

Public Information Summary
South Asia Growth Fund II, L.P.

Host Country	India
Name of Fund	South Asia Growth Fund II, L.P., a limited partnership organized under the laws of the Province of Ontario, Canada
Name of Fund Manager	SAGF II Management, LLC, a limited liability company organized under the laws of the State of Delaware
Project Description	The Fund will generate long-term capital appreciation through equity and equity-linked investments in companies that seek growth and expansion opportunities supporting energy, environmental products and services, and water efficiency value chains in India.
Proposed DFC Equity Investment	Up to \$20 million
Target Fund Size	Up to \$200 million
Policy Review	
Developmental Objectives	This Fund is expected to have a highly developmental impact in India by supporting companies that provide solutions to promote resource efficiency and sustainability, with four areas of focus: (1) Energy Efficiency, (2) Clean Energy Value Chain, (3) Water, and (4) Environmental Products and Services. While demographic trends point to a leveling off in growth rates, even with that outcome, India is still soon expected to soon have a population around 1.5 billion. As more of this population moves into the middle class, there will be a commensurate increase in associated resource demands to support the trappings of middle-income status. To meet this demand, India will need to not only increase production, but improve the efficiency of its use of its resources. For example, the U.S. Energy Information Administration estimates that Indian electricity demand will increase at an average annual growth rate of 4.6% over the next three decades, even as the World Bank reports that 20% of the country's power capacity is lost through transmission and distribution. In addition to power, the Fund focuses on resources such as water and waste management. As an example of the challenge at hand, the World Bank estimates 40% of the country does not have access to basic handwashing facilities.
Environment and Social Assessment	The capitalization of a fund is screened as a Category D activity for the purposes of environmental and social assessment. Based on DFC's due diligence, the Fund's downstream investments are anticipated to pose

	<p>limited environmental and social risks that are site specific and that can be readily mitigated through the application of sound environmental and social management practices.</p> <p>In order to ensure that the Fund's investments are consistent with DFC's statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds. DFC's statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions.</p> <p>The Project involves an equity investment into a fund focused on resource conservation companies across India. The Fund has in place a sound environmental and social management system in place and trained managers with proven implementation capability.</p>
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