Early Warning System

IFC-48249

DCM Aavas Green Housing

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2023-12-11
Borrower	Aavas Financiers Limited
Sectors	Construction, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 75.00 million
Loan Amount (USD)	$ 75.00 million

Project Description

As stated by the IFC, the proposed project envisages an Indian Rupee denominated investment of up to US$75 million equivalent in Aavas Financiers Limited, an existing debt client of IFC. The investment will be made by subscribing to the non convertible debentures to be issued by Aavas with a tenor of 5 years. Aavas will use the proceeds of the issuance for providing affordable housing finance for the purchase/construction and extension of houses to individuals in low-income groups in India. The Company is in an advisory project with IFC to help develop its green affordable housing business, and there are discussions underway to use part of the IFC proceeds for financing retail purchases of green housing.

Early Warning System Project Analysis

The IFC categorized the project as FI-3.

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.

- Kedaara Capital Investment Managers Ltd (Investor) **invests in** AAVAS Financiers Limited (Financial Intermediary)
- Partners Group (Investor) **invests in** AAVAS Financiers Limited (Financial Intermediary)

Private Actors Description

As stated by the IFC, Aavas is a housing finance company that is supervised by the National Housing Bank and regulated by the Reserve Bank of India (RBI). The Company was a subsidiary of AU Small Finance Bank, an IFC equity client, which sold a majority of its stake in the Company to two private equity investors - Kedaara Capital and Partners Group in 2016 to comply with the RBI guidelines. Aavas is listed on the National Stock Exchange and Bombay Stock Exchange. Kedaara Capital and Partners Group held a stake of ~23% and ~16% in Aavas as of September 30, 2023 respectively.

Contact Information

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Financial Intermediary - Aavas Financiers Limited:

Mr. Ghanshyam Rawat - President & Chief Financial Officer
Phone: +91-141-4659224
Email: investorrelations@aavas.in
Location: Mansarovar Industrial Area, Jaipur district, Rajasthan, India
Website: https://www.aavas.in/

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