

 Early Warning System

**IFC-41814**

**Piramal Capital and Housing Finance Limited**



## Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	FI
<b>Voting Date</b>	2019-05-20
<b>Borrower</b>	PIRAMAL CAPITAL AND HOUSING FINANCE LIMITED
<b>Sectors</b>	Finance
<b>Ring Fence</b>	Housing
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 150.00 million
<b>Loan Amount (USD)</b>	\$ 150.00 million



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## Project Description

According to IFC website, the proposed investment comprises a senior debt investment in Piramal Capital & Housing Finance Limited, a housing finance company. The expected development impact is to provide access to housing finance. This will help in expanding the outreach of access to housing finance loans. IFC's support to PCHFL is aimed at supporting PCHFL's strategic intention to grow its affordable housing portfolio in a significant way in the near term.



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## Investment Description

- International Finance Corporation (IFC)

IFC proposes to invest up to US\$150 million in PCHFL in the form of senior debt investment. In addition, IFC would assist PCHFL in mobilizing up to an additional US\$200 million through Parallel Loans.

IFC's loan will be utilized for on-lending to retail housing finance sector.

## 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.

- [Piramal Capital & Housing Finance Limited](#) (Financial Intermediary) **is owned by** [Piramal Enterprises Ltd](#) (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

PCHFL is a 100% owned subsidiary of Piramal Enterprises Limited (PEL). Key shareholders of PEL other than the Promoter Group include East Bridge Capital Master Fund & I Limited (6.3%), Life Insurance Corporation of India (3.48%) and Aberdeen Global Indian Equity Limited (1.3%). The Promoter of PEL is Mr. Ajay Piramal.



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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Piramal Group	Parent Company	Finance	owns	Piramal Enterprises Ltd	Parent Company	Finance

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