

Information Summary for the Public

Host Country(ies):	India
Name of Borrower:	Madura Micro Finance Limited (“MMFL”)
U.S. Sponsor:	Dr. Tara Thiagarajan (US Citizen) and Elevar Equity (U.S. Equity Fund)
Foreign Sponsor:	N/A
Project Description:	Expansion of microfinance lending business in India
Total Project Cost:	\$4,120,000
Loan Provided Under OPIC-WorldBusiness Capital Framework Agreement:	\$3,900,000
Developmental Effects:	<p>This Project will have a positive developmental impact on the Indian economy by supporting India’s microenterprises. Estimates suggest that one million viable and addressable microenterprises in India are currently unserved by financial institutions, and more are underserved, representing \$36 billion in unmet demand. The Project will stimulate the economy by providing access to financing for low income, rural, women-led microenterprises operating in the southern states of Tamil Nadu, Maharashtra and Karnataka. Over half of the new loans resulting from Project funds will be used to start and expand microenterprises, and the remainder are expected to provide Indian microenterprises with working capital. MMFL uses complex data analytics to reduce the transaction costs of microlending in order to reach women-led enterprises in rural settings, a demographic that traditionally faces significant barriers to financing. MMFL will also provide its clients entrepreneurship training and</p>

	<p>technical assistance, which is uncommon for Indian microfinance institutions. MMFL is a member of the SMART Campaign, which is a global effort by microfinance institutions to advance microfinance client protection. Finally, MMFL anticipates hiring new employees as a result of the OPIC-supported investment.</p>
<p>Environment:</p>	<p>Loans to financial institutions for the purposes of on-lending to microfinance institutions are screened as Category C projects under OPIC’s environmental and social policies, but are subject to conditions related to the use of proceeds. Excluded activities include lending to entities engaged in categorically prohibited activities or activities likely to have a significant adverse impact on the environment. The Borrower has an environmental policy that will be used to guide the Project to achieve sound and sustainable environmental and social performance and an appropriate grievance mechanism.</p>
<p>U.S. Economic Impact:</p>	<p>The project is not expected to have a negative impact on the U.S. economy as it involves financial services to microenterprises in southern India. The project is expected to have a net positive impact on the U.S. balance of payments over the first five years of operations.</p>
<p>Workers Rights:</p>	<p>OPIC’s statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age for employment, hours of work, and timely payment of wages. Loans to micro-borrowers will be restricted with respect to the micro-borrower’s operations, including employment of minors and other applicable labor law requirements. The Project will also be required to operate in a manner consistent with the requirements of</p>

	the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers of the Project.
Human Rights:	OPIC issued a human rights clearance for this project on February 11, 2015