Early Warning System

IFC-40557

DCM ABFL Green Bond

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-04-16
Borrower	Aditya Birla Finance Limited
Sectors	Finance
Ring Fence	Climate
Investment Type(s)	Loan
Investment Amount (USD)	$ 153.41 million
Loan Amount (USD)	$ 153.41 million

Project Description

The proposed IFC investment involves supporting the renewable energy lending program of Aditya Birla Finance Limited, a Systemically Important Non-Deposit Accepting Non-Banking Finance Company (NBFC) in India through an INR ECB loan or subscription to NCDs, or green bonds, issued by the Company. The INR ECB loan will be issued under Track III of RBI's ECB guidelines. While the NCD issuance shall comply with SEBI (Indian regulator of the securities market) guidelines for green bonds. The proceeds of the issuance shall be on-lent by ABFL to solar projects in select states of India.

People Affected By This Project

GHG Savings: The proposed investment will result in savings in GHG emissions of up to 120,104 tCO2 p.a. as it will finance power generation through renewable and climate friendly sources. This is critical in the view of the GOI's overall intentions to reduce carbon intensity of the economy.

Integration: IFC's engagement with ABFL will support the latter's commitment to the renewable energy sector sending a positive signal to the market, and is likely to attract other local and international financial institutions to increase their investment in this sector. Additionally, IFC's continued investment in Green Finance will help to popularize this relatively new asset class, and attract niche investors.

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.

- Aditya Birla Finance Limited (Financial Intermediary)
- Aditya Birla Finance Limited (Financial Intermediary) **is owned by** Aditya Birla Group (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

ABFL is a 100% subsidiary of Aditya Birla Capital Limited (ABCL), which is the holding company for all financial services businesses of Aditya Birla Group (ABG).

In 2017, ABG undertook a restructuring exercise which involved merger of group companies Aditya Birla Nuvo (parent of ABCL) and Grasim and subsequent demerger and listing of ABCL. The exercise has now been completed and ABCL got listed on September 1, 2017. Grasim holds 56% in ABCL, Promoters hold 17% and balance is held by public shareholders.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Aditya Birla Capital Limited	Parent Company	-
Aditya Birla Group	Investor	Finance	invests in	Achintya Solar Power Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Amber Entrps (India) Pvt Ltd	Parent Company	Construction
Aditya Birla Group	Investor	Finance	invests in	Axis Wind Farms (MPR DAM) Pvt	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Barmer Lignite Mining Co Ltd	Client	Mining
Aditya Birla Group	Investor	Finance	invests in	Brookefields Res And	Parent Company	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	BSCPL Godhra Tollways Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	BSCPL Infrastructure Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Cg Tollway Pvt Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Clean Wind Power (Devgarh)	Client	Energy
Aditya Birla Group	Investor	Finance	invests in	Emcure Pharmaceuticals Ltd	Parent Company	Education and Health
Aditya Birla Group	Investor	Finance	invests in	Energon Power Resources Pvt	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Essel Group	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Gayatrishakti Paper & Boards	Parent Company	Agriculture and Forestry
Aditya Birla Group	Investor	Finance	invests in	Grinibhrit Solar Power Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	GVK Power & Infrastructure Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Hamir Real Estate Pvt Ltd	Client	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	Hero Future Energies Pvt Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Hindupur Solar Parks Pvt Ltd	Client	Energy
Aditya Birla Group	Investor	Finance	invests in	Ideal Soft Tech Park Pvt Ltd	Parent Company	Transport

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Aditya Birla Group	Investor	Finance	invests in	IDFC Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	IRB Hapur Moradabad Tollway	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Jindal Saw Ltd	Parent Company	Mining
Aditya Birla Group	Investor	Finance	invests in	JSW Infrastructure Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	JSW Jaigarh Port Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Kherani Paper Mills Pvt Ltd	Parent Company	Agriculture and Forestry
Aditya Birla Group	Investor	Finance	invests in	Ksh Infra Industrial Pk Pvt	Parent Company	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	Mahindra & Mahindra Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Mahindra Renewables Pvt Ltd	Client	Energy
Aditya Birla Group	Investor	Finance	invests in	Mbl (GSY) Road Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Mhaiskar Ventures Pvt Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Mumbai Intl Airport Pvt Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Mysore-Bellary Highway Pvt Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Navayuga Dhola Infra Projects	Parent Company	Construction
Aditya Birla Group	Investor	Finance	invests in	Navayuga Quazigund Expressway	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Neuland Laboratories Ltd	Parent Company	Education and Health
Aditya Birla Group	Investor	Finance	invests in	NRSS XXIX Transmission Ltd	Client	Energy
Aditya Birla Group	Investor	Finance	invests in	NRSS XXXI (B) Transmission Ltd	Client	Energy
Aditya Birla Group	Investor	Finance	invests in	Okaya Energy Sys Pvt Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Phoenix Tech Zone Pvt Ltd	Parent Company	Industry and Trade

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Aditya Birla Group	Investor	Finance	invests in	Prestige Hyderabad Ret	Parent Company	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	Provident Housing Ltd	Client	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	Puravankara Ltd	Parent Company	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	Rajasthan State Mines and	Parent Company	Mining
Aditya Birla Group	Investor	Finance	invests in	Sadbhav Engineering Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Sanghi Inds Ltd	Parent Company	Construction
Aditya Birla Group	Investor	Finance	invests in	Sterlite Grid 2 Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Sun-Gumberg India RE PCC	Parent Company	Industry and Trade
Aditya Birla Group	Investor	Finance	invests in	Suprasanna Solaire Energy Pvt	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Suvarchas Solar Power Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Tata Sons Pvt Ltd	Parent Company	Transport
Aditya Birla Group	Investor	Finance	invests in	Uchit Expressways Pvt Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Udaipur Tollway Pvt Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Vijay Grp Housing Pvt Ltd	Parent Company	Infrastructure
Aditya Birla Group	Investor	Finance	invests in	Vishvarupa Solar Power Ltd	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	VK1 Expressway Pvt Ltd	Client	Transport
Aditya Birla Group	Investor	Finance	invests in	Walwhan Solar Madhya Pradesh	Parent Company	Energy
Aditya Birla Group	Investor	Finance	invests in	Western MP Infrastructure	Parent Company	Transport
BSCPL Infrastructure Ltd	Parent Company	Transport	owns	BSCPL Godhra Tollways Ltd	Client	Transport
Essel Group	Parent Company	Energy	owns	NRSS XXXI (B) Transmission Ltd	Client	Energy

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
GVK Power & Infrastructure Ltd	Parent Company	Transport	owns	Mumbai Intl Airport Pvt Ltd	Client	Transport
Hero Future Energies Pvt Ltd	Parent Company	Energy	owns	Clean Wind Power (Devgarh)	Client	Energy
Ideal Soft Tech Park Pvt Ltd	Parent Company	Transport	owns	Cg Tollway Pvt Ltd	Client	Transport
Ideal Soft Tech Park Pvt Ltd	Parent Company	Transport	owns	Udaipur Tollway Pvt Ltd	Client	Transport
IDFC Ltd	Parent Company	Energy	owns	Hindupur Solar Parks Pvt Ltd	Client	Energy
JSW Infrastructure Ltd	Parent Company	Transport	owns	JSW Jaigarh Port Ltd	Client	Transport
Mahindra & Mahindra Ltd	Parent Company	Energy	owns	Mahindra Renewables Pvt Ltd	Client	Energy
Mhaiskar Ventures Pvt Ltd	Parent Company	Transport	owns	IRB Hapur Moradabad Tollway	Client	Transport
Mhaiskar Ventures Pvt Ltd	Parent Company	Transport	owns	VK1 Expressway Pvt Ltd	Client	Transport
Puravankara Ltd	Parent Company	Industry and Trade	owns	Provident Housing Ltd	Client	Industry and Trade
Rajasthan State Mines and	Parent Company	Mining	owns	Barmer Lignite Mining Co Ltd	Client	Mining
Sadbhav Engineering Ltd	Parent Company	Transport	owns	Mysore-Bellary Highway Pvt Ltd	Client	Transport
Sterlite Grid 2 Ltd	Parent Company	Energy	owns	NRSS XXIX Transmission Ltd	Client	Energy
Sun-Gumberg India RE PCC	Parent Company	Industry and Trade	owns	Hamir Real Estate Pvt Ltd	Client	Industry and Trade
Tata Sons Pvt Ltd	Parent Company	Transport	owns	Uchit Expressways Pvt Ltd	Client	Transport

Contact Information

PROJECT CONTACTS

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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/