

Social Monitoring Report

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India: Inclusive, Resilient, and Sustainable Housing
for Urban Poor Sector Project in Tamil Nadu

Output 2 (TNIFMC)

Prepared by the Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC) for the
Asian Development Bank (ADB).

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Environment Social and Governance Management Systems Semi-annual Monitoring Report

Reporting Period: October 2024 to March 2025

India: Inclusive, Resilient, and Sustainable Housing
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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
BDO	Block Development Officer
CMD	Chief Managing Director
EHS	Environment, Health, and Safety
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
E&S	Environment and Social
ESG	Environment, Social and Governance
ESGMS	Environmental Social and Governance Management System
ESDD	Environmental Social Due Diligences
EWS	Economically Weaker Section
GRM	Grievance Redressal Mechanism
GOI	Government of India
IEE	Initial Environment Examination
LIG	Lower Income Group
MIG	Middle Income Group
NOC	No Objection Certificate
SEBI	Securities and Exchange Board of India
TNIFMC	Tamil Nadu Infrastructure Fund Management Corporation
TNEB	Tamil Nadu Electricity Board
TNSF	Tamil Nadu Shelter Fund

EXECUTIVE SUMMARY

Financial intermediary agency	Tamil Nadu Infrastructure Fund Management Corporation Ltd (TNIFMC)
Description of financial intermediary	TNIFMC is an asset management company promoted by the Govt of Tamil Nadu. The Tamil Nadu Shelter Fund (TNSF) is a Category I- Alternative Investment Fund managed by TNIFMC. The fund aims to create positive social impact and reduce the environmental footprint of development by investing in sustainable affordable housing infrastructure. It is a unique platform for various types of investors to help increase the supply of sustainable affordable housing while potentially receiving risk-adjusted returns.
How is the fund meeting the target of affordable housing schemes in India?	<ul style="list-style-type: none"> • The fund is currently investing in-to Affordable Housing Projects on both ownership and rental basis. • The fund aims at creating social impact by investing into commercially viable affordable housing projects which are environmentally sustainable, and which adopt measures like new technologies to reduce cost and time, water usage reduction and wastewater treatment, rainwater harvesting, solar power generation, solid waste management, etc. • The projects currently being evaluated for investment include affordable housing complexes, working women's hostels, industrial workers housing and senior living.
ESDDs conducted. (No. of Due Diligences and Environment and Social Categories)	<ul style="list-style-type: none"> • A third-party due diligence is conducted for the projects which are categorized under "B¹" category (ESG risks are site-specific and can be mitigated) considered for investment. • ESDD were conducted for working women's hostels project Phase 3 and for Industrial Housing project Phase 3 in December 2024. The reports for these projects are in the approval stage with ADB.
No. of ADB approved projects under monitoring	<ol style="list-style-type: none"> a. Affordable Housing Project – 1 (Ambur Properties Private Limited) b. Industrial Housing – 6 (Siruseri, Cheyyar, Shoolagiri, Irungattukottai, Gangaikondan and Vidiyal Residency Private Limited) c. Working Women's Hostel – 2 (Phase 1 and Phase 2) d. Senior Living Project – 1 (Polachi) e. Affordable Housing - Nebula Infraspace LLP is on hold due to the land distribution dispute between land-owner and developer. Project implementation is currently put on hold. Resolution of the issue is ongoing.
ESG safeguards categorization of TNIFMC	ESGMS Categorization A – Project has adverse environmental, social and governance risks and are not recommended for investment B - Project has moderate environmental, social and governance risks which are site-specific and reversible. C - Project will have minimal environmental, social and governance risks.
Unanticipated impacts in projects including change of scope or design	None
Number of site inspections and audits undertaken by safeguards staff from	15

¹ Projects where the risks are anticipated to be site specific and require further detailed due diligence.

TNIFMC	
Corrective action required in sub-projects	0
Outstanding corrective action in sub-projects	0
Non-compliances recorded in sub-projects	0
Is GRM functional	Yes
Number of unresolved grievances	0
Number of grievances received	0
Number of grievances resolved	0
Number of grievances still outstanding	0

ESGMS REPORT

Financial Intermediary Name:	Tamil Nadu Infrastructure Fund Management Corporation (TNIFMC)/Tamil Nadu Shelter Fund		
Fund employment (Apr 2024 – Sep 2024)	Male: Professional 3	Administrative: Nil	
	Female: Professional 2	Administrative: Nil	
Completed by (Name):	TNIFMC		
Position and Contact Information:	ESG Consultant		
Report Period:	From: October 2024	To: Mar 2025	
Reporting Date:	May 2025		

Environmental and Social Management System

1. Introduction / overall information on the project

The project will promote access to inclusive, resilient, and sustainable housing and urban development in Tamil Nadu by supporting the state in mobilizing private sector financing to construct affordable housing units for urban poor households, migrant workers from the economically weaker section (EWS) and lower-income group (LIG) and other populations that are underserved by the housing market, which will be implemented following an approach similar to a financial intermediation loan.

The project is aligned with the following impact: permanent shelter with appropriate housing infrastructures and services provided for every affected household. The project will have the following outcome: access to inclusive, safe, and affordable housing infrastructure and services for vulnerable and disadvantaged communities in Tamil Nadu increased.

The project aims to achieve the following output:

Output 2: Affordable housing for urban poor and migrant workers increased. ADB financing for this output will be deployed as GOTN's equity into the Tamil Nadu Shelter Fund (TNSF), which in turn will be leveraged to catalyse private sector investment in TNSF. Utilizing such financing, TNSF will provide risk capital, such as in the form of equity or participating instrument's investment, to specific special purpose vehicles or other entities undertaking affordable housing subprojects that benefit populations underserved by the housing market. Examples of such subprojects include industrial housing and working women's hostels for low-income and migrant workers, resulting in an anticipated additional 500 beds for working women and 5,000 beds for industrial workers. To be eligible for financing, subprojects must be financially and economically viable affordable housing projects that increase the supply of housing for households within EWS and LIG segments and other segments of the population that are currently underserved by the housing market.

2. ESGMS Implementation Process

The Environmental, Social and Governance Management System (ESGMS) framework² is being applied for evaluating and monitoring all the investments of the Tamil Nadu Shelter Fund (TNSF). The ESGMS is also applied for monitoring the investments made by the fund.

With respect to application of ESGMS for evaluating the proposals, based on the experience gathered from evaluation and monitoring of projects, the risk rating tool shall be reviewed, updated,

² [Inclusive, Resilient, and Sustainable Housing for Urban Poor Sector Project in Tamil Nadu: Financial Intermediary - Environmental and Social Management System Arrangement \(adb.org\)](#)

and simplified periodically.

We are currently applying the ESGMS to monitoring the investments and are streamlining the same through standardization of monitorable indicators for projects in the O&M phase. We are currently in the process of seeking inputs on the same and internally updating the framework.

3. ESMS Capacity/ Institutional arrangements for social Safeguards/Trainings Attended

Institutional Arrangements as per PAM

PAM Requirements	Status
ESG Analyst (Full Time)	ESG consultant appointed. Name: Sreenidhi V
Environment Expert (Part-Time)	Environment Expert appointed by ADB on a part-time basis.
Senior Social Expert (Full Time)	Will be considered based on the workload in future. Presently, ESG analysts can handle the same.
Governance Expert (Part Time)	The in-house expertise (TNSF) consisting of the General Counsel provides support on governance aspects. Based on the need, external agencies are engaged for conducting detailed due diligence.

4. ESMS Changes during the Reporting Period

An internal review of ESGMS was conducted during the reporting period. No changes were made to the tool's rating.

5. ESMS Monitoring

a) For large projects which require environmental impact assessment (EIA), as per GOI guidelines, a separate EIA report is prepared, and clearance obtained. For other projects which require environmental clearance without EIA and for projects which do not require environmental clearance, an Environment Management Plan (EMP) for the construction phase is developed and is followed during construction. The EMP identifies key risks with respect to the environment indicators and risk mitigants are proposed for the risks identified.

b) Development of a stakeholder engagement plan is mandated for every project and semi-annual status on the engagement with stakeholders is closely monitored.

c) A grievance redressal committee is set up for every project and grievances recorded are addressed on a fortnightly basis at the project level/fund level and reviewed by TNSF on a quarterly basis.

During the reporting period, no accidents/litigations/complaints/regulatory notices and fines have been imposed/recorded with for the portfolio companies and the fund.

6. Grievance Redress Mechanism

A Grievance Redress Mechanism has been established for Tamil Nadu Infrastructure Fund

Management Corporation (TNIFMC). No grievances were reported in the ADB approved projects during the reporting period.

7. ESMS Reporting Mechanism

ESG reporting is done on an annual basis to the Investment Committee, board of TNIFMC and investors of the fund.

8. Environmental and Social Due Diligence (ESDD) Conducted

A third-party due diligence is conducted for the “B” category projects (ESG risks are site-specific and can be mitigated) considered for investment. A total of 15 ESDD were conducted between Oct 2025 – Mar 2025. Of the 15 ESDD, construction or site clearance has commenced in 14 sites. In all 14 sites, no LA or IR impacts are observed.

9. Status of contract award and Social Safeguards Documents

No contract was awarded during the reporting period. The ESG Due Diligence reports which are already reviewed and approved are disclosed on the ADB website.³ Additionally, as per the PAM requirements, all the reports are published on TNIFMC’s website.⁴

10. Stakeholder Consultations conducted.

TNSF ESGMS mandates the preparation of a stakeholder identification and engagement plan by portfolio companies. During the reporting period, the stakeholder engagement plan was prepared for the following projects - Working Women’s Hostel Phase 3 and Industrial Housing Phase 3 (Oragdam, Vallam Vadagal). Stakeholder engagement for the following sites has been conducted. (Appendix 1). Of these sites, stakeholder consultations involved ~50 men and ~15 women.

1. Working Women’s Hostel Phase 1 (Tambaram)
2. Working Women’s Hostel Phase 2 (St Thomas Mount, Hosur)
3. Industrial Housing Phase 1 – Siruseri
4. Industrial Housing – Hosur
5. Industrial Housing Phase 2 – Cheyyar, Irungattukottai
6. Affordable Housing Project – Ambur
7. Senior Living Project - Pollachi

11. Civil Work Progress

The following table indicates the level of construction progress across different sites.

Project	Location	Construction Status	% of completion
Industrial Housing Phase 1	Siruseri	RCC Work in progress	52%
Industrial Housing Phase 2	Gangaikondan	RCC Work in progress	40%
Industrial Housing Phase 2	Irungattukottai	Sub-Structure work in progress	15%

³ <https://www.adb.org/projects/documents/ind-53067-004-sddr>

⁴ <https://tnifmc.com/esg-due-diligence-reports/>

Project	Location	Construction Status	% of completion
Industrial Housing Phase 2	Cheyar	RCC Work in progress	25%
Industrial Housing Phase 2	Shoolagiri	Sub-Structure work in progress	15%
Industrial Housing Phase 3	Oragadam	Site establishment stage	5%
Industrial Housing Phase 3	Pillaipakkam	Design stage	0%
Industrial Housing Phase 3	Vallam Vadagal	Site establishment stage	5%
Industrial Housing Phase 3	Hosur	Design stage	0%
WWH-Phase 3	Chepauk	Site establishment stage	5%
WWH-Phase 3	Taramani	Site establishment stage	5%
WWH-Phase 3	Madurai-	Site establishment stage	5%
WWH-Phase 3	Coimbatore	Sub-Structure work in progress	8%
WWH-Phase 3	Erode	Sub-Structure work in progress	8%
WWH-Phase 3	Kanchipuram (Sriperumbudur)	Site establishment stage	5%
WWH-Phase 3	Cuddalore	Sub-Structure work in progress	8%
WWH-Phase 3	Dharmapuri	Site establishment stage	5%
WWH-Phase 3	Nagapattinam	Sub-Structure work in progress	8%
WWH-Phase 3	Theni	Site establishment stage	5%
WWH-Phase 3	Sivagangai	Sub-Structure work in progress	8%
WWH-Phase 3	Karur	Sub-Structure work in progress	8%
WWH-Phase 3	Ranipet	Sub-Structure work in progress	8%
Affordable Hosuing	Ambur	RCC Work in progress	35%
Senior Living Project	Pollachi	RCC Work in progress	30%

12. Compliance with Social Safeguards Covenants

Loan Covenants	Status of Compliance
Screening, Categorization and Environment and Social Assessment and Planning	<p>ESGMS is being used to screen and categorize projects based on the significance of the environmental and social impacts associated with the project.</p> <p>Pursuant to the SPS, an Environment and Social Management Plan is prepared for each subproject</p> <p>All Environmental Assessment Plans and Social Assessment Due Diligence reports are shared with ADB and all the projects are classified as “B” for environmental safeguards and C for social safeguards.</p>
Environment Safeguards	<p>Every subproject is compliant with</p> <p>a) All applicable laws and regulations of the borrower and state</p> <p>b) All Environment Safeguards</p> <p>c) ESGMS and ESGMS action plan</p> <p>d) All measures and requirements set forth in the sub project environmental assessment and EMP</p>
Land Acquisition and Involuntary Resettlement	<p>None of the sub-projects approved by TNIFMC have any affected persons and there is no physical or economic displacement. No land acquisition was carried out in anticipation of any of the sub-projects.</p>
Indigenous People	<p>No indigenous people impact was assessed in any of the approved sub-projects.</p>
Human and Financial Resources to implement Safeguards Requirements	<p>At present, there is a full time ESG analyst at TNIFMC who oversees the ESGMS assessments and implementation, and a part-time Environment Expert appointed by ADB to support the ESG analyst.</p>
Safeguards Monitoring and Reporting	<p>Semi-annual Safeguards monitoring reports are submitted to ADB.</p> <p>Any unanticipated environmental/social impacts arising during sub-project implementation are promptly informed to ADB along with detailed description of the event and proposed corrective action plan as set forth in the ESGMS.</p>

13. Summary and Conclusions

In the last SSMR, PAM requirements for displaying the reports on the TNIFMC’s website were not complied due to webpage restructuring. However, at present, all the approved reports are displayed in the mentioned [link](#).

The fund follows the social safeguard covenants mentioned in the loan agreement. No grievances have been recorded from any ADB approved projects in the reporting period and no Resettlement Plan is involved in TNSF funded projects. No grievances were reported in any ADB approved projects.

14. Updates on the Pending Actions mentioned in the previous SSMR (April-

September 2024)

- The site in Siruseri has now displayed the GRM which was not complied with in the last SSMR.
- The IEE and ESG DDs are uploaded to the company's website and are following the ADB PAM requirements.

Appendix 1: Public Engagement in various locations during the reporting period**Industrial Housing - Hosur****Industrial Housing - Hosur****Indistrual Housing - Hosur****Industrial Housing – Phase 2****TNWWHCL -Phase 2****TNWWHCL -Phase 2**

TNWWHCL -Phase 2**TNWWHCL -Phase 2****TNWWHCL -Phase 2****Affordable Hosuing – Ambur****Affordable Hosuing – Ambur****Indistrial Housing – Phase 1**

Industrial Housing – Phase 1

Appendix 2: Stakeholder Consultation Discussions

Industrial Housing – Hosur

Pollution Control and Environmental Management Plan (EMP) Compliance

- Discussions were held with site managers regarding the implementation of pollution control measures. The team assessed the site's adherence to the approved Environmental Management Plan, ensuring that mitigation strategies for air, water, and noise pollution were being effectively executed.

Labour Camp Inspection and Occupational Safety

- The labour camp was thoroughly inspected to evaluate living conditions and occupational safety practices. Observations included the consistent use of Personal Protective Equipment (PPE) by workers, the frequency and quality of safety training sessions, and the regularity of fire drills conducted to ensure emergency preparedness.

Health and Safety Incident Management

- Consultations covered recent health and safety incidents, if any, and the preventive measures adopted to mitigate future risks. The site team shared protocols in place for incident reporting, investigation, and corrective actions.

Community Engagement and Grievance Redressal Mechanism

- Engagements with local residents were conducted to assess their awareness of the existing grievance redressal mechanism. Feedback was gathered on the accessibility and responsiveness of the system, and suggestions for improvement were noted.
- The feedback received was to conduct the stakeholder consultation during the weekend as the residents are in between shifts during the other times and are unable to attend the meeting.

Resident Feedback on Construction Activities

- Residents living in proximity to the construction site were interviewed to understand any inconveniences they may be experiencing due to ongoing activities. No major concerns except dust during transit were raised. Frequent water sprinkling during transportation was advised.

TNWWHCL -Phase 2

As part of the preparatory phase for the upcoming Working Women's Hostel, public consultations were conducted to gather insights with respect to regulatory and community expectations. The following key points were discussed:

Engagement with Neighbouring Community Members

- Residents living adjacent to the proposed site were consulted to understand their perspectives on the project.
- Discussions focused on potential disruptions during construction (e.g., noise, dust, traffic), and mitigation strategies were discussed.
- Community members were informed about the hostel's purpose and expected benefits, including improved safety and accommodation for working women.
- Feedback was collected regarding any existing grievances and awareness of the grievance redressal mechanism.

Consultation with Social Welfare Department Officials and TNWWHCL

- Officials from the Social Welfare Department briefed on the project and social impact including the relevance of the project.
- The Corporation provided details on the registered land, including ownership, zoning, and legal clearances.
- Operational aspects such as hostel management, staffing, and maintenance protocols were discussed.
- The TNWWHCL shared insights on best practices from existing hostels, including safety audits, fire drills, and health check-ups.

Health, Safety, and Welfare Measures

- Details regarding the safety infrastructure in the vicinity including CCTV coverage, secure entry/exit points, and emergency response systems was explored.
- The importance of sensitization programs for residents and staff on gender-based safety and rights was highlighted and discussed with TNWWHCL.

Community Integration and Social Impact

- The hostel's role in enhancing women's access to safe housing near employment hubs was emphasized.
- Opportunities for community engagement, such as local employment during construction and hostel operations, were discussed.
- Measures to ensure minimal disruption to the local environment and community life were outlined.

Affordable Housing Ambur

As part of the stakeholder engagement process for the ongoing construction of the Working Women's Hostel, interactions with the neighbouring community were conducted to assess concerns and raise awareness. Key discussion points included:

- **Construction-Related Disturbances.** Community members were consulted regarding any disturbances caused by the ongoing construction activities, such as noise, dust, traffic congestion, or restricted access.
- **Awareness of Project Benefits.** The community was briefed on the intended benefits of the hostel, including safe and affordable accommodation for working women, improved social infrastructure, and potential employment opportunities.

- **Relevance and Prior Experience.** Discussions explored the community's familiarity with similar projects and their perceptions of the relevance and impact of such initiatives in the local context.
- **Pollution and Waste Management.** Concerns related to pollution—particularly air and water quality—were discussed. The consultation also covered increased waste generation due to construction and any instances of improper disposal.
- **Grievance Redressal Mechanism (GRM).** The presence of a formal GRM was communicated to the community, and their awareness and access to the mechanism were assessed. Suggestions for improving responsiveness and visibility of the GRM were suggested.
- **Labour Health & Safety.** A review of labour welfare and occupational safety practices was conducted at the construction site.
- **First Aid Room Usage.** Records of the first aid room usage over the past six months were reviewed to understand the frequency and nature of injuries reported.
- **Personal Protective Equipment (PPE).** The availability and consistent usage of PPE by workers were assessed. The role of safety officers in monitoring compliance was discussed.
- **Injury Incidents.** Any recent injuries or near-miss incidents were documented, along with the response measures taken.
- **PPE Non-Compliance and Enforcement.** Instances of non-compliance with PPE protocols were discussed, including how adherence is enforced and communicated to workers. Strategies for improving compliance through training and supervision were explored.

Industrial Housing – Phase 1

Environmental Management Plan (EMP) Compliance

- Discussions were held with site managers regarding the implementation of EMP. The team assessed the site's adherence to the approvals.

Labour Camp Inspection and Occupational Safety

- The labour camp was thoroughly inspected to evaluate living conditions and occupational safety practices.
- Observations included the consistent use of Personal Protective Equipment (PPE) by workers, the frequency and quality of safety training sessions, and the regularity of fire drills conducted to ensure emergency preparedness.

Health and Safety Incident Management

- Consultations covered recent health and safety incidents, if any, and the preventive measures adopted to mitigate future risks.
- The site team shared protocols in place for incident reporting, investigation, and corrective actions.

Community Engagement and Grievance Redressal Mechanism

- Engagements with local residents were conducted to assess their awareness of the existing grievance redressal mechanism. Feedback was gathered on the accessibility and responsiveness of the system, and suggestions for improvement were noted.
- The stakeholder engagement turnout was very low on the site on stakeholder consultation day. When enquired, the site engineer and contractor pointed out the low turnout due to the office hours. Hence suggestion to conduct consultation through online polls and online forms was suggested for better outcome.