Early Warning System

IFC-38850

Mahindra Life

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-06-06
Borrower	Mahindra Lifespace Developers Limited
Sectors	Construction
Investment Type(s)	Loan
Investment Amount (USD)	$ 34.76 million
Loan Amount (USD)	$ 15.92 million
Project Cost (USD)	$ 50.68 million

Project Description

The proposed project involves IFC investing an INR equivalent of approximately US$50 million in a combination of instruments in one or more Special Purpose Vehicles (“SPV”) promoted by Mahindra Lifespace Developers Limited (“MLDL” or the “Company” or the “Sponsor”) set up for the development of three industrial clusters (ICs) around established industrial areas in Rajasthan, Gujarat, and Maharashtra (the “Project”).

People Affected By This Project

The proposed project is expected to generate strong development impact along several channels. Part of the area to be developed is located in the low income state of Rajasthan, impacting the development of a region in need. In the other two states, the project is located in areas that have potential for greater large-scale industrial infrastructure creation.
a) Development of quality industrial infrastructure:
(i) For small and medium businesses:
The project is expected to increase availability of critical industrial infrastructure, directly benefitting small and mid-sized businesses that do not have the resources to set it up themselves.

(ii) For large businesses:
By providing a plug-and-play ecosystem, the Project is expected to reduce the time for companies to go-to-market and enable them to instead focus on core business operations.

b) Demonstration effect: Private industrial parks are a relatively new asset class in India, and the project is expected to generate a positive demonstration effect and promote the development of such spaces in the country.

c) Exporting capacity: The Project is expected to expand India's exporting capacity through the development of a Special Economic Zone (SEZ) in Rajasthan;

d) Employment: The Project is expected to contribute significantly to job creation. During the construction phase, the Project is expected to generate temporary jobs in the construction sector, and a significant number of indirect jobs in suppliers' industries for construction materials. The project is expected to also create permanent jobs in the form of outsourced labor for services such as housekeeping, security, landscaping, maintenance, etc. during the ICs operations, as well as jobs through the businesses using the space developed in the IC.

e) Community development: The Project is also expected to positively impact local communities and seek to promote inclusive development through various activities such as vocational skill training, self-help groups for women etc.

Investment Description

- International Finance Corporation (IFC)

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/