

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**MOU SIGNED BETWEEN FIVE PUBLIC SECTOR INSURANCE COMPANIES AND
IL&FS INFRASTRUCTURE DEBT FUND (IDF)**

New Delhi, February 17, 2014

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IL&FS signed a Memorandum of Understanding (MoU) here today to document understanding between IL&FS IDF and five Public Sector General Insurance Companies i.e. General Insurance Corporation of India (the Government re-insurer), National Insurance Company Ltd, the Oriental Insurance Co Ltd, the New India Assurance Co Ltd and United India Insurance Co Ltd to jointly facilitate business of IDF and in the process contribute their bit to the development of infrastructure sector in India.

Dr. Arvind Mayaram, Secretary, Department of Economic Affairs was present during the ceremony along with Shri Ashok Kumar Roy, CMD, General Insurance Corporation of India, Shri N S R Chandraprasad, CMD, National Insurance Company Ltd, Dr A K Saxena, CMD, Oriental Insurance Co Ltd, Shri G Srinivasan, CMD, New India Assurance Co Ltd, Shri Milind A Kharat, CMD, United India Insurance Co Ltd, Shri S. K. Roy, Chairman, LIC, Shri Ravi Parthasarathy, Chairman, Infrastructure Leasing & Financial Services Ltd (IL&FS), Shri Ramesh C Bawa, Managing Director & CEO, IL&FS Financial Services Limited (IFIN) and other senior Officers of the Ministry of Finance.

The Secretary, Department of Economic Affairs, welcomed the signing of MoU with the Insurance Companies as it would send strong signal to the foreign sovereign funds /pension funds to also start investments in Indian infrastructure. He was of the view that Infrastructure Debt Funds is an innovative idea to pool low cost long term finances for infrastructure projects. He emphasized that pension funds and insurance companies are expected to play a vital role in pooling the finance in the sector. IL&FS made a presentation during the meeting welcoming the PFRDA and IRDA, who have allowed entities regulated by them to invest in IDFs subject to certain conditions and EPFO also likely to do so in near future. It was also informed that LIC has already invested Rs. 125 crore in the first scheme of IL&FS IDF, which was closed in Dec 2013. Each insurance Company has agreed to invest up to 20% of the corpus of each scheme in IL&FS IDF. LIC has also agreed for 2% equity stake in AMC managing IL&FS IDF besides nominating one of its senior official in the board of IIAML. They further stated that they will be coming out with close ended Scheme(s) with maturities of between 5 and 15 years. Investment shall be in local currency only and these units shall be listed in stock exchange.
