

Public Information Summary

Host Country(ies)	India
Name of Borrower	WheelsEMI Private Limited (“Bike Bazaar”)
Project Description	Expansion of electric two-wheeler and three-wheeler financing and leasing for unbanked and/or semi-urban and rural Indian customers of Bike Bazaar, a technology-enabled financing company.
Proposed DFC Loan	\$10,000,000 loan with a 5-year tenor and 2-year grace period
All-Source Funding Total	\$11,000,000
Policy Review	
Developmental Objectives	<p>In India, individuals face significant challenges when it comes to obtaining financing for purchasing or leasing EVs. India’s commercial banks are hesitant to support EV lending to individuals based on high upfront EV costs and uncertain residual values for EVs. Additionally, in many cases, borrowers lack sufficient credit history to obtain a loan.</p> <p>In response to these challenges, DFC will be providing support through a direct loan to Bike Bazaar, a tech-enabled lending company, specifically to support an expansion of Bike Bazaar’s 2W and 3W EV loan portfolio. Bike Bazaar’s EV lending will target customers residing outside of Tier 1 cities with most EV customers expected to be low-income (60%). Additionally, 62% of customers are expected to be new to credit. Given the Project’s characteristics, it is categorized as Exceptionally Impactful per DFC’s Impact Quotient (IQ).</p>
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 loans to non-banking microfinance institutions for the purpose of expanding 2- and 3-wheel electric vehicle financing which service individual micro-borrowers (“MSME”) are screened as a Financial Intermediary C (FI-C) for environmental and social assessment. The downstream on-lending is expected to result in minimal adverse environmental and social impacts. Therefore, all those downstream investments have been prescreened as low risk and further review and consent is not required for these investments.</p> <p>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</p>

	<p>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 based due diligence assessment indicates that because the Project will use DFC support for the expansion of 2 and 3 wheel vehicle financing to individual micro 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.</p> <p>The Borrower does not have an environmental and social policy as described in IFC PS 1, but does have grievance mechanisms, and human resources policies generally commensurate with its investment strategy. The Borrower will be required to provide an environmental and social policy in alignment with DFC’s 2020 Environmental Policy and Procedures and the IFC PS 1.</p>
--	--