



**Nodal Co-ordination Cell**

**Informal Guidance**

**Issue No.:I/9052/2026**

**April 09, 2026**

**Rajveer Singh**  
**Company Secretary and Compliance Officer**  
**UTI Alternatives Private Limited**  
**Infinity Tower A, 7<sup>th</sup> Floor, DLF Cybercity, DLF Phase II,**  
**Gurugram, Haryana-122002**

Sir,

**Subject: Request for Informal Guidance by way of an Interpretative Letter under provisions of Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 related to Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("MF Regulations").**

*Ref: Your letter dated January 01, 2026 and emails dated February 03, 2026 and February 10, 2026.*

1. In the context of your letter under reference, you have, *inter-alia*, stated that UTI Alternatives Private Limited (**UAPL**) is the wholly owned subsidiary of UTI Asset Management Company Limited (the asset management company of UTI Mutual Fund) and is acting as the Investment Manager to the following three Alternative Investment Funds (AIFs), registered with SEBI as Category II AIFs:
  - 1.1. UTI Emerging India Opportunities Fund (SEBI regn no. IN/AIF2/18-19/0576)
  - 1.2. UTI SDOF Growth Theme Fund (SEBI regn no. IN/AIF2/22-23/1044) and
  - 1.3. UTI Multi Opportunities Fund (SEBI regn no. IN/AIF2/21-22/0994)
2. You have sought an interpretive letter under the Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 from SEBI on the following queries:



- 2.1. **Query 1:** Whether the broad based fund requirement applies to the management/ advisory services rendered by UAPL to pooled assets i.e. AIFs and its schemes?
- 2.2. **Query2:** Whether compliance with the broad based fund criteria should be assessed at the fund level or the individual scheme level?
- 2.3. **Query 3:** In a master feeder structure, whether it is sufficient if only the master fund is broad based as the feeder funds do not do standalone investments and active management is undertaken at the master fund level?
- 2.4. **Query 4:** Whether the exemption under paragraph 17.3 of Master Circular for Mutual Funds dated June 27, 2024 extends to appropriately regulated domestic entities such as banks, insurance companies and PF trusts on a look through basis?

### 3. Our Comments:

The submissions made in your letter have been considered. Without necessarily agreeing with your analysis, we are issuing interpretive letter as under:

#### 3.1. Response to Query 1:

3.1.1. Regulation 21(b) of the SEBI (Mutual Funds) Regulations, 2026 (erstwhile Regulation 24(b) of MF Regulations) provides that an Asset Management Company (“AMCs”) shall not undertake any business activity other than “*management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, or such categories of foreign portfolio investor as may be specified by the Board.*”

3.1.2. Further Regulation 2(f) of SEBI (Mutual Funds) Regulations, 2026 (Explanation to erstwhile Regulation 24(b) of MF Regulations) states that a broad based fund shall mean the fund which has at least twenty investors and no single investor holds more than twenty-five percent of corpus of the fund.

3.1.3. In terms of regulation 2(b) of the Securities and Exchange Board of India (Alternative Investment funds) Regulations, 2012 (“AIF Regulations”), ‘alternative investment fund’ (“AIF”) means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which is a privately pooled investment vehicle and is not covered under MF Regulations, Securities and Exchange



Board of India (Collective Investment Schemes) Regulations, 1999 or any other regulations of the Board to regulate fund management activities.

3.1.4. Considering that AIF is a pooled asset in terms of the definition in AIF Regulations, the broad-based requirement as indicated at paragraph 3.1.2 above shall be applicable to management/advisory services rendered by AMC's (or their subsidiaries) to AIFs and their schemes, under Regulation 21(b) of the SEBI (Mutual Funds) Regulations, 2026 (erstwhile Regulation 24(b) of MF Regulations).

3.2. **Response to Query 2:** It may be noted that Regulation 10 of the AIF Regulations considers each scheme of an AIF as a distinct investment vehicle for the purposes of, *inter alia*, investor limits, corpus requirements, and compliance obligations. Accordingly, for the purposes of Regulation 21(b) of SEBI (Mutual Funds) Regulations, 2026 read with Regulation 2(f) (erstwhile Regulation 24(b) of MF Regulations read with explanation thereto), the broad-based requirement shall be assessed at the scheme level, as it reflects the actual investor composition of the pooled vehicle to which management/advisory services are rendered by the AMC or its subsidiaries.

3.3. **Response to Query 3:** Regulation 15 of the AIF Regulations provides that subject to authorization under its fund documents, AIF is authorized to invest in the units of another AIF and as noted in response to query 2 (above), each scheme of an AIF is treated as a distinct investment vehicle. Accordingly, notwithstanding that feeder funds may not undertake independent investment decisions, each fund (whether master or feeder) to which management/advisory services are rendered by AMC or its subsidiary is required to independently comply with the broad-based requirement as specified under Regulation 2(f) of SEBI (Mutual Funds) Regulations, 2026 (Explanation to erstwhile Regulation 24(b) of MF Regulations).

3.4. **Response to Query 4:** Regulation 21(b) of the SEBI (Mutual Funds) Regulations, 2026 (erstwhile Regulation 24(b) of MF Regulations) permits AMC's to provide management/advisory services to specified categories of Foreign Portfolio Investors ("FPIs"). Paragraph 22.2 of the 'Master Circular for Mutual Funds' dated March 20, 2026 (ref. Paragraph 17.3 of Master Circular for Mutual Funds dated June 27, 2024) specifies the categories of FPIs to which AMC's may provide management and advisory services. Domestic regulated entities such as Indian banks, insurance companies, or provident fund trusts are governed by separate domestic regulatory frameworks and do not fall within the scope of the FPI

framework. Hence, the domestic regulated entities does not qualify for the exemption under paragraph 22.2 of 'Master Circular for Mutual Funds' dated March 20, 2026 (ref. Paragraph 17.3 of Master Circular for Mutual Funds dated June 27, 2024).

4. This letter has been issued with the approval of the competent authority and the guidance is based on the representation made in your Application. Different facts or conditions would require a different result. This letter expresses the relevant Department's position on enforcement action only. It does not express the decision of the Board on the questions presented and does not preclude you from taking any other opinion, as deemed appropriate.
5. You may note that the above views are expressed only with respect to the clarification sought in your letter under reference on the SEBI (Mutual Funds) Regulations, 2026 (erstwhile MF Regulations) and circulars issued thereunder and do not affect the applicability of the provisions of law including the Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines or Circulars framed thereunder that are administered by the Securities and Exchange Board of India or of the laws administered by any other authority.

Yours faithfully,



Sudha Rani Thirukonda

