Early Warning System

IFC-40927

Altico Masala

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-04-20
Borrower	Altico Capital India Private Limited
Sectors	Finance
Investment Type(s)	Loan
Loan Amount (USD)	$ 50.00 million

Project Description

The proposed project involves providing senior secured debt up to US$50 million to Altico Capital India Limited (“Altico” or the “Company). The proceeds of the funding will be used to finance affordable housing projects as per the Pradhan Mantri Awas Yojna.

Altico is a non-deposit accepting non-bank financing company(NBFC). Altico primarily focuses on senior secured lending to affordable/mid-income and other residential projects and Commercial Real Estate in India. It currently operates in 7 major locations in the country As of December’17 the Company’s total asset size is ~US$705 mn

People Affected By This Project

Support to the affordable housing market: India has a significantly large gap in the affordable housing market. While the demand is huge (estimated at about 11 million units in urban areas), the supply of stock is exceedingly low. The problem could severely hamper the realization of the GOI's goal of "Housing for All" by 2022. The project will increase access to affordable housing. It will help in filling the gap of affordable housing units by financing affordable housing developers and helping in increasing the supply of affordable housing units. The Project is expected to generate 1200 units.

Job Creation: Real Estate and construction is one of the largest job creators in India. India is estimated to need around 76.5 million workers in the building, construction and real estate sector by 2022, with affordable housing itself expected to need 38 million work force by 2030 from 29 million at present. In addition, there are at least 250 ancillary industries that shall further expand job creation. This project by providing direct stimulus to affordable housing construction, is expected to generate very positive impacts on employment and growth.

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.

- Altico Capital India Private Limited (Financial Intermediary)

Private Actors Description

Altico is a systemically important non-deposit accepting non-bank financing company (NBFC). Altico primarily focuses on senior secured lending to affordable/mid-income and other residential projects and Commercial Real Estate in India. It currently operates in 7 major locations in the country As of December'17 the Company's total asset size is ~US$705 mn.

Contact Information

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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/