



**Priyamvada Ramkumar**

**Host organization:** Varthana (India)

**Fellowship role:** Finance Manager

**Fellowship duration:** Feb – June 2014 (full-time)

**Degree:** MBA – XLRI, Jamshedpur (India)

**Professional experience:** 9 years of experience in financial advisory, predominantly in capital raising and M&A advisory

### Summary

**Priyamvada applied her experience in capital raising to help Varthana in their efforts to secure additional equity and debt capital. She was also involved in detailing and modelling a loan discount programme to benefit schools that achieve improved learning outcomes**

#### The problem Varthana aims to tackle

- 33% of the school-age population in India is not enrolled in any school; government schools have 38% of the school-age population but suffer from high drop out rates, poor performance
- Over 300,000 private schools have developed to address the gap, but are largely unsupported by mainstream financing



#### Varthana's solution

- Act as a specialized lender to low-cost private schools
- Providing financial assistance for various activities such as school expansion, acquisition of computers, buses, etc.
- Go beyond lending, by becoming an access provider to other education products and services

*“The fellowship led me to understand the financial inclusion landscape in India and the unique challenges that players in this segment face in operations and growth”*  
*Priyamvada*

#### Varthana's challenge

Apart from having the usual challenges of a dynamic and fast-growing start-up, fund raising was extremely critical given that it is a key raw material for the business. Also, no finance team was in place



#### Opportunity for an LGT Impact Fellow

Support the top management in equity and debt outreach, management of the due diligence process and review of legal agreements

### Priyamvada's achievements ...



- Supported the management in equity fund raising
  - Created comprehensive decks laying out the thesis for valuation
  - Provided feedback on terms of funding at various stages & research on regulatory aspects
  - Managed the due diligence process
- Contributed to debt fund raising
  - Managed outreach and sanction process with a new lender to secure \$0.5 million of fresh credit
  - Created a ready reckoner for terms of debt funding from different lenders for future use
- Involvement beyond funding
  - Modelled the loan discount programme to estimate the donor funding requirement
  - Assisted in detailing the programme construct

### ...contributing to Varthana's impact



While I was not directly involved with the operational side of the business, the growth has been quite visible

- Loan portfolio has grown to nearly \$3 million
- The school outreach has grown from 130 to more than 200 schools
- Students impacted has crossed over 100,000
- The team strength has grown by 50%. Experienced professionals joining in from mainstream financing stands testimony to Varthana's potential

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### Priya's next challenge

She joins an impact investment fund in India that helps create and grow businesses that make a social impact in the areas of financial inclusion, education, healthcare, and livelihoods in a commercially sustainable and scalable manner.