Early Warning System

AIIB-000561

India: Sustainable Transport Financing

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Quick Facts

Countries	India
Financial Institutions	Asian Infrastructure Investment Bank (AIIB)
Status	Proposed
Bank Risk Rating	U
Voting Date	2022-12-14
Borrower	Shriram Finance Limited
Sectors	Finance, Transport
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million

Project Description

Acording to the AIIB, the objective of the project is to increase the penetration of low-carbon transportation vehicles in India, by providing USD100 million (or equivalent in INR) financing to Shriram Finance Limited (SFL) to support and expand its lending to new energy efficient vehicle ownerships in India.

AIIB's Environmental and Social Policy (ESP) is applicable to this on-lending facility. The Project has been placed in Category FI, because the financing structure involves the provision of funds through an FI, whereby AIIB delegates to SFL the decision-making on the use of AIIB's funds in so far as the financing meets agreed upon conditions.

AIIB has reviewed the ESMS and confirmed that it is aligned with AIIB's Environmental and Social Policy (ESP), including applicable Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL). The financing of coal mining, coal transportation or coal-fired power plants as well as infrastructure exclusively dedicated to support any of these activities will be excluded.

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.

- Shriram Finance Limited (Financial Intermediary)

Private Actors Description

The Borrower, Shriram Finance Limited, is a non-banking finance company that primarily provides commercial vehicle loans for trucks, passenger vehicles, tractors and farm equipment, and construction equipment in India.

Contact Information

AIIB's Project Team Leader:

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Shriram Finance Limited's Project Team Leader:
Parag Sharma - Joint Managing Director and Chief Financial Officer
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Company's website: www.shriramfinance.in

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 (December 14, 2022) [Original Source]

Other Related Projects

- AIIB-000937 India: Shriram Sustainable On-Lending Facility II