



SEBI GARUDA: AIF Schemes Can Now Launch in 10 Working Days

The June 19, 2026 SEBI Board reforms shift AIFs from "wait for the regulator" to "file, disclose, launch." What fund managers, founders and advisers must do now.

SEBI

AIF

GARUDA

FUND STRUCTURING

JUNE 2026

What Just Changed

On June 19, 2026, the SEBI Board (Press Release No. 35/2026) approved one of the largest ease-of-doing-business packages the Alternative Investment Fund industry has seen.

At the centre: **GARUDA – Green-channel: AIF Rollout Upon Document Acknowledgement.**

10

Working Days

Regular AIF schemes can now launch within 10 working days of filing – down from a weeks-long merchant-banker-reviewed cycle.

Day 1

Instant Launch

Accredited-investor-only and angel funds achieve near-instant launch upon registration or PPM filing.

25

Chapters

AIF Master Circular consolidated into 25 chapters and 153 pages – one definitive reference document.

2012

Regulations Amended

Delivered via amendments to the SEBI (AIF) Regulations, 2012.



What Is GARUDA?

GARUDA = Green-channel: AIF Rollout Upon Document Acknowledgement.



Old Process

File the Private Placement Memorandum (PPM), usually routed through a merchant banker, then **WAIT** for SEBI's observations before accepting commitments. That review could stretch go-to-market by weeks.

New Process

An eligible scheme is treated as launched once SEBI acknowledges receipt of documents. SEBI moves from **PRIOR-APPROVAL** to **DISCLOSURE-AND-ACKNOWLEDGEMENT**, with post-facto scrutiny replacing pre-launch gatekeeping.

Old Process

File PPM → Wait for SEBI observations
→ Accept commitments

New GARUDA Flow

File PPM → SEBI acknowledges → Launch immediately

This structural shift places the burden of accuracy squarely on the filer — disclosures must be right at the point of filing, not corrected during a pre-launch review.

The New Launch Timelines

Classify the scheme first – the bucket decides the timeline:

Scheme Type	PPM Route	Launch Timeline
Accredited-investor-only	Exempt from merchant-banker PPM	Immediately on SEBI registration / PPM filing
Angel funds	Exempt from merchant-banker PPM	Immediately on SEBI registration / PPM filing
Regular schemes (Cat I / II / III)	GARUDA green-channel route	Within 10 working days of filing
Large value funds (LVFs)	Existing accredited-investor framework	As per existing LVF norms

- ✔ Practical effect: a regular scheme can move from "filed" to "open for commitments" inside a fortnight; an angel/accredited structure effectively on day one.

The New AIF Master Circular (June 2026)

Issued June 3, 2026, updated June 16, 2026. Consolidates every AIF circular up to May 31, 2026 into one 153-page, 25-chapter reference. Supersedes the May 2024 Master Circular.



Co-Investment Vehicle (CIV) Framework

Chapter 6: A dedicated vehicle for LPs to co-invest deal-by-deal alongside a scheme. Provides a structured, compliant pathway for deal-specific participation.



Inoperative Fund Status

Chapter 25, June 16, 2026: Closed-portfolio AIFs with pending tax or litigation can retain proceeds and cut compliance instead of a forced wind-up. A critical lifeline for funds in limbo.



Quarterly Activity Report

Streamlined format; first report due **July 15, 2026** for the quarter ending June 30, 2026. Confirm against the SEBI portal for exact format and submission requirements.

Who Is Affected

AIF Managers & Sponsors

Biggest beneficiaries. Shorter launch cycles deploy capital faster. Trade-off: with prior review compressed, getting disclosures, risk factors and conflict statements right at filing is now **YOUR burden**.

Founders Raising from AIFs

Faster scheme launches plus a smoother co-investment framework mean quicker cheque availability, especially from angel and accredited-investor funds. Expect funds to move faster on closing.

CAs / CS / Fund Advisers

Advisory work shifts **UPSTREAM**. With SEBI relying on disclosure not pre-approval, getting the PPM, valuation policy, fee structure and reporting right **BEFORE** filing is where the value moves.



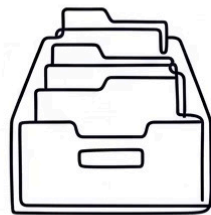
The Catch: Responsibility Moves to You

The speed gains of GARUDA come with a clear trade-off – the burden of accuracy shifts entirely to the filer. Four critical caveats every fund manager must internalise:



DISCLOSURE BURDEN

PRIOR REVIEW COMPRESSED,
WRONG DISCLOSURES IN
POST-FACTO SCRUTINY



CLASSIFICATION RISK

WRONG BUCKET, WRONG
TIMELINE, AND WRONG
FILING ROUTE



POLICY VS MECHANICS

BOARD APPROVAL IS POLICY,
IMPLEMENTING CIRCULAR IS
MECHANICS. WATCH FOR
AMENDMENTS



REPORTING CADENCE

QUARTERLY REPORT
JULY 15 2026 IS A HARD
INTERNAL DEADLINE

1. Disclosure Burden

Prior review is compressed or removed. Wrong or weak disclosures surface in post-facto scrutiny, not a friendly pre-launch chat.

2. Classification Risk

The wrong bucket means the wrong timeline AND the wrong filing route. Classify before you file.

3. Policy vs Mechanics

The board approval is the policy. The implementing circular and amendment regulations are the mechanics – watch for them before you rely on exact contours.

4. Reporting Cadence

Treat the new quarterly report (due July 15, 2026 for Q ending June 30, 2026) as a hard internal deadline; confirm date and format on the SEBI portal.

Your Action Plan



Step 1: Classify Every Planned Scheme

Determine whether each scheme is accredited-investor-only, angel, regular, or LVF. The classification drives both the timeline and the PPM route – this is the foundational decision.



Step 3: Map the GARUDA Acknowledgement Workflow

Know exactly what "document acknowledgement" requires and what starts the 10-working-day clock. Build this into your internal launch checklist before your next scheme filing.



Step 2: Re-Paper Your PPM Template

Upgrade your PPM template to a green-channel disclosure standard. SEBI now reviews post-facto – every risk factor, conflict statement and fee disclosure must be airtight at the point of filing.



Step 4: Diarise Reporting & Review Dormant Schemes

Lock in the quarterly reporting cadence and review all dormant schemes against the new Inoperative Fund status – it may offer a better path than forced wind-up for closed-portfolio funds with pending tax or litigation.

The Bigger June 19 Package & Bottom Line

SEBI's same board meeting also approved a broader set of market reforms:



Securities Transmission

Faster transmission of securities to legal heirs, reducing delays in estate settlement for investors.



Intraday Borrowing for MFs

Mutual funds gain intraday borrowing flexibility, improving liquidity management for fund managers.



Open-Market Buybacks

Re-introduction of open-market buybacks through stock exchanges, restoring a key capital return mechanism for listed companies.

Bottom Line: The regime moves from "wait for the regulator" to "file, disclose, launch." The fund that wins under GARUDA is the one whose documentation is launch-ready on the day it files – not the one hoping to fix things in review.

Need help structuring a launch-ready AIF or raising from one? **Talk to an Expert.** CA Adityavikram Banka, Founder, A S Banka Advisors Private Limited.