Public Information Summary

Host Country	India
Name of Borrower	Kaleidofin Capital Private Limited ("KCPL") *Country of Incorporation: India*
Project Description	DFC's loan of $5 million will finance loans for income-generating purposes, primarily to microenterprises in India that are led or owned by women (the "Project"). These loans will be underwritten by the proprietary Artificial Intelligence/ Machine Learning-based credit scoring model - ki score, owned by KCPL's parent company, Kaleidofin Private Limited ("KPL"). The Project will improve access to credit for women entrepreneurs in India who operate in the informal sector by contributing to the development of a novel technology-enabled platform that aims to deliver capital to currently excluded and underserved microenterprises.
Proposed DFC Loan	A 5-year, $5 million direct loan
All-Source Funding Total	$5.5 million
Policy Review	
Developmental Objectives (Preliminary assessment)	MSMEs contribute significantly to the Indian economy, representing around 30% of the nation's Gross Domestic Product (GDP), accounting for 49% of total exports, and providing employment to an estimated 111 million individuals. As key contributors to India's economic growth and productivity, MSMEs nonetheless confront a substantial financing gap of $230 billion. Women-owned or led MSMEs in India face significant growth challenges, with around 90% lacking access to formal credit. Rural MSMEs are also underserved by traditional banks due to high expansion costs and the difficulties these entrepreneurs face in meeting typical lending criteria like collateral and credit history. In response to these challenges, KCPL is creating positive impact through an innovative digital credit platform that is helping close the large MSME financing gap in India. The platform allows lenders to reach MSMEs across India using the on-the-ground infrastructure of NBFCs and NBFC-MFIs to originate and service the loans funded and disbursed directly to borrowers from the Project. The Project's ki credit model helps target quality borrowers in underserved groups, notably women owned/led MSMEs, and rural MSMEs. DFC has qualified the Project as 2X based on the Borrower's intent to meet and/or exceed the 2X criteria for leadership and investments through financial intermediaries. Given the Project's characteristics, it is categorized as Exceptionally Impactful per DFC's Impact Quotient (IQ).
Environment and Social Assessment	The Project has been reviewed against the DFC's 2024 Environmental and Social Policies and Procedures manual ("ESPP") and has been determined to be categorically eligible. DFC loans to financial institutions which lend to microenterprises and underbanked individuals are screened as a Financial

	Intermediary C (FI-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 low risk and further review and consent is not required for these investments. To ensure that the Borrower’s loans 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. 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 loans to microenterprises and underbanked individuals for greater financial service inclusion of underserved informal sector borrowers 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. The Borrower does not have an environmental and social policy as described in IFC PS 1. The Borrower will be required to establish an environmental and social policy aligned to IFC PS 1, paragraph 6, and update its human resources policies to meet the expectations outlined in IFC PS 2, and the DFC’s 2024 Environmental Policy and Procedures.