

Early Warning System

IFC-42441

BajajFin II

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-03-28
Borrower	Bajaj Finance Limited
Investment Type(s)	Loan
Investment Amount (USD)	$ 150.00 million

Project Description

According to the bank website, "the proposed investment involves up to US$150 million (or equivalent in INR) debt investment in Bajaj Finance Limited (“BFL” or the “Company”). The proceeds will be used for on-lending to Small and Medium Enterprises (“SMEs”) in Low Income States. In addition, BFL will match IFC’s investment 3x by contributing up to US$450 million (or equivalent in INR) from its own balance sheet. BFL is a diversified NBFC registered under the Reserve Bank of India, operating across different business segments - Consumer (40%), Mortgage (28%), SME (13%), Commercial (11%), and Rural (8%). As of Dec 31, 2018, BFL has total assets under management of around US$ 15.56 billion and has reached out to more than 32.5 million customers through a widespread network branches and customer touch points."

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)

Private Actors Description

According to IFC, 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 54.9% of BFL and also holds interests in life and general insurance. Bajaj Finserv reported a market cap of US$14.3 billion as on 25th Feb'19.

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/