Public Project Profile

Host Country:	India
Name of Borrower:	Satya MicroCapital Limited (Satya)
Project Description:	The subject loan will allow Satya to expand its microfinance portfolio serving women at the bottom of the pyramid in predominantly rural India.
Proposed DFC Loan:	$20,000,000
Total Project Cost:	$23,530,000
Developmental Impact:	Micro, small and medium-sized (“MSMEs”) make up over 99% of businesses in India, yet they face severe constraints in access to finance. India has a MSME financing gap of over $230 billion, or 11% of GDP annually, of which $9 billion corresponds to the financing gap faced by microenterprises. Women-owned and -led enterprises face disproportionate barriers to accessing finance, particularly unmarried, widowed, or elderly women, as Indian financial institutions often demand that either the husband or father sign the loan application. In addressing these challenges, the Project is expected to have positive impact in India by expanding microfinance lending to women-owned and -led microenterprises. 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 women in rural areas. Given the Project characteristics, the Project is categorized as Exceptionally Impactful per DFC’s Impact Quotient.
Environment	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 loans to micro-finance institutions (“MFIs”) for the expansion of on-lending through group financing to female owned micro, small and medium enterprises (“MSME’s”) 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 lending policies 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 based due diligence assessment indicates that because the Project will use DFC support for expanding on-lending to MSME’s 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 has grievance mechanisms, and human resources policies generally commensurate with its investment strategy but will be required to provide a non-discrimination clause aligned with PS 2. The Borrower has an environmental and social policy as described in IFC PS 1 which is partially aligned to IFC PS 1. However, the Borrower will be required to update its environmental and social policy to include a system to categorize risks, monitor and evaluate on-lending E&S performance, and include a framework to consider GHG emissions, in accordance with DFC's 2020 Environmental Policy and Procedures.