days from the date of SEBI filing, unless it has been advised otherwise.
- **Launch of first scheme of AIFs:** AIFs which are launching their first scheme can launch such scheme only from the later of: (i) date of grant of SEBI registration; or (ii) 30 days of SEBI filing.
- **SEBI comments:** Any comments received in the PPMs by SEBI during the 30-day window will be required to be incorporated by the AIF.
- **First Close:** For the first scheme of an AIF, the 12-month period for declaring first close will be from the later of: (i) 30 days from the date of SEBI filing; or (ii) the date of grant of registration. For AIFs with subsequent schemes, the 12-month period is to be counted from 30 days after the filing with SEBI.

Key Considerations

- **Document Filing:** PPMs of non-LVF schemes need to be filed on SEBI's intermediary portal along with:
 - Duly signed MB due diligence certificate;
 - Duly signed Fit and Proper declarations of AIF, Sponsor and Manager of AIF as specified under Schedule II of the SEBI (Intermediaries) Regulations;
 - Declarations by Sponsor/Manager regarding minimum continuing interest commitment in the scheme;
 - Copy of PANs of AIF, Scheme (if available), Sponsor, Manager, Trustee and key investment team members; and
 - Applicable registration fees.
- **Mandatory disclaimers in the PPM:** SEBI has mandated inclusion of standardised, verbatim disclaimer language clarifying that the MB has undertaken independent due diligence and certified the adequacy and accuracy of disclosures, and that primary responsibility for accuracy, completeness, and legal

compliance rests with the Manager and MB.

- **Accountability:** Inclusion of disclaimer language clarifying that in case of any irregularity or lapse in the PPM, the concerned entities would be liable for action. This reinforces strict accountability for accuracy and compliance in disclosures.

Role of the Merchant Banker

This fast-track mechanism has been introduced taking into account the enhanced role and experience of MBs in recent years. Under this fast-track framework, reliance on MBs as first-level gatekeepers is further strengthened.

MBs will continue to be responsible for ensuring accuracy, completeness and regulatory compliance of all disclosure being made in the PPM as well as in their certifications and declarations. The fast-track mechanism therefore elevates both the responsibility and accountability of MBs in the AIF ecosystem.

Conclusion and Benefits to the AIF Industry

The fast-track mechanism enables quicker launch of AIFs and faster capital mobilisation, allowing managers to better capture time-sensitive investment opportunities. By introducing defined timelines and a disclosure-driven framework, SEBI has reduced regulatory uncertainty while maintaining investor protection through enhanced accountability.

The fast-track mechanism represents a measured shift toward a time-bound, facilitative regulatory framework for AIFs.

Overall, the circular delivers faster launches of AIFs with clearer timelines, materially improving fundraising and efficiency of fund deployment.

- Vivek Mimani (Partner); Samarth Chopra (Senior Associate) and Garv Gupta (Associate)



About Khaitan & Co

Khaitan & Co is a top tier and full-service law firm with over 1300+ legal professionals, including 340+ leaders and presence in India and Singapore. With more than a century of experience in practicing law, we offer end-to-end legal solutions in diverse practice areas to our clients across the world. We have a team of highly motivated and dynamic professionals delivering outstanding client service and expert legal advice across a wide gamut of sectors and industries.

To know more, visit www.khaitanco.com



This document has been created for informational purposes only. Neither Khaitan & Co nor any of its partners, associates or allied professionals shall be liable for any interpretation or accuracy of the information contained herein, including any errors or incompleteness. This document is intended for non-commercial use and for the general consumption of the reader, and should not be considered as legal advice or legal opinion of any form and may not be relied upon by any person for such purpose. It may not be quoted or referred to in any public document, or shown to, or filed with any government authority, agency or other official body.

www.khaitanco.com | © Khaitan & Co 2026 | All Rights Reserved.

Ahmedabad · Bengaluru · Chennai · Delhi-NCR · GIFT City · Kolkata · Mumbai · Pune · Singapore