



### Project Summary Information

Date of Document: March 25, 2020

<b>Project Name</b>	Tata Cleantech Sustainable Infrastructure On-Lending Facility.
<b>Document Code</b>	PD000298-PSI-IND.
<b>Country</b>	Republic of India.
<b>Sector/Subsector</b>	Financial Institution.
<b>Status of Financing</b>	Approved
<b>Project Description</b>	<p>The proposed facility will be used by Tata Cleantech Capital Limited (TCCL) to finance renewable energy, power transmission &amp; distribution, Energy Storage, Industrial Energy Efficiency, and water infrastructure construction projects in India.</p> <p>TCCL, a non-bank financial company classified as Infrastructure Finance Company by Reserve Bank of India, is one of the leading financiers of renewable energy in India. TCCL is a joint venture between Tata Capital Limited and the International Finance Corporation. Tata Capital Limited is majority-owned by Tata Sons Private Limited, the leading Indian conglomerate. The International Finance Corporation is a member of the World Bank Group.</p> <p>TCCL has contributed to sustainable development by participating in the funding of more than 5.2 GW of Renewable Energy Projects. It was the first private sector firm to partner with the Green Climate Fund to develop rooftop solar in India. Since inception, TCCL spread across various sectors in Cleantech, both in utility scale and small-scale segments, has funded over 150 projects and has established a very high-quality USD 700 million loan book.</p> <p>The proposed financing supports AIIB's Sustainable Energy for Asia Strategy and Strategy on Mobilizing Private Capital for Infrastructure. The proposal is aligned with the Government of India's plans to reduce India's carbon intensity by 30%-35% of 2005 levels under the Paris Agreement.</p>
<b>Objective</b>	To mobilize private capital for investments in subprojects that will support: (a) increased supply of renewable energy generation, (b) expanded transmission and distribution network, (c) deployment of energy storage systems, (d) enhanced water infrastructure and (e) improve industrial energy efficiency in India.
<b>Expected Results</b>	Increased private capital investment in renewable energy, power transmission and water infrastructure projects in India.

	<p>This investment is expected to increase the provision of affordable, clean power reducing the level of greenhouse gas emissions; expand the power network's reach and capacity; and deepen the supply of potable water and treated wastewater. The expected results may be measured by the following indicators:</p> <ul style="list-style-type: none"> <li>- sub-project renewable energy capacity installed and amount invested;</li> <li>- private capital directly and indirectly mobilized in the sub-projects;</li> <li>- quantum of reduction in greenhouse gas emissions;</li> <li>- power transmission and distribution lines installed;</li> <li>- installed capacity of energy storage systems and</li> <li>- waste and potable water treatment capacity.</li> </ul>
<b>Environmental and Social Category</b>	Category FI.
<b>Environmental and Social Information</b>	<p>AIIB's Environmental and Social Policy (ESP) is applicable to this on-lending facility. The project has been placed in Category FI, because the financing structure involves the provision of funds through a Financial Intermediary, whereby AIIB delegates to TCCL the decision-making on the use of AIIB's funds for subprojects that meet the conditions to be agreed with the Client and applied through a Social and Environmental Management System (SEMS).</p> <p>TCCL has adopted the IFC's Performance Standards and committed to "lend to or invest in business opportunities which are in accordance with applicable national regulations and relevant IFC Performance Standards, or present a plan to do so within a reasonable time period"<sup>1</sup>. AIIB's environmental and social (E&amp;S) due diligence has determined that TCCL's SEMS is materially consistent with the provisions of the Bank's ESP including the relevant provisions of the Environmental and Social Standards (ESS) and the Environmental and Social Exclusion List.</p> <p>TCCL will apply eligibility criteria for selection of subprojects to avoid, where feasible, those exposed to present significant risks, comprising risks of: (a) significant adverse impacts to community health and safety as a result of construction/operation of the assets; (b) significant number of serious injuries and/or fatal accidents during construction and/or operation of the assets; (c) involuntary resettlement of people; (d) impacts on critical habitat and natural resources, Scheduled Tribes/Indigenous Peoples and cultural resources. These sensitive activities are either to be avoided or managed in accordance with AIIB's ESSs.</p> <p>TCCL conducts environmental and social due diligence on all its lending opportunities, including categorization,</p>

<sup>1</sup> TCCL Social and Environment Management System Policy Statement, Tata Cleantech Capital LTD Social and Environmental Management System, 2017

	<p>assessment of E&amp;S risks and impacts, and development of E&amp;S covenants and when required an action plan included in its loan agreements. TCCL thereafter monitors its Borrowers' compliance with covenants and implementation of required actions throughout the course of its loans.</p> <p>For all subprojects supported by AIIB, TCCL will require the establishment of a subproject-level environmental and social management plan in accordance with its SEMS and applicable environmental and social (E&amp;S) standards, including appropriate processes to disclose E&amp;S information, conduct stakeholder engagement activities, and establish subproject-level GRMs to address concerns and grievances from both project workers and external stakeholders. TCCL will monitor these aspects as part of its subproject monitoring process.</p> <p>While TCCL is constrained not to publicly disclose information about its financing, it has established an external communication mechanism through which it can seek and address views, enquiries or concerns from any stakeholders, including regarding the environmental and social impacts associated with the operations it supports. This mechanism is operable through the web link:</p> <p><a href="https://www.tatacapital.com/about-us/tata-code-of-conduct-and-ethics.html">https://www.tatacapital.com/about-us/tata-code-of-conduct-and-ethics.html</a></p> <p>TCCL will explore the possibility to strengthen this mechanism in relation to AIIB supported sub projects.</p> <p>AIIB has reviewed and validated TCCL's SEMS, and will conduct a prior E&amp;S review of the initial two subprojects to be financed using AIIB funds. Subsequently AIIB will receive an annual E&amp;S monitoring report issued by TCCL reporting on the E&amp;S performance of all AIIB-supported subprojects. AIIB will conduct regular monitoring of TCCL's activities, including visits to selected subprojects.</p>		
<b>Cost and Financing Plan</b>	USD 75 million.		
<b>Borrower</b>	Tata Cleantech Capital Limited.		
<b>Estimated date of last disbursement (NSBF)</b>	December 2020.		
<b>Contact Points:</b>	<b>AIIB</b>	<b>Tata Cleantech Capital Limited</b>	<b>Implementation Organization/Sponsor</b>
<b>Name</b>	Neeraj Jain	Behzad Bhesania	
<b>Title</b>	Investment Officer	Chief Finance Officer	
<b>Email Address</b>	neeraj.jain@aiib.org	Behzad.Bhesania@tatacapital.com	

<b>Date of Concept Decision</b>	May 2019.
<b>Date of Final Review decision.</b>	August 2019.
<b>Date of Financing Approval</b>	September 2019

<b>Independent Accountability Mechanism</b>	<p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its ESP in situations when their concerns cannot be addressed satisfactorily through Project-level or subproject level GRMs or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit the <a href="#">PPM web page</a>.</p>
---	---