

Deal Corner

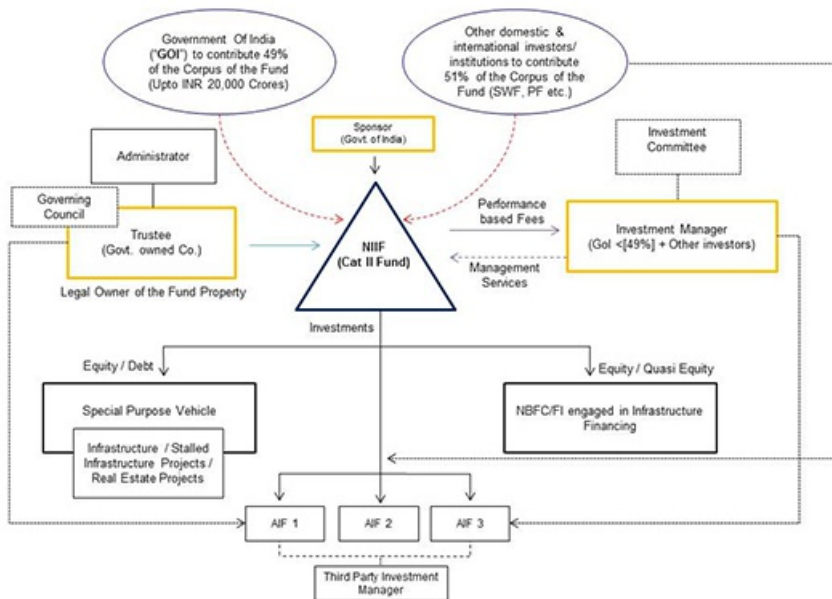
February 05, 2016

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

Compendium of Research Papers

January 11, 2025

FAQs on Setting Up of Offices in India

December 13, 2024

FAQs on Downstream Investment

December 13, 2024

Research Articles

INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

Key changes to Model Concession Agreements in the Road Sector

January 03, 2025

The Revolution Realized: Bitcoin's Triumph

December 05, 2024

Audio

Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

Renewable Roadmap: Budget 2024 and Beyond - Part I

August 26, 2024

NDA Connect

Connect with us at events, conferences and seminars.

NDA Hotline

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

Video

"Investment return is not enough" Nishith Desai with Nikunj Dalmia (ET Now) at FI8 event in Riyadh

October 31, 2024

Analysing SEBI's Consultation Paper

DISCLAIMER

We expressly clarify that this communication is not a solicitation or an invitation of any sort whatsoever from Nishiith 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.

September 26, 2024

Scope of judicial interference and
inquiry in an application for
appointment of arbitrator under the
(Indian) Arbitration and Conciliation
Act, 1996

September 22, 2024