



India: Expanding Micro, Small and Medium Enterprise Lending

Project Name	Expanding Micro, Small and Medium Enterprise Lending			
Project Number	51120-001			
Borrower/Company	Capital First Limited			
Country	India			
Location	Nation-wide			
Approval Number	7522/7522			
Type of ADB Assistance / Amount	7522	Ordinary capital resources	USD 50.00 million	Approved
Strategic Agendas	Inclusive economic growth			
Drivers of Change	Gender Equity and Mainstreaming Knowledge solutions Private sector development			
Sector / Subsector	Finance - Inclusive finance			
Gender Equity and Mainstreaming	Some gender elements			
Responsible ADB Department	Private Sector Operations Department			
Responsible ADB Division	Private Sector Financial Institutions Division			
Responsible ADB Officer	Bracey, Pamela			
Project Sponsor(s)				
Description	Debt investment in secured nonconvertible debentures up to \$150 million (in INR equivalent) to Capital First Limited.			
Objectives and Scope	CFL will use the proceeds of ADB's debt financing to finance loans to MSMEs in India. A portion of the funding will also be used to finance loans to MSMEs involved in the Make in India initiative, a government scheme to support domestic manufacturers.			
Linkage to Country/Regional Strategy	ADB's Midterm Review of Strategy 2020 emphasizes ADB's support to the financial sector by helping to develop financial infrastructure, institutions, and products and services. The proposed transaction contributes to financial sector development by supporting the growth of an NBFC, an important component of India's financial sector.			

Safeguard Categories

Environment	FI
Involuntary Resettlement	FI-C
Indigenous Peoples	FI-C

Summary of Environmental and Social Aspects

Environmental Aspects	The ESMS of CFL is aligned with the International Finance Corporation (IFC) requirements for financial intermediaries. The company's policy statement endeavors to effectively manage the environmental and social impacts of all its activities, products and services. It is committed to ensure that activities (from design to maintenance of a financed project) is undertaken in accordance with all applicable national laws on environment, social, health, safety, and any established standards.
Involuntary Resettlement	There is no anticipated involuntary resettlement impact based on the exclusion list.
Indigenous Peoples	The project is not expected to entail any significant impact on indigenous peoples.
Stakeholder Communication, Participation, and Consultation	The primary stakeholders in the project are the MSME borrowers who will seek loans from CFL to meet their working capital and investment needs.

Timetable for assistance design, processing and implementation

Concept Clearance	10 Apr 2017
Due Diligence	
Credit Committee Meeting	14 Aug 2017 to 14 Aug 2017
Approval	-
Last PDS Update	21 Sep 2018

Project Page	https://www.adb.org/projects/51120-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51120-001
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