

 Early Warning System

IFC-40557

DCM ABFL Green Bond



Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	FI
Voting Date	2018-04-16
Borrower	Aditya Birla Finance Limited
Sectors	Finance
Investment Type(s)	Loan
Loan Amount (USD)	\$ 2.36 million



Project Description

The proposed IFC investment involves supporting the renewable energy lending program of Aditya Birla Finance Limited, a Systemically Important Non-Deposit Accepting Non-Banking Finance Company (NBFC) in India through an INR ECB loan or subscription to NCDs, or green bonds, issued by the Company. The INR ECB loan will be issued under Track III of RBI's ECB guidelines. While the NCD issuance shall comply with SEBI (Indian regulator of the securities market) guidelines for green bonds. The proceeds of the issuance shall be on-lent by ABFL to solar projects in select states of India.



People Affected By This Project

GHG Savings: The proposed investment will result in savings in GHG emissions of up to 120,104 tCO₂ p.a. as it will finance power generation through renewable and climate friendly sources. This is critical in the view of the GOI's overall intentions to reduce carbon intensity of the economy.

Integration: IFC's engagement with ABFL will support the latter's commitment to the renewable energy sector sending a positive signal to the market, and is likely to attract other local and international financial institutions to increase their investment in this sector. Additionally, IFC's continued investment in Green Finance will help to popularize this relatively new asset class, and attract niche investors.



Investment Description

- International Finance Corporation (IFC)

Private Actors

- [Aditya Birla Capital Limited](#) -- Parent Company
- [Aditya Birla Finance Limited](#) -- Financial Intermediary

ABFL is a 100% subsidiary of Aditya Birla Capital Limited (ABCL), which is the holding company for all financial services businesses of Aditya Birla Group (ABG).

In 2017, ABG undertook a restructuring exercise which involved merger of group companies Aditya Birla Nuvo (parent of ABCL) and Grasim and subsequent demerger and listing of ABCL. The exercise has now been completed and ABCL got listed on September 1, 2017. Grasim holds 56% in ABCL, Promoters hold 17% and balance is held by public shareholders.



Contact Information

PROJECT CONTACTS

Aditya Birla Finance Limited

Mr. Arnab Basu

Business Head, Projects & Structured Finance Group

One Indiabulls Centre, Tower 1, 16th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013

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/>