



# India: Northern Arc COVID-19 Livelihood Support Project

Project Name	Northern Arc COVID-19 Livelihood Support Project		
Project Number	50238-001		
Borrower/Company	Northern Arc Capital Limited		
Country	India		
Location	Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 50.00 million	Proposed
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department			
Responsible ADB Division			
Responsible ADB Officer	Kumar, Apurva		
Project Sponsor(s)			
Description	ADB will provide a senior secured debt financing of up to \$50 million (in rupee equivalent) to NACL at a tenor of up to 5 years by subscribing to NCDs. ADB may enter into risk transfers with eligible counterparties for a portion of the exposure.		
Objectives and Scope	NACL will use the proceeds of the ADB financing to fund or provide guarantees to its NBFC and SFB clients, microfinance borrowers, and MSMEs. A small part of ADB's proceeds will be used to provide housing loans to the economically weaker section and low-income group.		
Linkage to Country/Regional Strategy	According to ADB's country partnership strategy for India, 2018-2022, ADB's nonsovereign operations will continue to support the development of the finance sector. The proposed transaction will support the development of MSMEs, increasing financial inclusion and aiding affordable housing finance, which are key in the country partnership strategy, and strengthening the COVID-19 pandemic response.		
<b>Safeguard Categories</b>			
Environment		FI-C	
Involuntary Resettlement		FI-C	
Indigenous Peoples		FI-C	
<b>Summary of Environmental and Social Aspects</b>			
Environmental Aspects	NACL's business activities have minimal or no adverse environmental impacts.		
Involuntary Resettlement	NACL's business activities are unlikely to affect involuntary resettlement.		
Indigenous Peoples	NACL's business activities are unlikely to affect indigenous peoples.		
Stakeholder Communication, Participation, and Consultation	NACL's credit underwriting process includes eligibility criteria to ensure that NACL lends and provides financial services to institutions that cater to borrowers with limited access to formal financial services. The process requires the active participation of NBFC clients in gathering information through interviews and due diligence site visits. The nature of the project does not require the participation of civil society organizations in project implementation.		
<b>Timetable for assistance design, processing and implementation</b>			
Concept Clearance		27 Apr 2015	
Due Diligence			
Credit Committee Meeting		26 Aug 2016 to 26 Aug 2016	
Approval		06 Nov 2020	
Last PDS Update		01 Oct 2020	

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Project Page	<a href="https://www.adb.org/projects/50238-001/main">https://www.adb.org/projects/50238-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=50238-001">http://www.adb.org/forms/request-information-form?subject=50238-001</a>
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