

Introduction

NIIF is India's largest infrastructure and private equity fund manager, with over USD 4.5 billion under management. It was set up by the Government of India (GoI) with the objective of creating a professionally-managed, commercially-driven fund manager, which could operate at a large scale to respond to the equity deficit in the country. GoI is the sponsor of NIIF and of each fund that it manages, but GoI keeps an arms-length approach with a minority 49% stake. 51% of NIIF is owned by domestic institutional investors, 2 sovereign wealth funds, 4 international pension funds and USIDFC. Investors in NIIF funds include: Abu Dhabi Investment Authority (ADIA); Temasek; Ontario Teachers' Pension Plan (OTPP); AustralianSuper; CPP Investment Board (CPPIB); PSP Investments; U.S International Development Finance Corporation (USIDFC); multilateral development banks including Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB) and New Development Bank (NDB); and top domestic financial institutions including HDFC Group, ICICI Bank, Kotak Life and Axis Bank.

NIIF invests at scale in important sectors and assets in the country, such as transportation (including airports, ports, logistics and roads), power and green energy, telecom infrastructure, affordable housing, healthcare, financial services and food and agribusiness, with the objective to generate attractive risk-adjusted returns for its investors. NIIF thinks long-term, believes in generating returns through efficiently operating its investments through economic cycles, and is committed to sustainable investing principles. NIIF's funds are long-tenor, 13-year term or longer.

NIIF's leadership team has significant investing and operating experience spanning across sectors and geographies. The team comprising over 75 professionals is based out of Mumbai and New Delhi. In keeping with typical private equity governance norms, all investment-related decisions are the responsibility of the NIIF team – there is no involvement in investment decision-making from either GoI or other investors.

NIIF's Funds

NIIF currently manages three funds with distinct strategies – NIIF Master Fund, NIIF Fund of Funds and NIIF Strategic Opportunities Fund.

1. NIIF Master Fund

NIIF Master Fund (NIIF MF) primarily invests in operating assets in core infrastructure sectors, mainly transportation and energy, through sectoral platforms. It successfully closed its fund raising in December 2020 at INR equivalent of USD 2.34 billion. The fund's current portfolio consisting of 4 platforms, mentioned below:

- **Hindustan Infralog Private Limited (HIPL)**: NIIF MF and DP World, Dubai, have set up a joint venture, HIPL, which has become one of the largest integrated container logistics companies in India and is developing a Free Trade and Warehousing Zone in JNPT, Mumbai.
- **Ayana Renewable Power Limited**: NIIF has invested in Ayana Renewables Power Limited, a platform focussed on the development of renewable energy sector in India. The entity currently has 1.1 GW solar plants under development.
- **Athaang Infrastructure**: NIIF MF has incubated an in-house highway development company, and has acquired two strategic road assets, including the Bangalore city-airport connector.
- **IntelliSmart Infrastructure Private Limited**: This platform has been formed as part of a joint venture with Energy Efficiency Services Limited (EESL) for installation of smart meters across the country – a large opportunity in converting traditional electricity meters to a digital platform.

2. NIIF Fund of Funds

NIIF Fund of Funds (NIIF FoF) is one of the largest country-specific Fund of Funds in the region with a target corpus of USD 1 billion. The fund has USD 800 million in commitments - with GoI committing approximately USD 500 million, and USD 100 million each in commitments from Asian Infrastructure Investment Bank, Asian Development Bank (ADB) and New Development Bank (NDB). The third-party managed funds that FoF invests in are focused on growth companies across diversified sectors such as green energy, affordable and mid-income housing, social infrastructure, manufacturing, logistics, technology, consumer and financial services. NIIF FoF has made the following commitments:

- **Green Growth Equity Fund (GGEF)**: NIIF FoF and Foreign Commonwealth and Development Office, UK, set up GGEF, India's first sustainability and climate focused fund to invest in growth-oriented businesses in India. The Fund has four platforms across utility scale green energy, C&I, e-mobility as well as waste management.
- **HDFC Capital Affordable Real Estate Fund 2 (HCARE 2)**: The fund provides structured debt to developers in the growing mid income and affordable housing sector.
- **Multiples PE Fund III**: NIIF FoF is an anchor investor in Multiples PE Fund III, with a mandate to provide growth equity to mid-market companies across sectors such as healthcare, BFSI, education, technology, consumer etc.
- **Somerset Indus Healthcare India Fund 2**: The fund invests in medium-sized companies focused on providing affordable healthcare including healthcare delivery, diagnostics, medical equipment and pharma distribution.

3. NIIF Strategic Opportunities Fund

NIIF Strategic Opportunities Fund (NIIF SOF), invests in large, scalable businesses in sectors that are fundamental, strategic, and key enablers to the India growth story such as financial services, food and agribusiness, healthcare, among others. With a USD 1 billion commitment from GoI and another USD 1.1 billion to be raised from private global and domestic financial institutions, the NIIF SOF will be the largest homegrown India focused private equity fund. The NIIF SOF has made three investments so far:

- **NIIF Infrastructure Finance Ltd (NIFL)**: NIIF SOF acquired a controlling stake in IDFC-IFL, a NBFC registered as an Infrastructure Debt Fund with the Reserve Bank of India and renamed it as NIIF Infrastructure Finance Ltd (NIFL). NIFL lends only to infrastructure assets that have been operating for more than one year.
- **Aseem Infrastructure Finance Limited (AIFL)**: The fund has set up a second NBFC, AIFL, which aims to invest in projects across the infrastructure spectrum, including greenfield projects.

AIFL and NIFL will work complementarily to cover the full range of infrastructure financing in India.

- **Manipal Hospitals**: NIIF SOF has made an investment of INR 2100 crore in Manipal Hospitals. The Group has 15 hospitals across India, with a key focus on tertiary and quaternary care. This investment will support them in their expansion plans from being a regionally important healthcare company to a leading pan-India hospital chain that provides quality healthcare services.