

AIF IN INDIA EMERGING OPPORTUNITIES & REGULATORY LANDSCAPE



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AGENDA

Overview

Regulatory Framework

AIF Categories

Recent Amendments

Tax & Compliance

Emerging Opportunities

Q&A

OVERVIEW

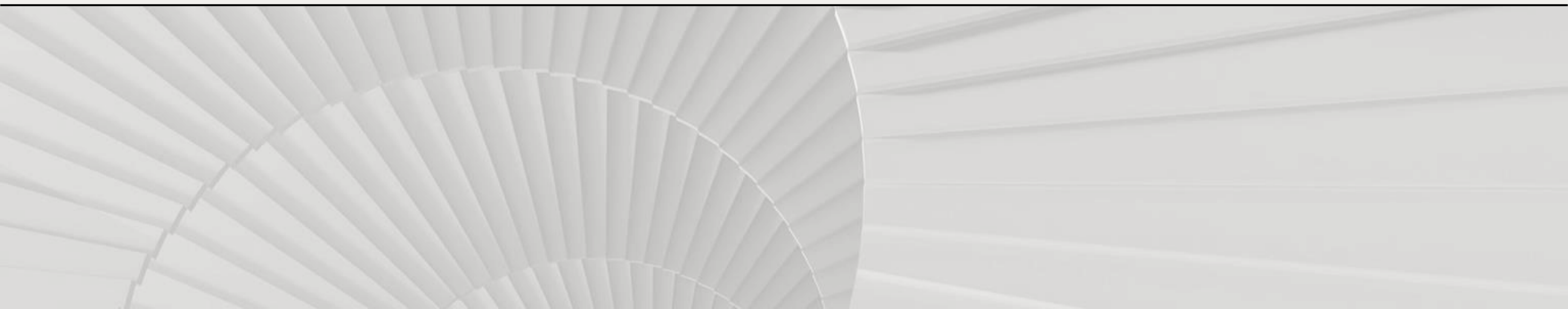
AIF's are privately pooled funds for sophisticated investors, focusing on assets like private equity, venture capital, real estate, debt / credit , listed markets and certain strategies such as data driven etc

AIF since 2012 - presently 1700+ as on Feb 2026

Commitments - INR13.49 trillion (growth of 100% in 4 years)

Growing at 28% CAGR

Projected to reach USD 2 trillion in next 10 yrs.



REG FRAMEWORK

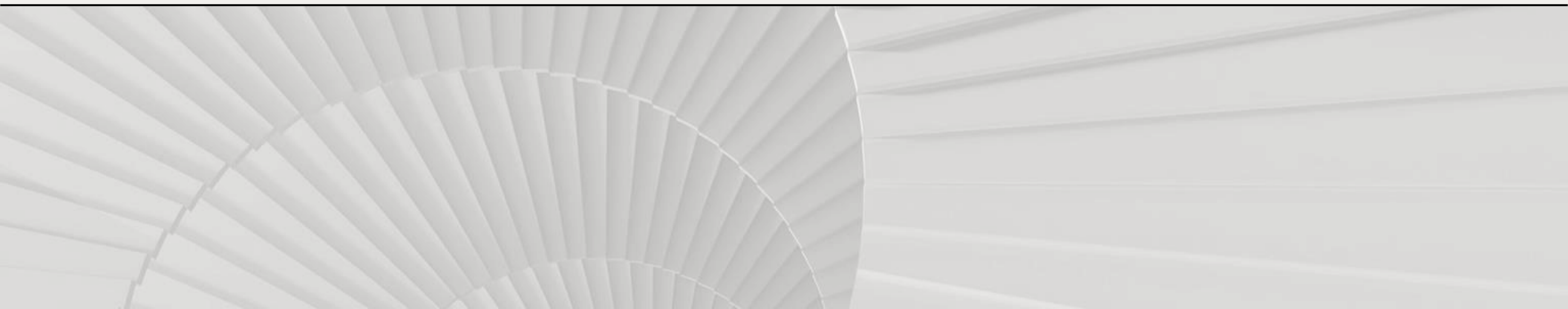
Governed by Securities & Exchange Board of India (SEBI) 2012 and amended 2024

Additional oversight - AML rules, Insider Trading, FEMA, Tax

Emergence of GIFT city - the offshore jurisdiction

Private placement - max 1000 investors with min of INR 1 crore per investor. Min fund size per scheme INR 20 crore

Overseas investments - capped at 25% of the corpus or USD 1.5 bn industry-wide



AIF CATEGORIES



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Category I - Startups, SME, Infra, social ventures – 3 yr min tenure , close ended, 25% concentration limit, sponsor commitment 2.5% or INR 5 crore (VCF/Angel funds/ social impact)

Category II – Private Equity, real estate, debt / credit funds, FOF . Dominates the AUM (USD 120 bn as on March 2025) - close ended

Category III – Hedge funds, leveraged strategy, quant strategy etc (open/ close ended) sponsor commitment is 5% or INR 10crore . Present AUM INR 2.29 lac crore (USD 27bn approx
Special Structures – LVF (min INR 70 crore) , corporate debt funds

RECENT AMENDMENTS

Formal intro of Co-investment vehicles (CIVs) - amendments 2025

Accredited investors - only fund scheme lighter touch regulation :

Reduction in LVF to INR 25 crore in some cases : migration path :
mandatory NISM certification for AIF compliance officer : Reporting of
unit value to depositories : consultation of winding up & surrender -
amendments 2026

Ease of doing business - focus on accredited investors

Visual impact - amended 2025/26





TAX & COMPLIANCE

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Category I & II – Pass thru status (taxed at investor level)

Category III – taxed at fund level

Gift city – attractive tax holidays (recent budget 20yrs)

KYC/AML mandatory

Demat of units

Custodian for larger funds

Detailed PPM

Accredited investors (min INR 25 lacs)

EMERGING OPPORTUNITIES

New Ideas	Future Outlook	Means
<i>Private Credit</i>	<i>18/25% CAGR</i>	<i>High economic growth</i>
<i>Thematic & Sector</i>	<i>INR 20 trillion by 2030</i>	<i>Foreign capital (increase in limits budget 2026)</i>
<i>Data Strategy funds</i>	<i>Expanding HNI/ FO/ domestic capital</i>	<i>Economic reforms</i>
<i>ESG & Impact investing</i>	<i>GIFT city as jurisdiction</i>	<i>Product innovation</i>



Q & A

“ALTERNATES CAN BECOME MAIN
STREAM.”

THANK YOU