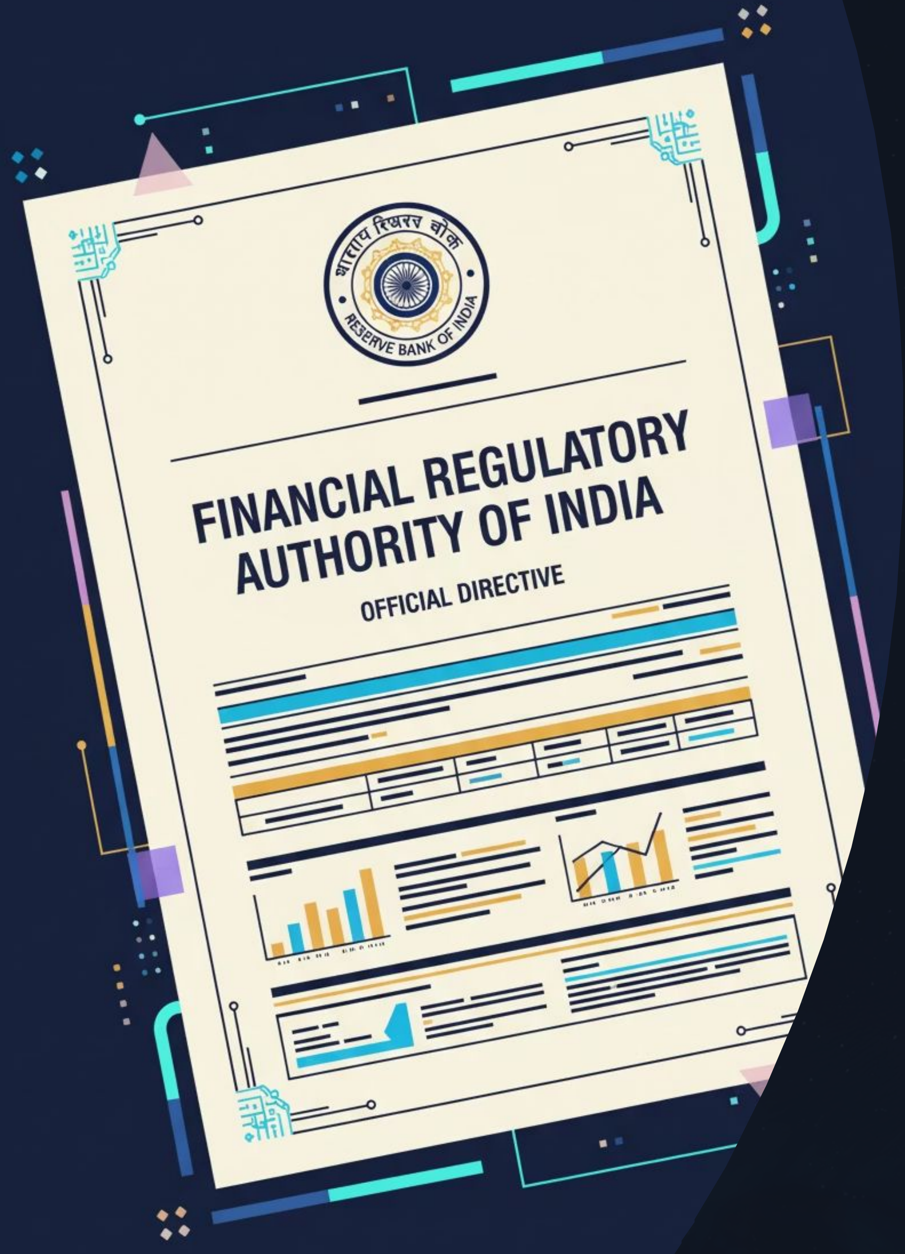

SEBI Extends the Angel Fund Deadline to 31 March 2027

The 8 September 2026 accredited-investor cliff is gone. This is a runway, not a reversal.

SEBI AIF | ANGEL FUNDS | ACCREDITED INVESTORS | CIRCULAR 7 SEP 2026 | DEADLINE 31 MARCH 2027

The 8 September 2026 Date is Now Superseded

By circular dated 7 September 2026 (Ref HO/19/34/11(7)2025-AFD-POD1/I/20626/2026), SEBI moved the accredited-investor compliance deadline for existing angel funds from 8 September 2026 to 31 March 2027.

Anything you read earlier fixing the cut-off at 8 September 2026 no longer applies. That date has been replaced.

Effective Immediately

The circular took force on 7 September 2026, one day before the original cliff, so no existing angel fund had to stop taking non-accredited money on 9 September 2026.

Status: IN FORCE

It modifies para 8.1.2 of Chapter 8 of the SEBI AIF Master Circular dated 3 June 2026.

Old Timeline Versus New Timeline

For existing angel funds registered with SEBI on or before 10 September 2025.

Condition	Earlier Rule	After the 7 September 2026 Circular
Implement the accredited-investor mandate by	8 September 2026	**31 March 2027**
Cap on non-accredited investors during transition	Not more than 200	Not more than 200 (unchanged)
Fresh contributions from non-accredited investors barred after	8 September 2026	**31 March 2027**
Investments already made by existing investors	Continue per PPM and fund documents	Continue per PPM and fund documents (unchanged)

Who Gets the Extra Runway, and Who Does Not

Gets the Extension

Angel funds registered with SEBI on or before 10 September 2025. Transition period runs to 31 March 2027, subject to the cap of 200 non-accredited investors.

No Extension

Angel funds registered after 10 September 2025 are accredited-investor-only from the outset. A fund applying for registration today is born into the accredited-investor-only regime, so 31 March 2027 is irrelevant to it.

The relaxation touches only para 8.1.2 (the legacy population). Para 8.1.1 (post-10-September-2025 funds) is unchanged.

What SEBI Did NOT Do

Mandate Intact

SEBI did not dilute the accredited-investor mandate itself.

Cap Unchanged

SEBI did not raise or scrap the cap of 200 non-accredited investors.

Category Unchanged

Angel funds remain a standalone Category I AIF sub-category.

Commitments Preserved

Existing commitments stay in place per the private placement memorandum and fund documents.

> Only the clock changed. The direction of travel is intact.

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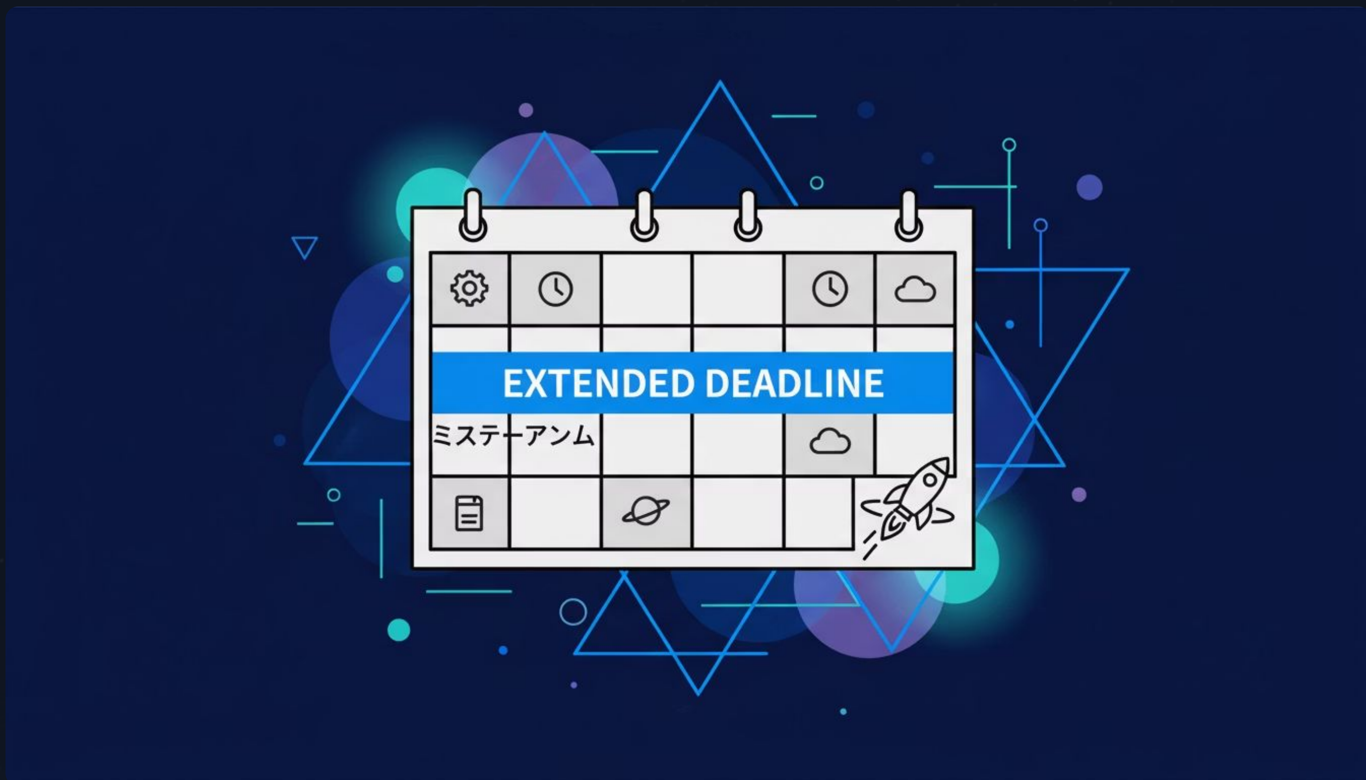
Why SEBI Moved the Date



The circular attributes the move to representations from the AIF industry seeking more time.

Accreditation is a Process, Not a Switch

The investor has to clear an accreditation agency, meet the income or net-worth thresholds, and hold a live accreditation certificate.

Legacy Funds Needed More Time

Many legacy funds entered the transition with a book of non-accredited angels who could not all be re-papered by 8 September.

Orderly Completion

Rather than force those funds to freeze fresh contributions on 9 September, SEBI extended the runway so the accreditation exercise can be completed in an orderly way.

Six Things to Do with the Extra Seven Months

1. **Confirm Your Registration Date**
   On or before 10 September 2025 means you qualify for 31 March 2027. After that date, you should already be accredited-investor-only.

2. **Count Your Non-Accredited Investors**
   You cannot exceed 200 during the transition.

3. **Start the Accreditation Drive Now**
   Certificates take time and depend on the investor's own income or net-worth documentation.

4. **Map Contributions to the Cut-off**
   After 31 March 2027, no contribution to an investee company may come from a non-accredited investor.

5. **Update Your Fund Documents**
   Align the PPM, contribution agreements and onboarding flows with the revised timeline.

6. **Preserve Existing Investors**
   Committed capital continues per the PPM; do not disturb it in the name of the transition.

What This Means for You

Fund Managers

A genuine reprieve, but a runway, not a reversal. Use the seven months to get your investor base accredited. Funds that leave accreditation to the last quarter will face the same crunch in March 2027 that they were staring at in September 2026.

Founders Raising from Angel Funds

A near-term freeze on non-accredited money is avoided. A legacy fund can keep deploying into your round through the extended window, subject to the 200-investor cap and the fund's own terms.

Investors

Non-accredited angels in a legacy fund get more time, but the endgame is unchanged. To keep contributing to new investee companies beyond 31 March 2027 you must be accredited; existing commitments are protected.

Key Dates and Your Next Step

1

9 September 2025

SEBI (AIF) Regulations 2012 amendment notified, introducing the accredited-investor framework for angel funds.

2

10 September 2025

The cut-off separating legacy funds (transition) from newly registered funds (accredited-investor-only).

3

3 June 2026

The framework folded into Chapter 8 of the SEBI AIF Master Circular.

4

7 September 2026

The extension circular; the deadline moves to 31 March 2027, in force immediately.

5

31 March 2027

Legacy angel funds must be accredited-investor-only.

⚠ Do not treat 31 March 2027 as a fresh clock. Start the accreditation exercise now.

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