

## Public Information Summary

<b>Host Country</b>	India
<b>Name of Borrower</b>	Pahal Financial Services Private Limited (Pahal)
<b>Project Description</b>	The subject loan will allow Pahal to expand its microfinance portfolio serving women at the bottom of the pyramid in predominantly rural India.
<b>Proposed DFC Loan</b>	\$12,000,000 direct loan
<b>Total Project Cost</b>	\$15,000,000
<b>Policy Review</b>	
<b>Developmental Objectives</b>	This Project is expected to have positive impact in India by expanding microfinance lending to women-owned and -led microenterprises in India. Indian microentrepreneurs are estimated to face a financing gap of over \$9 billion, with women-owned and -led micro, small and medium enterprises (MSMEs) facing disproportionate barriers to accessing finance. DFC's support is expected to assist the Project Company in expanding its joint group liability and individual lending microfinance portfolio in India with an emphasis on serving rural women.
<b>Environment and Social Assessment</b>	<p>The Project has been reviewed against the DFC's 2020 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC direct loans to financial institutions to expand microfinance loans to joint liability groups are screened as a Category C for environmental and social assessment. These microfinance loans are expected to result in minimal adverse environmental and social impacts. Therefore, all those loans have been pre-screened as Category C and further review and consent is not required for these investments.</p> <p>To ensure that the Borrower's lending is consistent with the DFC's statutory and policy requirements, the DFC loan will be subject to conditions regarding the use of proceeds. The primary environmental and social issues identified in this transaction relate to the need for an Environmental and Social Policy ("ESP") that meets the 2012 IFC Performance Standards.</p> <p>Under the DFC's ESPP, the Borrower is required to comply with</p>

	<p>applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2. A desktop based due diligence assessment indicates that because the Project will use DFC support for microfinance lending in India, significant adverse impacts concerning community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples, and cultural heritage are not anticipated; therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Borrower has an environmental and social policy, grievance mechanisms, and human resources policies that are generally commensurate with its investment strategy. However, the Borrower will be required to update its environmental and social policy to include a method to track, monitor, and report its GHG emissions, diligence procedures related to identification and reporting of child and forced labor, and provide evidence that staff have taken appropriate environmental and social risk awareness training. Further, the Borrower will be obligated to update its non-discrimination and equal opportunity policies to align with IFC PS 2.</p>
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