



5th Meeting of Governing Council of NIIF

For Prelims: NIIF, NBFCs, PPP projects, National Infrastructure Pipeline, PM GatiShakti, National Infrastructure Corridor

For Mains: Mobilization of Resources, Growth & Development, Infrastructure

Why in News?

Recently, the Union Minister for Finance & Corporate Affairs chaired the **5th meeting of the Governing Council (GC) of [National Investment and Infrastructure Fund \(NIIF\)](#).**

What are the Highlights of the Meeting?

- **India Japan Fund:**
 - In a Memorandum of Understanding, NIIF and Japan Bank for International Development (JBIC) have **proposed to establish NIIF's first bilateral fund - the "India Japan Fund"** - with contributions coming from the Government of India (GoI).
 - The MoU was **signed recently on 9th November, 2022.**
- **NBFCs:**
 - The GC noted that the two infrastructures [Non-Banking Financial Companies \(NBFCs\)](#), where NIIF has majority stakes, have increased their combined loan book from Rs. 4,200 crores to Rs. 26,000 crores in 3 years without experiencing any **Non-Performing Loans (NPLs)**.
 - The **GC also guided NIIF to undertake advisory activities** proactively to support central and state governments to create a pipeline of investible [Public-Private Partnership \(PPP\)](#) projects.
- **Exploring Opportunities under Different Schemes:**
 - The Finance Minister **exhorted the NIIFL team also to explore opportunities under the [National Infrastructure Pipeline, PM GatiShakti and National Infrastructure Corridor](#).**
 - These schemes **include a big pool of investible greenfield and brownfield investment projects**, and to try and crowd in commercial capital into those opportunities.
- **Status of Three Funds:**
 - The GC was apprised of the current status of the 3 funds that are currently managed by NIIFL -
 - **Master Fund: Invests primarily in operating assets** in core infrastructure sectors such as roads, ports, airports, power, etc.
 - **Fund of Funds (FoF) : Managed by fund managers with experience in infrastructure** and related sectors in India. Green Infrastructure, Mid-Income & Affordable Housing, Infrastructure Services, and allied sectors are some of the areas of focus.
 - **Strategic Opportunities Fund (SoF):** SOF has been established with the **objective to provide long-term capital to high-growth future-ready businesses in India.** The fund's strategy is to build a portfolio of large

entrepreneur-led or professionally managed domestic champions and unicorns.

Greenfield vs Brownfield Investment

- **Greenfield Project:**
 - It refers to investment in a manufacturing, office, or other physical company-related structure or group of structures in an area where no previous facilities exist.
- **Brownfield investment:**
 - The projects which are modified or upgraded are called brownfield projects.
 - The term is used for purchasing or leasing existing production facilities to launch a new production activity.

What is the National Investment and Infrastructure Fund (NIIF)?

- NIIF is a **government-backed entity established to provide long-term capital** to the country's infrastructure sector.
 - The Indian government has a 49% stake in NIIF with the rest held by foreign and domestic investors.
 - With the Centre's significant stake, NIIF is considered India's quasi-sovereign wealth fund.
- It was **set up in December 2015 as a [Category-II Alternate Investment Fund](#).**
- Across its three funds, it manages over USD 4.3 billion of capital.
 - Its registered office is in New Delhi.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. With reference to 'National Investment and Infrastructure Fund', which of the following statements is/are correct? (2017)

1. It is an organ of NITI Aayog.
2. It has a corpus of `4,00,000 crore at present.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

[Source: PIB](#)