

 Early Warning System

ADB-56276-001

India : SAEL Biomass Energy Project



## Quick Facts

|                                 |   |
|---------------------------------|---|
| <b>Countries</b>                | India   |
| <b>Specific Location</b>        | Rajasthan- Bikaner, Churu, Hanumangarh, Jhunjhunu and Sikar |
| <b>Financial Institutions</b>   | Asian Development Bank (ADB)                                |
| <b>Status</b>                   | Proposed  |
| <b>Bank Risk Rating</b>         | B   |
| <b>Borrower</b>                 | SAEL Industries Ltd. and subsidiaries                       |
| <b>Sectors</b>                  | Agriculture and Forestry, Energy                            |
| <b>Potential Rights Impacts</b> | Healthy Environment, Housing & Property, Labor & Livelihood |
| <b>Investment Type(s)</b>       | Loan  |
| <b>Investment Amount (USD)</b>  | \$ 91.38 million  |
| <b>Loan Amount (USD)</b>        | \$ 91.38 million  |
| <b>Project Cost (USD)</b>       | \$ 121.50 million   |



## Project Description

As stated by ADB's project documents, the proceeds of the ADB debt financing will be utilized to fund the construction of five 14.9 MW biomass power plants with a total generation capacity of 74.5-megawatt, utilizing agricultural residue as feedstock, in districts of Bikaner, Churu, Hanumangarh, Jhunjhunu and Sikar in the state of Rajasthan, India.

The project seeks to (i) reduce the burning of agricultural residue, which is the present mode of disposal by the farmers, causing air pollution in north India; (ii) provide additional income to the farmers; and (iii) further diversify the energy mix of India in favor of renewable energy.

The project is aligned with the Indian government's target of reaching at least 500 gigawatts of non-fossil energy capacity, meeting 50% of India's energy requirements from renewable energy sources, and reducing the carbon emissions intensity of the economy by 45% by 2030. It contributes to ADB's goal to provide cumulative climate finance of \$100 billion during 2019-2030, since the loan contributes to ADB's climate financing. By promoting stable power supply and increasing the proportion of renewable energy, the project is aligned with pillar 2 (inclusive provision of infrastructure networks and services) and pillar 3 (addressing climate change and increasing climate resilience) of ADB's country partnership strategy for India, 2018-2022. The country partnership strategy also refers to focusing on the government's priority of doubling farmers' incomes, which the project will support by generating additional income to the farmers through feedstock procurement. The project has been assessed as being Paris-aligned in accordance with the Guidance Note on Implementing Operations' Alignment with the Paris Agreement at ADB and is fully aligned with ADB's Energy Policy, which prioritizes support for renewable energy development.

The ADB categorized the risk of the project as follows:

|                          |   |
|--------------------------|---|
| Environment              | B |
| Involuntary Resettlement | B |
| Indigenous Peoples       | C |



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### People Affected By This Project

The Project has been categorized as B for involuntary resettlement as a result of the project's planned development of transmission lines which may have limited physical and economic displacement. The borrower has committed to avoiding physical displacement and minimizing economic displacement as it identifies the transmission line alignments for each of the five sites.



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## Investment Description

- Asian Development Bank (ADB)



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## Private Actors Description

**Project sponsors:** SAEL Industries Limited, SAEL Limited

**The borrowers are the following subsidiaries of SAEL Industries Ltd:**

- Chattargarh Renewable Energy Private Limited;
- KTA Power Private Limited;
- Sardarshahar Agri Energy Private Limited;
- TNA Renewable Energy Private Limited;
- VCA Power Private Limited.



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| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2         | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|-------------------------|----------------------|------------------------|
| -               | -                    | -                      | -        | SAEL Industries Limited | Client               | Energy                 |

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## Contact Information

### ADB Team Leader:

Sumika Nakane, Private Sector Operations Department

*No contacts available at the time of disclosure.*

## ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

## ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.





## Bank Documents

- SAEL Biomass Energy Project: Chattargarh Renewable Energy Private Limited Draft Resettlement Plan
- SAEL Biomass Energy Project: Chattargarh Renewable Energy Private Limited Initial Environmental and
- SAEL Biomass Energy Project: Chattargarh Renewable Energy Private Limited Social Compliance Audit Re
- SAEL Biomass Energy Project: Initial Poverty and Social Analysis
- SAEL Biomass Energy Project: KTA Powers Private Limited Draft Resettlement Plan
- SAEL Biomass Energy Project: KTA Powers Private Limited Initial Environmental and Social Examination
- SAEL Biomass Energy Project: KTA Powers Private Limited Social Compliance Audit Report
- SAEL Biomass Energy Project: Report and Recommendation of the President
- SAEL Biomass Energy Project: Sardarshahar Agri Energy Private Limited Draft Resettlement Plan
- SAEL Biomass Energy Project: Sardarshahar Agri Energy Private Limited Initial Environmental and Soci
- SAEL Biomass Energy Project: Sardarshahar Agri Energy Private Limited Social Compliance Audit Report
- SAEL Biomass Energy Project: TNA Renewable Energy Private Limited Draft Resettlement Plan
- SAEL Biomass Energy Project: TNA Renewable Energy Private Limited Initial Environmental and Social E
- SAEL Biomass Energy Project: TNA Renewable Energy Private Limited Social Compliance Audit Report
- SAEL Biomass Energy Project: VCA Powers Private Limited Draft Resettlement Plan
- SAEL Biomass Energy Project: VCA Powers Private Limited Initial Environmental and Social Examination
- SAEL Biomass Energy Project: VCA Powers Private Limited Social Compliance Audit Report

## Media

- ADB, SAEL Industries Sign \$91 Million Loan Agreement to Promote Biomass Generation in India



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### Other Related Projects

- DFC-2023-SAELINDUSTRIES SAEL Industries Limited