

Public Information Summary

Host Countries	India
Name of Borrower	Svakarma Finance Private Limited
Project Description	DFC will provide a loan to expand the Borrower's portfolio of loans to underserved MSMEs in India.
Proposed DFC Loan/Guaranty	\$8,000,000
All-Source Funding Total	\$18,100,000
Policy Review	
Developmental Objectives	This Project is expected to have developmental impact in India through the expansion of lending to MSMEs, with a focus on India's underserved microenterprise segment. MSMEs in India face an MSME financing gap of over \$230 billion, with women owned MSMEs facing disproportionate barriers to accessing finance. Svakarma provides innovative and proven model for providing finance to the MSME segment, including women owned MSMEs.
Environment and Social Assessment	<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 investments for the expansion of on-lending to micro, small, and medium enterprises are screened as a Category C for environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been pre-screened as Category C and further review and consent is not required for these investments. To ensure that the Borrower's investments are 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 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 desk-review based due diligence assessment indicates that because the Project will use DFC support for supporting the expansion of its on-lending to Micro, Small, and Medium Enterprises ("MSMEs")</p>

	<p>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 a basic environmental and social policy (“ESP”) that is comprised of grievance mechanisms, environmental and social guidelines, and human resources policies commensurate with its investment strategy and that generally aligns with the DFC’s 2020 Environmental Policy and Procedures. However, the Borrower will be required to provide updates to its ESMS with respect to its forced and child labor policies, non-discrimination and equal opportunity, worker grievance mechanism, and evidence that its privately contracted security is trained in accordance with principles described in IFC PS 4 for DFC’s review and acceptance.</p>
--	--