

INFORMATION SUMMARY FOR THE PUBLIC

Host Country	India
Name of Borrower	Thirumeni Finance Private Limited d/b/a Varthana
Project Description	The proceeds of the OPIC loan will be used to make downstream loans to affordable private schools catering to low-income children in India.
Proposed OPIC Loan	\$15,000,000
Total Project Costs	\$71,100,462
U.S. Sponsor	Omidyar Network Fund LLC & Elevar Equity Fund III
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 neutral U.S. trade balance impact.
Developmental Effects	This Project will have a highly developmental impact by expanding growth financing to private schools in India that cater to low-and middle-income youth. The Project provides flexible loans to fund new classrooms, IT equipment, bathrooms for girls, teacher training, and other learning materials. In India, the primary school enrollment rate stands at 83 percent, while secondary school enrollment rates are only 54 percent. Indian schools are also struggling to meet the material needs of their students; 37 percent of schools do not have toilet facilities, and 44 percent do not have separate facilities for girls. In addition to helping to relieve financing constraints faced by Indian private schools, the Project Company also will provide technical assistance to schools. This assistance includes evaluating and recommending improvements as well as references for high-quality service providers for English and science instruction. The Project will help India achieve UN Sustainable Development Goals 1 (No Poverty), 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 9 (Industry Innovation and Infrastructure), and 10 (Reduced Inequalities).
Environment & Social Assessment	The Project has been reviewed against OPIC’s 2017 Environmental and Social Policy Statement (“ESPS”) and has been determined to be categorically eligible. Projects involving loans to educational institutions are screened as Category C projects under OPIC’s environmental and social guidelines. Environmental, health, safety and social impacts are minimal. This Project has also been reviewed against findings in the 2017 State Department Human Rights Report for India. The primary environmental and social issues identified in this transaction include the need for updated human resources policies and

employee manuals to adopt mandatory language as it relates to the Indian Maternity Benefit (Amendment) Act of 2017.

To ensure that Varthana's investments in educational institutions are consistent with OPIC's statutory and policy requirements, the OPIC loan made to Varthana will be subject to conditions regarding the use of proceeds. Under OPIC's ESPS, Varthana 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 involves providing loans to educational institutions, significant adverse impacts concerning 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.

Varthana's Environmental and Social Policy statement provides that it is founded on the concept of overall sustainable development and thereby recognizes Environmental and Social (E&S) considerations in its business operations and the activities carried out by the people and institutions associated with it. The policy applies to all employees, borrowers, stakeholders, partners, and vendors. The policy explicitly mentions that Varthana is committed to compliance with its E&S policy, applicable laws, and to protect the environment and community where it operates.

Varthana represents that its assessment of environmental, social, and labor risks is integrated into its overall credit approval process. Varthana has a Fair Practices Code, Employee Manual, Whistleblower Policy, Exclusion Lists, procedures for screening and diligence of investments, methods to verify compliance with local laws, and an Environmental, Social, and Labor Policy.