

Janalakshmi Financial Services

Public Information Summary

Host Country:	India
Name of Borrower:	Janalakshmi Financial Services Private Ltd. (“JFS”, “Janalakshmi”, or the “Borrower” or the “Company”) is a non-banking financial company and microfinance institution organized and existing under the laws of the Republic of India.
Project Description:	<p>The OPIC Loan will support the expansion of the Borrower’s microfinance loan portfolio (the “Project”) in India for the urban poor.</p> <p>JFS was founded by Ramesh Ramanathan, a well respected advocate for the urban poor in India and is run by a deeply experienced management team. The institution has focused on the underpenetrated market of the urban poor building customer-centric product development and expansion and creating a clear focus on technological innovation and ease.</p> <p>It has disbursed loans to 1,669,583 clients, 99.8% of whom are women, and remains truly customer oriented to provide access, convenience and education for its clients.</p>
Proposed OPIC Loan:	OPIC will provide \$20 million in total financing through a senior loan with a tenor of six years. This will be composed of two tranches of \$10 million. Both tranches shall be repaid in eight quarterly installments commencing on quarterly payment dates following a 51 month period after the date of each disbursement.
Total Project Costs:	\$56,000,000
U.S. Sponsor:	The Rohatyn Group Management LP, an entity based in New York manages Citigroup Venture Capital International which directly owns 26.33% of JFS.

	<p>Morgan Stanley, a Delaware entity, manages MPSEA Platinum Pte Ltd, a private equity fund which directly owns 18.83% of JFS.</p>
<p>Policy Review</p>	
<p>U.S. Economic Impact:</p>	<p>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 will have a neutral impact on U.S. employment. The project is expected to have a negative five-year U.S. balance of payments impact.</p>
<p>Developmental Effects:</p>	<p>The project will have a highly developmental impact on the host country, India, by increasing the amount of capital available to lend to micro-borrowers. As the majority of micro-borrowers will be women, it will target an underserved segment of the population that has limited access to finance. Unlike other microfinance institutions in India, the company lends only to urban borrowers in 84 different cities in the country. The company has a technical assistance program for borrowers in the area of financial literacy to ensure that borrowers understand the implications of borrowing and is an endorser of the SmartCampaign.</p>
<p>Environment:</p>	<p>The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Projects involving loans to non-bank financial institutions for the purposes of microfinance on-lending are typically screened as Category C projects under OPIC's environmental and social guidelines. Environmental, health, safety and social impact concerns are minimal. However, in order to ensure that the Borrower's loans are consistent with OPIC's statutory and policy requirements those loans funded by OPIC will be subject to conditions regarding use of proceeds.</p>
<p>Workers Rights:</p>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, child labor, and organization and collective bargaining. Loans to micro-borrowers will be restricted</p>

	<p>with respect to the micro-borrower's operations, including employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on April 15, 2014.</p>