Early Warning System

DFC-2021-NEOGROWTHCREDI

NeoGrowth Credit Private Limited

Quick Facts

Countries	India
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	NeoGrowth Credit Private Limited
Sectors	Education and Health
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 26.50 million

Project Description

According to NDB documents, the proposed project is a COVID response on-lending facility for a digital non-bank financial institution that provides short-term loans to consumer facing, retail oriented, underserved micro, small, and medium-sized enterprises that are often denied credit by the formal lending sector.

The Project is expected to have a highly developmental impact on India, a lower-middle-income country, through the expansion of NeoGrowth's MSME portfolio, which is focused on small retail businesses. India's poverty is a well-documented development challenge. One in five Indians is classified as low-income and 80% of India's lowest income populations live in rural areas. MSMEs play a crucial role in the Indian economy accounting for 29.8% of GDP, yet often cannot access financing to make necessary capital expenditures to grow their business and increase productivity. The Project will increase the amount of start- up and working capital available to MSME retailers spurring economic growth and alleviating economic poverty, with a focus on the "missing middle" small borrowers that are too large for traditional MFI lending, but too small for most commercial bank underwriting programs. In support of this new financing, NeoGrowth expects to hire an additional 1,298 employees to support the rapid expansion of its branch network and MSME loan portfolio over the next five years.

Investment Description

- US International Development Finance Corporation (DFC)

Contact Information

No contact information was provided at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure