

Revfin

Public Information Summary

Host Country(ies)	India
Name(s) of Borrower(s)/Guaranteed Party(ies)	Revfin (Aristo Securities Private Limited)
Project Description	Expansion of digital lending company that uses non-traditional data to underwrite electric vehicle financing loans for underserved customers.
Proposed DFC Loan	\$5,000,000 senior loan with a 7-year tenor
All-Source Funding Total	\$15,000,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a highly developmental impact on the transportation sector in India by increasing access to EV financing for MSMEs. EVs represented a limited share of Indian vehicle sales in 2021, but they have significant potential in a country where two- and three-wheel vehicles in India offer important last-mile transit and logistics service solutions. In addition to the environmental benefits of EV adoption, a recent study showed that EVs can increase MSME earning potential over the long term, as a three-wheel EV costs almost 80% less to maintain than a gas-powered vehicle, and four times less per kilometer.</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 direct investments to financial intermediaries for the expansion of small auto lending 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.</p> <p>To ensure that the Borrower's investments are consistent with the DFC's statutory and policy requirements, the DFC loan portfolio guaranty will be subject to conditions regarding the use of proceeds including what is considered eligible as climate finance. 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 auto loan lending 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, 5, 6, 7, and 8 are not triggered at this time. The Borrower does utilize private security and therefore, relevant aspects of IFC PS 4, Community Health, Safety, and Security are triggered at this time.</p> <p>The Borrower has a basic Safety, Health, and Environmental policy (“ESP”) that is comprised of grievance mechanisms, environmental and safety 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 ESP to align with IFC PS 1, E&S training of management, 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>
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