

DRAFT CIRCULAR FOR PUBLIC COMMENTS

Guidelines with respect to reporting of value of units of Alternative Investment Funds (AIFs) to Depositories

1. OBJECTIVE:

- 1.1. To promote transparency in the AIF ecosystem, it is proposed to leverage upon the depository infrastructure such that AIFs may be required to maintain updated NAV of the units issued to investors based on valuation of their investments in the Depository system.
- 1.2. This consultation paper proposes to seek comments/ views/ suggestions from the public on the draft circular titled '*Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories*' (placed at [Annexure-1](#)).

2. PUBLIC COMMENTS:

- 2.1. Draft Circular on "*Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories*" is placed at [Annexure-1](#). The comments/ suggestions should be submitted latest by **October 09, 2025**, only through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

- 2.2. In case of any technical issue in submitting your comment through web based public comments form, you may highlight the issue(s) to Sh. Ashutosh Parauha (ashutoshp@sebi.gov.in) or afdconsultation@sebi.gov.in with the subject: "*Guidelines with respect to reporting of value of units of AIFs to Depositories*".

Issued on: September 19, 2025

DRAFT CIRCULAR

SEBI/HO/AFD/PoD-1/P/CIR/2025/

October xx, 2025

To,
All Alternative Investment Funds
All Depositories
All Registrar and Transfer Agents

Dear Sir/Madam,

Sub: Reporting of value of units of Alternative Investment Funds (AIFs) to Depositories

1. In terms of Regulation 10 of SEBI (AIF) Regulations 2012, AIFs may raise funds from any investor whether Indian, foreign or non-resident Indians by way of issue of units. The value of units issued by AIFs is calculated based on the valuation of investment portfolio of AIF / scheme of AIF as under:
 - 1.1. In terms of Regulation 23(2) of AIF Regulations 2012, Category I and Category II AIFs shall undertake valuation of their investments, atleast once in every six months, by an independent valuer appointed by the AIF:

Provided that such period may be enhanced to one year on approval of atleast seventy-five percent of the investors by value of their investment in the AIF.
 - 1.2. In terms of Regulation 23(3) of AIF Regulations 2012, Category III AIFs shall ensure that calculation of the net asset value (NAV) is independent from the fund management function of the AIF and such NAV shall be disclosed to the investors at intervals not longer than a quarter for close ended funds and at intervals not longer than a month for open ended funds.
2. Further, in terms of Regulation 10(aa) of SEBI (AIF) Regulations, 2012 and SEBI circular no. SEBI/HO/AFD/PoD/CIR/2023/96 dated June 21, 2023 (Subsumed in Chapter 20 of Master Circular for AIFs dated May 07, 2024), AIFs have been mandated to issue units in dematerialized ("demat") form.
3. In view of the above, and to leverage upon the depository infrastructure in increasing transparency and operational efficiency, the following is specified:
 - 3.1. AIFs / RTAs shall upload NAV of ISINs of all the units of AIFs in the depository system, within 15 days of valuation of investment portfolio.

3.2. For the purpose of aforesaid mandate, the valuation date shall be considered as under:

- a) In case the valuation is carried out by an External valuers – Date of valuation report.
- b) In case the valuation is carried out by an Internal valuers – Date on which the valuation is documented in the internal records of the fund

3.3. For existing schemes of AIFs, AIFs/RTAs shall upload the latest NAV (as on the date of issuance of this circular) of ISINs pertaining to all the units of AIFs in the depository system within 45 days of issuance of this circular.

3.4. The Depositories shall:

- a) build necessary infrastructure for uploading of NAV by AIFs / RTAs and for reflection of the same in the depository system;
- b) make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above provisions; and
- c) bring the provisions of this circular to the notice of their members / participants and also disseminate the same on their websites.

4. The trustee/sponsor of AIF, as the case may be, shall ensure that the 'Compliance Test Report' prepared by the manager in terms of Chapter 15 of the Master Circular for AIFs, includes compliance with the provisions of this circular.

5. The provisions of this circular shall come into force with immediate effect.

6. 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 10, Regulation 23 and Regulation 36 of AIF Regulations, 2012 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.

7. 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,
