



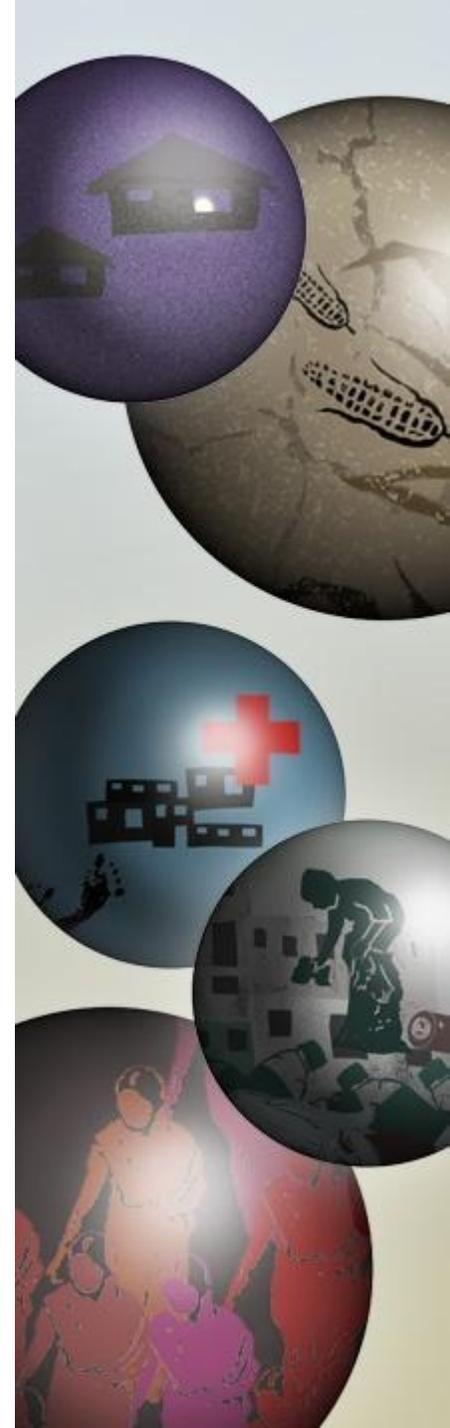
LGT Impact Fellowship 2015

Katy Jones

Impact Report

LGT Venture Philanthropy

December 2015





Katy Jones (UK)

Host organization: Varthana (India)

Fellowship role: Corporate Finance Fellow

Fellowship duration: Feb – Dec 2015

Degree: BS (Hons) Financial Services; BA (Hons) English

Professional experience: investment banking and corporate finance advisory

Summary

Katy used her background in investing and fundraising to develop Varthana’s corporate finance function, fundamental to the organization’s continued rapid growth in the loans it makes to Affordable Private Schools across India.

The problem Varthana tackles

- India has the world’s largest student age population yet millions of children are not in school or in school but not learning basic skills.
- “Affordable Private Schools” are the education providers of choice for many parents yet the schools struggle to access capital, educational content and solutions vital to fulfil their potential



Varthana’s solution

- Varthana aims to transform the availability and quality of education available to low income youth across India
- It does this by providing loans and other support to Affordable Private Schools for investment in capacity and quality (classrooms, benches, facilities, computer and science labs, other content and training).

Opportunity for an Impact Fellow

- Raising debt and equity capital to on-lend to schools
- Developing financial planning, analysis and reporting
- Supporting senior management in growth and new projects

Varthana’s challenges

- Launched Jan-13 and growing rapidly (Rs 100 Cr loan portfolio by Nov-15) – fundraising needs
- Building out finance function as business grows
- Launching innovative School Transformation Program, a pay-for-success donor-funded programme to support educational quality



“My experience as an LGT Impact Fellow...

...was a valuable learning experience, professionally and personally.”

“I was exposed to a range of transactions and was fortunate to work with such a fantastic team at such a key time in Varthana’s development. I was delighted to contribute to the organisation’s growth, raising capital to support low income students in India.”

- Katy

Katy's achievements ...



School Transformation Program assessment

- Built out corporate finance function
 - Investor/lender discussions
 - Marketing materials and models
 - Due diligence and negotiation of terms
 - Implemented/streamlined processes
- Developed reporting and forecasting tools and processes; engaged with accountants, auditors and rating agency
- Completed successful proposals for grants and pro bono support for Varthana and its School Transformation Program
- Made introductions to potential funders, partners and service providers in the education domain

Katy's next challenge

Returning to employment, in a role that applies financial services domain experience to developing markets contexts

...contributing to Varthana's growth



First loan signing by new Jaipur branch

- Secured >Rs 90 Cr (~\$15m) debt across 13 transactions, average cost of funds reducing by >1.5%
- First debt commitments from overseas funds and DFIs
- Lead role in preparation and due diligence for Series B equity fundraising (ongoing)
- Secured grant funding to launch STP and Varthana's own fellowship programme
- More streamlined processes and greater range of reporting and forecasting in place in Finance function
- Detailed handover to Finance Manager to ensure smooth transition after fellowship