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Pursuant to the Memorandum of Understanding (MoU) between Department of Economic Affairs, Ministry of Finance, Government of India and the Government of United Arab Emirates (UAE) to mobilise long term investment into National Investment and Infrastructure Fund (NIIF), the first investment agreement between NIIF Master Fund and a wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA) has been signed today. The investment from ADIA Group would be 1 billion USD.

As a part of the agreement, ADIA will become the first institutional investor in NIIF's Master Fund and a shareholder in the NIIF's investment management Company.

Six domestic Institutional Investors (DIIs) viz. HDFC Standard Life Insurance Company Limited, HDFC Asset Management Company Limited, Housing Development Finance Corporation Limited, ICICI Bank Limited, Kotak Mahindra Old Mutual Life Insurance Limited, Axis Bank Limited will also be joining the NIIF Master Fund alongwith ADIA apart from Government of India.

Commenting on the development, Secretary Economic Affairs, Shri Subhash Chandra Garg, said: "This is a significant milestone in operationalisation of NIIF. This Agreement paves the way for creating significant economic impact through investment in commercially viable infrastructure development projects".

The NIIF was created, after a decision by the Union Cabinet on 29.7.2015 and was envisaged to be established as one or more Alternative Investment Funds (AIFs) under the SEBI Regulations. The proposed corpus of NIIF is Rs. 40,000 Crores (around USD 6 Billion). GOI's contribution to the NIIF shall be 49% of the total commitment at any given point of time. NIIF has been mandated to solicit equity participation from strategic anchor partners, like overseas sovereign/quasi-sovereign/multilateral/bilateral investors.

Two companies viz. NIIFTL, the trustee of the fund and NIIFL, the investment management company were incorporated in 2015. A Governing Council has been set up under the chairmanship of the union Finance Minister Shri Arun Jaitley to act as an advisory council to NIIF.

A few investors viz. Government of UAE, RUSNANO, QIA, RDIF and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN) have signed MoUs with the NIIF. In addition, DEA has signed terms for cooperation on the NIIF with the US Treasury and the UK Treasury. An India-UK Green Growth Equity Fund (GGEF) has been announced in April 2017. The fund shall be set up under the fund of funds vertical of NIIF, and shall have anchor commitments of GBP 120 million each from Government of India (through NIIF) and Government of UK.

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