



Project Summary Information

Date of Document: September 11, 2024	
Project Name	Kotak Infrastructure Investment Fund
Project Number	P000547
AIIB member	India
Sector/Subsector	Multisector; Energy, Transport, Digital Infrastructure and Water.
Alignment with AIIB's thematic priorities	Private Capital Mobilization and potential alignment to Connectivity and Green Infrastructure. Contribution to 50% private sector investment target.
Status of Financing	Approved
Objective	To improve the financial sustainability of selected infrastructure companies in India by providing debt restructuring through private capital mobilized from institutional investors.
Project Description	Kotak Infrastructure Investment Fund (KIIF) is a closed-end private debt fund domiciled in India. The Fund seeks to invest in operating infrastructure companies primarily by providing senior, secured long-term debt solutions, and may also acquire equity shareholding of the borrower in conjunction with the debt facilities. Target sectors mainly include transportation, renewable power, water, logistics, digital infrastructure, and EV transport infrastructure in India.
Expected Results	Project result indicators include total amount of private capital mobilized, share of invested capital over committed capital, number of institutional investors mobilized, number of projects / portfolio companies invested.
Environmental and Social Category	FI
Environmental and Social Information	AIIB's Environmental and Social Policy (ESP) is applicable to this project. The project has been placed in Category FI, because the financing structure involves the provision of funds through a financial intermediary (the Fund), whereby AIIB delegates to the Fund Manager the decision-making on the use of AIIB's proceeds for further investing in accordance with the conditions in the Project's legal documentation to be agreed with the Fund Manager in the form of eligibility criteria and investment guidelines, and applied through an Environmental, Social and Governance Framework (ESGF) which is to be used as the Project's Environmental and Social Management System (ESMS).

	<p>The Fund has adopted a risk-based approach to Environmental and Social (ES) management codified in its ESGF. As per this ESGF, the Fund Manager: (i) qualifies and quantifies the ESG risks and impacts of potential investees against the applicable ESG regulatory requirements in their jurisdiction of operation and good international industry practices, (ii) defines measures to align their performance with the same, (iii) identifies and enhances ESG-value addition opportunities, and (iv) drives and monitors ESG performance during the investment holding period. Coal mining, coal transportation and coal-fired power plants, as well as infrastructure exclusively dedicated to support any of these activities will be excluded from eligibility for financing under the Project.</p> <p>The Fund will invest in operating Indian infrastructure projects in the transportation, power, pipeline, water, digital infrastructure, and other infrastructure related sectors. These operating projects present a variety of environmental and social risks in the form of ongoing legacy issues and operational challenges. The risk will be mitigated using the Fund Manager’s ESGF policy complemented by monitoring and supervision by AIIB.</p> <p>For each investment, the Fund Manager shall prepare an Environmental and Social Action Plan (ESAP) determining the required measures to align existing and future operations with the applicable standards</p> <p>The Fund will be required to disclose the name, industry and location of portfolio companies supported with AIIB’s proceeds on its website within twelve months from closing an investment. The Fund will be required to inform AIIB of material ESG incidents and grievances at the subproject level and prepare an annual E&S performance report for submission to AIIB.</p> <p>The Fund has an External Communication Mechanism (ECM) to address third-party views, enquiries or concerns regarding their own ES processes and outcomes, as well as ES impacts and performances of their subprojects. In addition, AIIB will require the Fund to ensure that subproject entities conduct appropriate stakeholder engagement and disclose the required ES documentation, in line with local regulations, and maintain subproject-level Grievance Redress Mechanisms (GRM).</p> <p>AIIB will conduct prior review of investments presenting significant E&S risk, including all Category A investments and Category B investments determined to potentially induce 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 resources or d) significant Occupational Health and Safety risks. AIIB will conduct regular monitoring of the Fund’s activities, including visits to selected investments.</p>
AIIB Commitment	INR 8.23 billion (not exceeding USD 100 million)
Fund Manager	Kotak Investment Advisors Limited (KIAL)

Date of first disbursement	March 17, 2023		
Contact Points:	AIIB		Kotak Investment Advisors Limited
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Date of Concept Decision	December 15, 2021		
Date of Appraisal Decision	August 19, 2022		
Date of Financing Approval	September 29, 2022		

Independent Accountability Mechanism	<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 Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through Project-level Grievance Redress Mechanisms or AIIB Management’s processes.</p> <p>For information on how to make submissions to the PPM, please visit the PPM web page here.</p>
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