



AIF Investments in Aviation

Prasad Gadkari, Chief Strategy Officer

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AIF Industry in India

Category 1

- Funds focused on investing in **start-up or early-stage ventures** or **social ventures** or **infrastructure**

Category 2

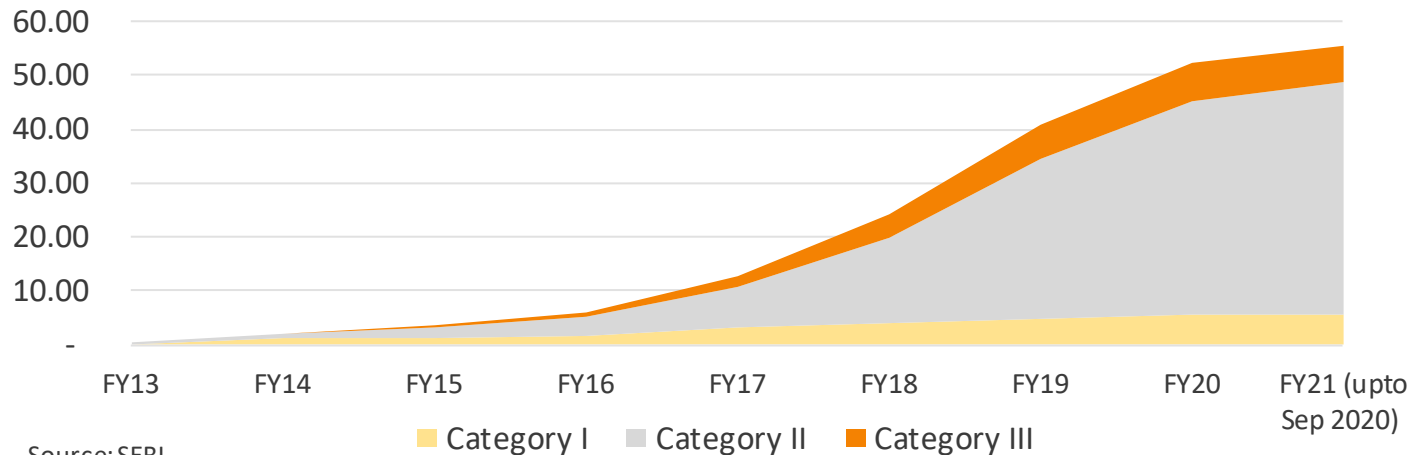
- Private equity funds** or **debt funds** fall in this category

Category 3

- Funds which employ complex or diverse trading strategies. For e.g. **hedge funds** or funds which trade with a view to make short-term returns

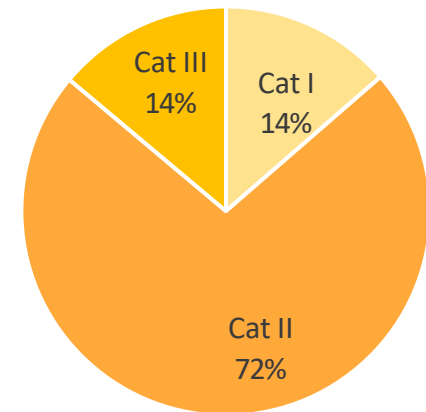
Cumulative Commitments Raised by Indian AIFs in USDbn

~USD 55bn raised by AIFs since FY13



Source: SEBI

Split Between Different Types of AIFs



Source: SEBI

Key characteristics of AIFs – and NIIF funds

Structure

- Each fund is structured as a **distinct trust**
- For example, each of the three funds of NIIF (MF, FOF, SOF) are separate Cat-2 AIFs aimed at their respective strategies

Life and investors

- Depending on strategy and type of investors, AIFs have a long but finite lives. Most AIFs would typically be in the range of **7-15 years**: NIIF funds ~15 years
- NIIF has **GOI** as the anchor investor and many **sovereign wealth funds, pension funds, MDBs and domestic institutions** as key contributors

Investment strategy

- Investment styles can range from **platforms to buyouts, to minority and passive**
- NIIF's Master Fund is focused on core infrastructure projects; Fund of Funds invests in other domestic PE funds and the Strategic Opportunities Fund is a private equity fund focused

AIF investments in Indian Aviation



Aircraft financing opportunity in India

- **PE and institutional investors** have played an active role in this industry - significant deployment of capital
- Indian aviation is a **big growth story** – expected to recover after Covid-19; on track to be top-3 aviation market
- **Almost half of all aircraft are now leased globally**; the ratio is even higher in India
- **India keen on setting up a leasing ecosystem in India** – GIFT City is being primed for the same
- This is specialized business – need to be part of the **global ecosystem**
 - Right talent pool and skill-sets absolutely critical
- **Capital pooling from domestic and international investors**

Thank you

