

Deal Corner

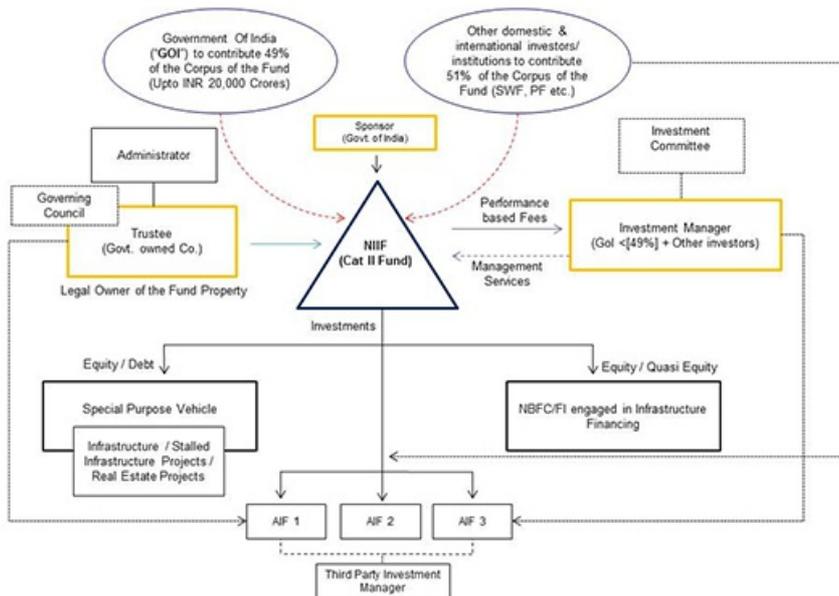
February 05, 2016

NIIF – INDIA'S MEGA FUND INITIATIVE TOWARD INFRASTRUCTURE DEVELOPMENT

DEAL BRIEF

India's Finance Minister, Shri Arun Jaitley, announced the setting up of a National Investment and Infrastructure Fund ("NIIF" or "Fund") in the Union Finance Budget 2015-16 on February 28, 2015. With the proposed corpus of INR 40,000 Crores (USD 6.04 Billion), the Finance Minister has indicated that an annual flow of INR 20,000 Crores (USD 3.02 Billion) would be ensured for the NIIF to enable it to raise capital, and in turn, invest primarily in the infrastructure sector.

NIIF has been set up as a fund of funds structure and is registered with Securities and Exchange Board of India ("SEBI") as a Category II Alternate Investment Fund ("AIF") under the SEBI (Alternative Investments Funds) Regulations, 2012 ("AIF Regulations"). Government's contribution to the Fund shall be 49% of the total commitment at any given point of time and shall neither be increased beyond nor allowed to fall below the threshold of 49%. The whole of 49% would be contributed by the Government of India as contributions to the Fund. National Investment and Infrastructure Fund Trustee Ltd. ("NIIF Trustee Ltd.") is a Govt. company and National Investment and Infrastructure Fund Ltd. ("NIIF Ltd.") is expected to have 51% as private shareholding in the future.



The aim of the Fund is to pool commitments from Sovereign Wealth Funds, long term funds based outside India and government supported institutions within and outside India as permitted under the AIF Regulations to subsequently utilize the same in making investments into the infrastructure sector. These investments shall include both, greenfield and brownfield projects. The platform could also consider investments into other commercially viable projects within the broader investment strategy of the Fund. It could also consider other nationally important projects for example, in manufacturing, if commercially viable.

There is a Governing Council, chaired by the Finance Minister, that acts as an advisory council and provides strategic advice in relation to a) Guidelines for Investment of Trust property/Corpus of NIIF; b) Parameters for appointment and performance of investment managers/ advisors; and c) Any other matter related or incidental thereto. The Governing Council consists of other distinguished persons such as Department of Economic Affairs, Secretary, Department Financial Services, Smt. Arundhati Bhattacharya (Chairman, State Bank of India), Shri Hemendra Kothari (Chairman, DSP BlackRock Investment Managers Pvt. Ltd.) and Shri T.V. Mohandas Pai (Chairman, Manipal Global Education Services).

Press coverage relating to the NIIF is available [here \(Economic Times\)](#), [here \(LiveMint\)](#), [here \(Business Standard\)](#) and [here \(Moneycontrol\)](#).

OUR ROLE

We, at Nishith Desai Associates, acted as Legal and Tax Counsel to NIIF and advised the Department of Economic Affairs, Ministry of Finance, Government of India on the legal, tax and regulatory issues in relation to setting up of the

Research Papers

Evolution of Generative AI

July 11, 2024

From Capital to Impact: Role of Blended Finance

June 15, 2024

Opportunities in GIFT City

June 14, 2024

Research Articles

Private Client Insights - Sustainable Success: How Family Constitutions can Shape Corporate Governance, Business Succession and Familial Legacy

January 25, 2024

Private Equity and M&A in India: What to Expect in 2024?

January 23, 2024

Emerging Legal Issues with use of Generative AI

October 27, 2023

Audio

Dabba Trading and Its Regulatory Landscape in India

July 25, 2024

Pursuing Remedies against Non-signatories in Investment Agreements

July 03, 2024

Why is the ad industry unhappy with MIB's self-declaration mandate?

June 18, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

[Click here to view Hotline archives.](#)

Video

Union Budget: Key takeaways for Private Equity Investors and Foreign Companies

July 24, 2024

DISCLAIMER

We expressly clarify that this communication is not a solicitation or an invitation of any sort whatsoever from Nishith Desai Associates or any of its members to create an attorney-client relationship. This communication is not intended to be a source of advertising and the recipient should always seek the advice of competent counsel licensed to practice in the recipient's country/state.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

**Self Declaration Certificate For Ads:
Decoding The Complexities Of Ad
Regulations**

July 08, 2024

**Future of India-Mauritius tax treaty –
Impact of new Protocol on M&A
deals and Private Equity structures**

April 23, 2024
