

Information Summary for the Public  
Kinara Capital

<b>Host Country</b>	India
<b>Name of Borrower(s)</b>	Visage Holding and Finance Private Limited, doing business as Kinara Capital
<b>Project Description</b>	Expansion of micro and small business loan portfolio serving 18,500 clients in southern India.
<b>Proposed OPIC Guaranty</b>	\$11,000,000
<b>Total Project Costs</b>	\$25,100,000
<b>U.S. Sponsor</b>	Hardika Shah, the Michael and Susan Dell Foundation, the Sorenson Impact Foundation, and UIP Visage LLC
<b>Foreign Sponsor</b>	Gaja Capital Fund II Ltd, Global Impact Funds SCA SICAR
<b>Policy Review</b>	
<b>U.S. Economic Impact</b>	The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral U.S. trade balance impact.
<b>Developmental Effects</b>	This Project is expected to have a highly developmental impact by expanding the availability of credit to SMEs in India. SMEs contribute 45% of GDP and represent the second largest employer in India after the agriculture sector. Despite their significance, SMEs are constrained by accessing finance and face a formal financing gap of approximately \$224 billion. Recognizing the importance of SMEs to the country's economic growth, the Reserve Bank of India considers financing SMEs a priority sector. The Project will help to address the financing gap by providing credit to an estimated 4,600 SMEs, while establishing a new program to target lending to women-owned SMEs. The Project aligns with U.N. Sustainable Development Goal 5 (Gender Equality), 8 (Decent Work & Economic Growth), and 10 (Reduced Inequalities).
<b>Environmental and Social Impact Assessment</b>	The Project has been reviewed against OPIC's 2017 Environmental and Social Policy Statement ("ESPS") and has been determined to be categorically eligible. Loans for the purposes of SME on-lending and microfinance are screened as a Category C for the purposes of environmental and social assessment. These downstream investments are expected to result in minimal adverse environmental and social impacts. Therefore, all of those downstream investments have been pre-screened as Category C and further review and consent are not required for these investments.

	<p>To ensure that the Kinara’s investments in microfinance and SME’s are consistent with OPIC’s statutory and policy requirements, the OPIC-guaranteed loans made to Kinara will be subject to conditions regarding the use of proceeds. Under OPIC’s ESPS, Kinara 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.</p> <p>A desk-review based due diligence assessment indicates that because the Project involves financial services, micro, and SME on-lending, significant adverse impacts with respect to 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. Kinara has a Fair Practices Code, Human Resources Policies and Procedures, Whistleblower Policy, Exclusion Lists, and sector-specific based checklists for conformance with local laws. Kinara will be required to strengthen some of its policies and procedures in order to align with the IFC Standards prior to disbursement.</p>
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