

# The Telegraph

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## Alternative investment grows

### OUR SPECIAL CORRESPONDENT

**Mumbai, Sept. 17:** Reliance AIF, a subsidiary of Reliance Nippon Life Asset Management, is planning to launch 6-10 schemes over the next three years in the alternative investment space.

This comes on top of six schemes floated by Reliance AIF of which three have been closed for subscription. In the case of these three schemes — Reliance Yield Maximiser AIF Scheme I, Reliance Yield Maximiser AIF Scheme II and Reliance Yield Maximiser AIF Scheme III, the total capital commitment stood at over Rs 1,300 crore. The fund raising is in progress for the remaining three schemes across asset classes.

AIF is a privately pooled investment vehicle which collects funds from sophisticated investors that may include domes-

tic or foreign investors, for investing it in accordance with a defined investment policy for the benefit of its investors.

There are three categories in which applicants can seek registration from the Securities and Exchange Board of India (Sebi) as AIF. Those that invest in start-ups or early stage ventures/ social ventures, SMEs, infrastructure, or areas which the government or regulators consider as socially or economically desirable come under Category I AIF. These include venture capital funds, SME funds, social venture funds and infrastructure funds.

AIFs, which do not fall in Category I and III, and which do not undertake leverage or borrowing other than to meet day-to-day operational requirements, come under Category II.

These include real estate funds, private equity funds (PE funds) and funds for

distressed assets.

Category III AIFs are those which employ diverse or complex trading strategies and may employ leverage, including through investment in listed or unlisted derivatives.

As of July 2017, there were over 300 AIFs registered with Sebi. The total quantum of funds raised by these funds rose from nearly Rs 7 crore in December 2012 to Rs 48,100 crore as of July this year. The amount of investments made by them has also increased to Rs 39,300 crore in the same period.

“Reliance AIF intends to launch between six and 10 schemes/funds (category II and category III) over the next three fiscals. Reliance AIF intends to launch various offerings to capitalise on market opportunities,” RNAM said in its draft red herring prospectus filed with Sebi.