

 Early Warning System

DFC-2024-APACFINANCIAL
APAC Financial Services Private Limited



Quick Facts

Countries	India
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	APAC Financial Services Private Limited
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million
Project Cost (USD)	\$ 44.00 million



Project Description

According to the Bank's website, APAC seeks a \$40 million, ten-year direct loan from DFC to expand its portfolio of microenterprise lending in rural and semi-urban India. This Project is expected to finance more than 6,500 loans to microenterprises with an estimated average transaction size of \$6,340. 100% of the loans under this Project will benefit microenterprises with less than \$100,000 in annual turnover and with ten or fewer employees. At least 30% of the loans under this Project will benefit borrowers who are new to-formal credit.

The Project is expected to have a positive impact in India by expanding access to financial services for microenterprises, with an emphasis on rural, women, and new to credit borrowers. The average loan tenor is approximately seven years, with tenors up to ten years, allowing for more flexible repayment rates for this underserved segment of the Indian economy.



Early Warning System Project Analysis

DFC loan portfolio guarantees to financial institutions who will utilize the loan to expand their micro, small, and medium enterprise lending 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.



Investment Description

- US International Development Finance Corporation (DFC)

A \$40 million, ten-year direct loan.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [APAC Financial Services Private Limited](#) (Financial Intermediary)



Private Actors Description

APAC is a growing tech led MSME lender, which began business operations in 2018 with the vision of serving underbanked and underserved MSMEs in Bharat.



Contact Information

No contacts available at the time of disclosure

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)