

INFORMATION SUMMARY FOR THE PUBLIC
Janalakshmi Financial Services

Host Country:	India
Name of Issuer:	Janalakshmi Financial Services Limited (“JFS”)
Project Description:	Subject to the approval of the Reserve Bank of India, OPIC will use its local currency guaranty authority to facilitate a \$150 million Rupee financing to JFS. JFS will use that \$150 million to expand its portfolio of loans to individuals, micro enterprises, and small and medium enterprises in India, particularly to women, thereby furthering financial access throughout the country.
Proposed OPIC Guaranty:	Guaranty of \$150,000,000 covering principal and interest under five-year debentures issued by JFS. Guaranty of up to \$67,750,000 covering foreign exchange appreciation related to the debentures.
Total Project Costs:	\$312,750,000
U.S. Sponsor:	The Rohatyn Group, Morgan Stanley, TPG
Policy Review	
U.S. Economic Impact:	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 negative five-year U.S. balance of payments impact.
Developmental Effects:	The Project is expected to have a highly developmental impact on India through the support of a microfinance institution’s proposed transition to a Small Finance Bank (subject to approval by the Reserve Bank of India), which will enable JFS to expand its financial services to MSMEs. The Project supports the Government of India’s initiatives to increase financial inclusion, and aligns with Sustainable Development Goal 8, which aims to expand access to financial services for all. MSMEs in India lack sufficient access to finance needed to grow their businesses. According to the World Bank, only 53% of adults have a bank account at a formal financial entity, and only 6% obtained a loan from banks in India. MSMEs are important to growth in the Indian economy, contributing almost 38% of gross domestic product and employing nearly 100 million people. The Project is expected to serve over 1.2

	<p>million new clients, the majority of which are women. As with the broader MSME sector, access to finance is a key barrier to growth for women-owned businesses, with over 90% of financing obtained from informal sources. The Project is also expected to have strong demonstration effects through further investment in innovative IT systems and the expansion of branches, which are modeled after community centers and offer a variety of courses from financial management to health. Finally, JFS is expected to create thousands of new jobs, which are critical in India, where over a million Indians join the labor market each month, and nine out of ten Indians work in the informal sector.</p>
Environment:	<p>SCREENING: The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Loans made by financial intermediaries to micro, small and medium enterprises (MSMEs) as well as small construction projects related to renting and remodeling pre-existing buildings are screened as Category C projects under OPIC’s environmental and social guidelines. The environmental, health, safety and social impacts from the Project are considered minimal. However, in order to insure that the Project is consistent with OPIC’s statutory and policy requirements, the OPIC-guaranteed loans made by JFS will be subject to conditions regarding the use of proceeds, and JFS will be required to provide a healthy and safe work environment for its employees.</p> <p>APPLICABLE STANDARDS: OPIC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards (PS):</p> <ul style="list-style-type: none">• PS 1: Assessment and Management of Environmental and Social Risks and Impacts;• PS 2: Labor and Working Conditions;• PS 3: Resource Efficiency and Pollution Prevention; and• PS 4: Community Health, Safety and Security.

	<p>A desk-review due diligence assessment indicates that the Project involves providing loans for the purposes of MSME lending as well as construction for bank branches, and does not involve significant adverse impacts with respect to biodiversity, indigenous peoples, or cultural heritage. JFS represents that space for all new branches will be legally acquired through a lease of an existing building. Therefore, Performance Standards 5 through 8 are not triggered by the Project at this time.</p> <p>The IFC General Environmental Health and Safety Guidelines and IFC and EBRD Workers' Accommodation: Process and Standards Guidance Note are also applicable at this time.</p> <p>Environmental and Social Risks and Mitigation: JFS has maintained an environmental and social policy since 2006 based on international frameworks such as the Equator Principles and the IFC guidelines, has a multi-channel complaints mechanism with appropriate personnel and systems in place for adequate resolution of stakeholder concerns, and has developed an Environmental and Social Management System (ESMS) to identify and manage the risks associated with JFS's micro-lending activities. JFS will update its ESMS to include risks related to small and medium enterprise (SME) financing. JFS's branch expansion construction activities are readily mitigated through the development and implementation of Occupational Health and Safety Procedures, Waste Management Procedures, and Community Health and Safety Procedures.</p>
<p>Worker Rights:</p>	<p>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, OPIC's Environmental and Social Policy Statement and applicable local labor laws. OPIC's statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, and security. Loans to MSME borrowers will be restricted with respect to the MSME borrowers' operations, including the 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's human resource policies and procedures have been evaluated against the IFC Performance Standards, OPIC's Environmental and</p>

	<p>Social Policy Statement and applicable local labor law. Terms and conditions of work are communicated to employees in writing. OPIC has reviewed the Project's employee grievance mechanism which will be enhanced to achieve compliance with IFC Performance Standard 2. The Project has developed and implemented an Environmental and Social Management System (ESMS) that addresses labor risk commensurate with the risks associated with the portfolio, however the Project will be required to enhance its ESMS in order to address risks associated with its future expansion.</p>
Human Rights:	<p>OPIC issued a human rights clearance for this project on August 15, 2016.</p>