Early Warning System

IFC-46436

India BEF IV

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Quick Facts

Countries	India
Specific Location	Gujarat
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2022-06-30
Borrower	INDIA BUSINESS EXCELLENCE FUND IV G
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 55.00 million

Project Description

According to IFC, the proposed investment is an equity investment of up to US$35 million, not exceeding 20% of total Commitments with up to US$20 million in co-investment envelope under the delegated authority, in India Business Excellence Fund IV (the “Master Fund” or “IBEF IV”), a trust constituted under the Indian Trusts Act 1882 and registered as a Category II Alternative Investment Fund (“AIF”) with the Securities and Exchange Board of India (“SEBI”) through India Business Excellence Fund IV G (“GIFT Fund”), a trust formed in Gujarat International Finance Tec-City, registered with the International Financial Services Centre Authority (“IFSCA”) under the SEBI AIF Regulations 2012, as a Category II AIF (together known as the “Fund”). The Master Fund is targeting ~US$588 million (INR 45,000 million) in commitments to invest in 10-15 companies in consumer, financial services, life sciences, and niche manufacturing sectors.

The Master Fund will not invest in any higher risk business activities that may include a) involuntary resettlement, b) risk of adverse impacts on indigenous peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage d) significant occupational health and safety risks. The Master Fund will also not invest in any coal-related activities, or any financial institution substantially exposed to high-risk sectors. Hence, the E&S risk of the proposed investment is medium, and the project is categorized as FI-2 according to IFC's Policy on Environmental and Social Sustainability. IFC's applicable performance requirements for this project will be i) the Exclusion List; ii) the host country laws and regulations; and iii) the IFC Performance Standards.

Investment Description

- International Finance Corporation (IFC)

The Master Fund is seeking to raise ~US$588 million (INR 45,000 million) in aggregate capital commitments. IFC proposes an equity investment of up to US$35 million (capped at 20% of the aggregate capital commitments) in the Fund. A delegated authority co-investment envelope for an amount of up to US$20 million in potential co-investments in the Fund's portfolio companies is also being proposed alongside the Fund commitment.

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.

- INDIA BUSINESS EXCELLENCE FUND IV (Financial Intermediary) **is owned by** Motilal Oswal Financial (Parent Company)

Private Actors Description

The Master Fund will be managed by MO Alternate Investment Advisors Private Limited (“Fund Manager” or “MOA”), a private limited company. The Master Fund’s sponsor is Motilal Oswal Financial Services Limited (“MOFSL”), (“Sponsor”), a public limited company incorporated in India. The Master Fund have engaged MOA to carry out investment management and administrative duties. The Fund Manager is led by Vishal Tulsyan and Raamdeo Agrawal.

The Master Fund is a trust constituted under the Indian Trusts Act 1882 and registered as a Category II AIF with SEBI. The GIFT Fund is a trust formed in Gujarat International Finance Tec-City, registered with the International Financial Services Centre Authority under the SEBI AIF Regulations 2012, as a Category II AIF.

Contact Information

MO Alternate Investment Advisors Pvt. Ltd.
Bharat Kedia
Chief Operating Officer

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