Early Warning System

IFC-44651

ESR India

Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-06-17
Borrower	ESR INDIA INVESTMENT HOLDINGS PTE. LTD.
Sectors	Industry and Trade, Infrastructure
Potential Rights Impacts	Healthy Environment, Labor & Livelihood
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million

Project Description

According to IFC documents, the proposed IFC investment is a senior secured loan of up to INR 7,260 million (equivalent to approximately $100 million) to select special purpose vehicles (SPVs) which will develop and operate warehousing and industrial properties in India. ESR India plans to develop several logistics parks across the industrial and commercial centers of India over the next few years for lease to third parties such as e-commerce players, manufacturers, and third-party logistics (3PL) companies. The IFC loan facility will be committed in tranches to select parks specifically (“the Project”) where land has already been acquired. IFC funding to the logistics parks will be based on certain pre-agreed environmental and social (E&S) eligibility criteria including: i) completion of land acquisition and provision of documentation confirming that the project does not result in; a) significant involuntary resettlement; b) risk of adverse impacts on lands to which ethnic minorities maintain collective attachment; and c) significant risks to, or impacts on, the environment including biodiversity; ii) receipt of applicable E&S related regulatory approvals and permits; and iii) projects shall not allow industrial activities or hazardous material storage that are classified as Category A or B type as per India's EIA Notification, 2006.

This is a Category B project as per IFC’s Policy on Environmental and Social Sustainability (2012). Key E&S risks and issues associated with the Project include: (i) ESR India's risk assessment processes and capacity of environmental and social management systems (ESMS) to manage E&S risks during construction and operation in line with IFC PS 1 requirements; (ii) assurance of fair, safe and healthy working conditions during construction and operation including gender related aspects and occupational health and safety (OHS) aspects during the ongoing COVID-19 pandemic; (iii) managing construction phase risks and impacts including that related to contractor management, OHS, traffic, labor camp, and community safety including gender based violence & harassment (GBVH); (iv) operational phase risks and impacts related to traffic, life and fire safety and onsite emergency preparedness and response, and community health, safety and security; and (v) stakeholder engagement and community grievance management.

Investment Description

- International Finance Corporation (IFC)

Private Actor Relationship

The SPVs are indirectly owned by (1) ESR India Holdings Pte. Ltd., a Singapore limited partnership which is managed by ESR India Pte. Ltd. (the “Fund Manager”) and (2) Reco Amaranthus Private Limited, a Singapore limited partnership which is managed by GIC Pte. Ltd.

Private Actors Description

ESR India Investment Holdings Private Limited (“ESR India” or “Company”) managed by ESR Cayman Limited (“ESR” or the “Sponsor”), is part of ESR Group which is one of the largest regional logistics and industrial warehousing developers focused on Asia and the Pacific (APAC). Founded in 2017, ESR India has since launched two investment funds in 2018 and 2020 respectively. Via these funds and funds accrued from their own balance sheet, ESR India develops and operates logistic parks and warehouses. Currently, ESR India has a portfolio of 17 parks under various stages of development or in operation across 9 cities in India and now is the second largest logistics developer in the country. ESR India follows a develop-to-hold strategy whereby it constructs, owns, and operates assets (logistic parks and warehouses) it develops. Investments are made through special purposes vehicles (SPV) and the focus is on tier-1 and tier-2 cities in India.

ESR India has a team of professionals in India to manage the entire spectrum of logistic park development from acquisition, debt raising, design, construction, leasing and asset management. Along with its corporate office located in Mumbai, ESR India has established a network of regional and city offices across the country. ESR India engages an independent Project Management Consultant (PMC) to manage the construction phase of logistics park development and awards the construction work to a single design & build (D&B) contractor. During operational phase, the scope of ESR India is limited, as a landlord of the park, to operate and maintain all common area services and utilities. ESR India manages the operational phase using integrated facility management contractor services.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

Bank Documents

- Environment and Social Review Summary
- Summary of Investment Information