Early Warning System

AIIB-000547

India: Kotak Infrastructure Investment Fund

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Quick Facts

Countries	India
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-09-29
Borrower	Kotak Infrastructure Investment Fund
Sectors	Energy, Finance, Infrastructure, Transport, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 750.00 million

Project Description

According to AIIB, the objective of the proposed investment is "to enhance economic and financial sustainability of the infrastructure sector in India by providing sustainable restructuring debt solutions through private capital mobilized from institutional investors." The Fund will invest in operating Indian infrastructure projects in the transportation, power, pipeline, water, digital infrastructure, and other infrastructure related sectors.

Early Warning System Project Analysis

As stated by the AIIB, the project has been placed in Category FI, because the financing structure involves the provision of funds through a financial intermediary (the Fund),
whereby AIIB delegates to the Fund Manager the decision-making on the use of AIIB's proceeds for further investing in accordance with the conditions in the Project's legal documentation to be agreed with the Fund Manager in the form of eligibility criteria and investment guidelines, and applied through an Environmental, Social and Governance Framework (ESGF) which is to be used as the Project's Environmental and Social Management System (ESMS).

Investment Description

- Asian Infrastructure Investment Bank (AIIB)

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.

- Kotak Alternate Asset Managers Ltd (Financial Intermediary) **is owned by** Kotak Mahindra Bank Limited (Parent Company)

Private Actors Description

As stated by the AIIB, Kotak Infrastructure Investment Fund (KIIF) is a closed-end private debt fund domiciled in India. The Fund seeks to invest in operating infrastructure companies primarily by providing senior, secured long-term debt solutions, and may also acquire equity shareholding of the borrower in conjunction with the debt facilities. Target sectors mainly include transportation, renewable power, water, logistics, digital infrastructure, and EV transport infrastructure in India.

As stated by Bloomberg, Kotak Investment Advisors Limited [the Fund Manager] operates as a bank. The Company offers savings and current account, credit and debit cards, loans, insurance, investments, and other related products and services. Kotak Investment Advisors serves customers in India.

Kotak Investment Advisors Limited is owned by Kotak Mahindra Bank.

Contact Information

AIIB Team Leaders:

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Financial Intermediary - Kotak Investment Advisors Limited:

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

Bank Documents

- Project Summary (August 18, 2022) [Original Source]
- Project Summary (September 21, 2022)