



India: Expanding Micro, Small, Medium-Sized Enterprise Lending Project

Project Name	Expanding Micro, Small, Medium-Sized Enterprise Lending Project		
Project Number	52138-001		
Borrower/Company	Fullerton India Credit Company Limited		
Country	India		
Location	Nation-wide		
Approval Number			
Type of ADB Assistance / Amount	Ordinary capital resources	USD 150.00 million	Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Partnerships Private sector development		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	Effective gender mainstreaming		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Financial Institutions Division		
Responsible ADB Officer	Bracey, Pamela		
Project Sponsor(s)			
Description	Senior secured debt financing of up to \$150 million (in Indian rupee equivalent) to Fullerton India Credit Company Limited (FICC) for the Expanding Micro, Small, and Medium-Sized Enterprise Lending Project in India		
Objectives and Scope	The debt financing will support the growth of FICC's financing portfolio for MSMEs, providing needed financial products and services to this underserved segment.		
Linkage to Country/Regional Strategy	ADB's long-term institutional framework, Strategy 2030, emphasizes ADB support for the financial sector by helping develop financial infrastructure, institutions, and products and services. The transaction will contribute to financial sector development by supporting the growth of an NBFi which is important to providing increased access to finance for MSMEs in India. According to ADB's country partnership strategy, 2018 -2022 for India, ADB's nonsovereign operations will continue to support the three country partnership strategy strategic priorities in a crosscutting manner by catalyzing financial sector development. The transaction will support the development of the MSME sector in India, particularly in rural areas, as part of one of the strategy's three key pillars on inclusive growth in rural areas and low-income states, which is also a high government priority. The transaction is aligned with ADB's Gender Equality and Women's Empowerment Operational Plan, 2013 -2020.		
Safeguard Categories			
Environment		FI	
Involuntary Resettlement		FI-C	
Indigenous Peoples		FI-C	
Summary of Environmental and Social Aspects			
Environmental Aspects	The transaction's potential environmental and social impacts, associated risks of FICC's existing and/or likely future portfolio, and its commitment to and capacity for environmental and social management have been assessed. FICC will update its existing ESS policy to align and comply with the requirements of the ADB Safeguard Policy Statement (2009). In accordance with ADB requirements, FICC will ensure information disclosure and consultation with affected people, as applicable.		
Involuntary Resettlement	Sub-borrowers are not expected to use loans from FICC to acquire land that will result in physical or economic displacement because of land acquisition. The current and future portfolio of FICC is largely small ticket loans focused mainly on retail lending. It also provides loans for SMEs where land rights are already acquired through direct purchase agreement.		
Indigenous Peoples	FICC's business activities are not likely to result in impacts on indigenous people communities. ADB financing will not be used to fund any activity which will result in adverse impacts on indigenous peoples.		
Stakeholder Communication, Participation, and Consultation	FICC ensures participation of different organizations through its CSR policy and corporate governance policy.		
Timetable for assistance design, processing and implementation			
Concept Clearance		10 Jul 2018	
Due Diligence			
Credit Committee Meeting		24 Jun 2019 to 24 Jun 2019	
Approval		26 Jul 2019	

Project Page	https://www.adb.org/projects/52138-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52138-001
Date Generated	16 July 2019

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