



Project Summary Information

Date of Document Preparation: November 10, 2025

Project Name	Sustainable Transport Financing
Project Number	P000561
AIIB member	India
Sector/Subsector	Transport/Roads
Alignment with AIIB's thematic priorities	Green Infrastructure
Status of Financing	Under Preparation
Objective	To increase the penetration of low-carbon transportation vehicles in India.
Project Description	<p>The Project contemplates providing USD100 million or equivalent in INR financing to Shriram Finance Limited (SFL) to support and expand its lending to new energy efficient vehicle ownerships in India.</p> <p>The Borrower, SFL, is a non-banking finance company that primarily provides commercial vehicle loans for trucks, passenger vehicles, tractors and farm equipment, and construction equipment in India.</p>
Expected Results	<ul style="list-style-type: none"> • Percentage of total loan proceeds used for financing EVs. • Number of EVs financed under the loan. • GHG emissions avoided through EVs compared with conventional fuel vehicles.
Environmental and Social Category	FI.
Environmental and Social Information	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 an FI, whereby AIIB delegates to SFL the decision-making on the use of AIIB's funds in so far as the financing meets agreed upon conditions.

	<p>SFL, through implementation of its Business Responsible Policy and other related policies, is the Environmental and Social Management System (ESMS) that it uses to manage ES risks and impacts of the Project. These policies are disclosed by the company on its website: https://www.shriramfinance.in/investors/governance</p> <p>AIIB has reviewed the ESMS and confirmed that it is aligned with AIIB’s Environmental and Social Policy (ESP), including applicable Environmental and Social Standards (ESSs) and the Environmental and Social Exclusion List (ESEL). The financing of coal mining, coal transportation or coal-fired power plants as well as infrastructure exclusively dedicated to support any of these activities will be excluded.</p> <p>The Project is expected to have minimal adverse environmental impacts as proceeds to SFL will be used only for on-lending to individuals and companies to acquire commercial vehicles, which comprise of (i) electric vehicles and CNG/LPG (at least 75% of on-lending proceeds) and (ii) BS-VI certified vehicles used in infrastructure development activities (at most 25% of on-lending proceeds). SFL itself thus does not manufacture or sell vehicles. No land acquisition or physical or economic displacement is expected from the activities of the individual borrowers. The Project is expected to have minimal adverse social impacts given it is not involved in high-risk activities that involve civil works, capital expansion, land acquisition, nor impacts to Indigenous Peoples. SFL adheres to standard fair lending and debt collection practices with respect to borrowers in policies outlined in its ESMS.</p> <p>Regarding employment opportunities, SFL’s Policy on well-being of employees stipulates that the company provides employment opportunities based on merit, and irrespective of their gender and other characteristics such as caste, creed, gender, race, religion, language and disability or sexual orientation. SFL’s Policy on well-being of employees also provide flexibility of work-life balance options for women.</p> <p>SFL maintains an external Grievance Redress Mechanism (GRM) on its website (https://www.shriramfinance.in/reach-us) for stakeholders to make complaints, suggestions, and inquiries to the company. SFL also maintains an internal GRM to handle grievances filed by its contracted employees.</p>
Cost and Financing Plan	USD100 million or its equivalent INR.
Borrower	Shriram Finance Limited (SFL) ¹ .

¹ On November 3 2022, Shriram Finance Limited (SFL), formally known as Shriram Transport Finance Company Limited (STFC), is renamed after the merger of Shriram City Union Finance Limited (SCUF) and Shriram Capital Limited (SCL) (the group companies of STFC) with STFC.

Estimated date of last disbursement	Q1 2024	
Contact Points:	AIIB	Borrower: Shriram Finance Limited
Name	Shailendra Gupta	Parag Sharma
Title	Portfolio Officer	Joint Managing Director and Chief Financial Officer
Email Address	shailendra.gupta@aiib.org	parag@stfc.in
Date of Concept Decision	September 14, 2022	
Date of Appraisal Decision	December 14, 2022	
Estimated Date of Financing Approval	January 2023	

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 GRMs or AIIB Management's processes.</p> <p>For information on how to make submissions to the PPM, please visit insert link to the PPM: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html</p>
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