

 Early Warning System

IFC-39493

DCM Bajaj Finance



## Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Approved
<b>Bank Risk Rating</b>	FI
<b>Voting Date</b>	2017-06-07
<b>Borrower</b>	BAJAJ FINANCE LIMITED
<b>Sectors</b>	Finance
<b>Ring Fence</b>	Small & Medium Enterprises
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 154.97 million
<b>Loan Amount (USD)</b>	\$ 154.97 million
<b>Project Cost (USD)</b>	\$ 154.97 million



---

## Project Description

According to IFC website, the project involves the subscription by IFC to Non-Convertible Debentures issued by Bajaj Finance Limited for on-lending to micro small and medium enterprise. The investment would increase availability of financing to the MSME segment which lacks adequate access to finance despite being a key driver of the Indian economy. Within the SME space the transaction also intends to reach low income states and women-owned SMEs. SMEs in low income states have historically been under financed despite the region having a significant percentage of SMEs, support in this area will aid their inclusion into the formal financial system. Finally, since SMEs in India employ close to 40% of the workforce, access to credit for these entities will help them achieve scale while enhancing sector competitiveness and job creation.



---

## Investment Description

- International Finance Corporation (IFC)

## 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.

- [Bajaj Finance Limited](#) (Financial Intermediary)
- [Bajaj Finance Limited](#) (Financial Intermediary) **is owned by** [Bajaj Finserv](#) (Parent Company)



## Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

## Private Actors Description

Bajaj Finance Limited (BFL) is a diversified NBFC operating across different business segments - Consumer (43%), SME (42%), Commercial (12%) and Rural (3%). As of Dec 31, 2016, BFL has total assets under management of around US\$ 9.23 billion and has reached out to more than 19 million customers through a widespread network branches and customer touch points.

BFL is part of the Bajaj Group, one of the largest corporate houses in India engaged in auto manufacturing and financial services. Bajaj Finserv Limited, the holding company for the financial services businesses of the Bajaj Group, owns 57.3% of BFL and also holds interests in life and general insurance. Bajaj Finserv reported a market cap of US\$10.6 billion in Mar'16.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Bajaj Finserv	Investor	Finance	invests in	Ashar Ventures	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Destiny Hospity Svcs Pvt Ltd	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Divyasree Holding Pvt Ltd	Parent Company	Infrastructure
Bajaj Finserv	Investor	Finance	invests in	Kolte-Patil Developers Ltd	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Kolte-Patil I-Ven Twn (P) Ltd	Client	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Piramal Enterprises Ltd	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Prima Bay Pvt Ltd	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	PRL Developers Pvt Ltd	Client	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Reliable Exports (India) Pvt	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Rmz Corp	Parent Company	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	RMZ Infotech Pvt Ltd	Client	Industry and Trade
Bajaj Finserv	Investor	Finance	invests in	Sheth Developers Ltd	Parent Company	Industry and Trade
Kolte-Patil Developers Ltd	Parent Company	Industry and Trade	owns	Kolte-Patil I-Ven Twn (P) Ltd	Client	Industry and Trade
Piramal Enterprises Ltd	Parent Company	Industry and Trade	owns	PRL Developers Pvt Ltd	Client	Industry and Trade
Rmz Corp	Parent Company	Industry and Trade	owns	RMZ Infotech Pvt Ltd	Client	Industry and Trade



---

## Contact Information

Project Contact: Mr. M. M. Muralidharan  
Head- Treasury, Bajaj Finance Limited

Email Address: [mm.muralidharan@bajajfinserv.in](mailto:mm.muralidharan@bajajfinserv.in)

Office Address: 3rd Floor, Panchshil Tech Park, Plot 43/1,43/2 & 44/2, Viman Nagar, Pune – 411 014

## 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>