

ADB to invest USD 100 million in Indian infrastructure sector through NIIF

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Multilateral institution Asian Development Bank (ADB) on Monday announced a USD 100 million funding for the Indian infrastructure sector through the government-promoted NIIF. The Manila-based body will be investing in the National Investment and Infrastructure Fund's (NIIF) fund of funds which will ensure that the actual money invested will be a few times more than the USD 100 million.

The investment announcement comes at a critical time for India, as the already sagging economic growth is feared to be taking a heavy hit due to the coronavirus pandemic. ADB's commitment to So far, it has made commitments to three funds aggregating to over Rs 2,600 crore or USD 350 million, the statement said. the NIIF fund of funds during these extraordinary and challenging times is highly meaningful, NIIF's managing director and chief executive Sujoy Bose said.

Key Highlights

- ADB's investment in NIIF will help catalyse institutional capital into domestic private equity funds in India, thereby contributing to greater availability of long-term growth financing for private sector companies and leading to the creation of quality jobs, social infrastructure development, and economic growth, its Vice President Diwakar Gupta said.
- Bose said ADB has been funding Indian private equity funds for over two decades now, and added the latest move will help NIIF commit money to private equity fund managers who may be struggling to raise money from overseas sources.
- The total size of NIIF's fund of funds has now grown to USD 700 million, with ADB's commitment, an official statement said, adding that the Asian Infrastructure Investment Bank has also committed money to the corpus.
- These three funds are engaged in investments in diverse areas including green energy and climate; middle-income and affordable housing, and entrepreneur-driven mid-market growth companies operating across diversified sectors.
- The NIIF said its ability to crowd-in investments has also been established as these three funds have raised USD 1.1 billion from other sources.

SOURCE:*Business Standard, Livemint*