

CIRCULAR

HO/19/34/11(8)2025-AFD-POD1/I/4335/2026

February 06, 2026

**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 (Alternative Investment Funds) Regulations, 2012 (AIF Regulations), 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, 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, 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 AIF Regulations 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 the depository infrastructure for enhancing transparency and operational efficiency, and to facilitate system readiness of AIFs, Registrars and Transfer Agents (RTAs) and Depositories, the following is specified:

3.1. AIFs, through their RTAs, shall upload the latest available NAV corresponding to each ISIN of units of the AIF in the depository system before May 01, 2026, or within 30 days from the date of valuation of the investment portfolio, whichever is later.

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 independent 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. The manager of the AIF shall be responsible for ensuring timely and accurate uploading of NAV.
- 3.4. The Depositories shall:
- a) build necessary infrastructure for uploading of NAV by RTAs and for reflection of the same in the depository system;
- b) incorporate the following disclaimer wherever AIF NAV is being displayed:
- Net Asset Value (NAV) being shown is on the basis of valuation methodology and accounting practice followed by your respective AIF. Please refer to your fund documents for more details.*
- c) make necessary amendments to the relevant Bye-laws, Rules and Regulations for the implementation of the above provisions; and
- d) 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 SEBI (Alternative Investment Funds) 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,

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