

 Early Warning System

ADB-58190-001

Shriram Expanding Access to Finance for Micro, Small, and Medium-Sized Enterprises Project



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-12-06
Borrower	Shriram Finance Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 150.00 million
Project Cost (USD)	\$ 350.00 million



Project Description

According to the Bank's website, the Asian Development Bank (ADB) and Shriram Finance Limited have signed a loan agreement for \$150 million to boost access to finance for micro, small, and medium-sized enterprises (MSMEs) in India with a focus on business loans and for financing electric vehicles (EVs) and low-emission commercial vehicles for business purposes. The loan will particularly benefit women-owned MSMEs and those in lagging states.

The transaction is part of a total \$306 million financing package led by ADB as the mandated lead arranger and bookrunner, which includes a loan of \$150 million from Japan International Cooperation Agency and INR 500 million from Export-Import Bank of India.



Early Warning System Project Analysis

ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) as category FI (treated as C) for environment, involuntary resettlement, and Indigenous Peoples impacts.

The business activities under SFL's MSME and transport financing portfolios have minimal or no adverse environmental impacts and are unlikely to entail impacts on involuntary resettlement and Indigenous Peoples. ADB's loan proceeds will be used to provide financing to MSMEs for their purchase of electric vehicles and low-emission (BS-VI compliant) vehicles, and as general business loans, which will include WMSMEs and borrowers in lagging states.



Investment Description

- Asian Development Bank (ADB)

A senior secured loan of up to \$150,000,000.

In addition, parallel loans of up to \$200,000,000 (or the Indian rupee equivalent) are expected to be mobilized from other cofinancing partners.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Shriram Finance Limited](#) (Financial Intermediary)



Private Actors Description

Shriram Finance Limited is the flagship company of the Shriram Group and is one of India's largest non-banking financial companies specializing in commercial vehicle financing and MSME lending.



Contact Information

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

- [Shriram Expanding Access to Finance for Micro, Small, and Medium-Sized Enterprises Project: Prelimin](#)
- [Shriram Expanding Access to Finance for Micro, Small, and Medium-Sized Enterprises Project: Report a](#)

Media

- [ADB and Shriram Finance Sign Deal to Boost MSME and EV Financing in India](#)