Early Warning System

IFC-35181

Grameen Koota Financial Services

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2016-11-22
Borrower	Grameen Koota Financial Services
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 20.00 million

Project Description

The proposed investment envisages a senior debt investment in Grameen Koota Financial Services Private Limited (“Grameen Koota” or the “Company”) which is a Reserve Bank of India (“RBI”) registered non-banking finance company microfinance institution (“NBFC-MFI”) and has been in micro-credit operations since 1999. The Company operates in 5 Indian States across 71 districts through 298 branches and has a borrower base of around 1.2 million woman borrowers, a loan portfolio of INR1,800 million (approximately US$272 million equivalent). It is the 6th largest MFI (in terms of gross loans) in India as of December 2015. IFC’s proposed investment will help Grameen Koota to diversify its sources of funding and to expand the outreach of access to microfinance to borrowers who have little or no access to formal sources of financing.

People Affected By This Project

1. Access to Microfinance: This project will support the Company in expanding the outreach of access to microfinance to borrowers, especially low-income households, who have little or no access to formal sources of financing.
2. Balanced growth of Microfinance: This investment will promote a more balanced growth of microfinance in India. Grameen Koota''s operations are expanding in western and central India where MFI penetration has historically been low.

Investment Description

- International Finance Corporation (IFC)

Grameen Koota has been promoted by Mrs. Vinatha Reddy and Mr. Suresh K Krishna. It was started as a micro-lending project in 1999 under the NGO, T Muniswamappa Trust and was subsequently converted into a NBFC in 2006-07. The promoters have been active in the developmental sector in India for more than two decades.

As of 31st December 2015, the shareholders of the Company include promoters (7.7%), CreditAccess Asia NV. (81.2%), Creation Investments Social Funds II (10.23%) and employees (0.87%);

CreditAccess Asia NV is a holding company incorporated in Netherlands with interests across several Asian microfinance institutions such as Grameen in India, One Puhunan in Philippines and Bina Artha in Indonesia and a minority interest in Equitas Holdings Limited in India. Its regional companies in Asia have a total portfolio of EUR 240 million with over 1.3 million clients.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- CreditAccess Grameen Limited (Financial Intermediary)

Private Actors Description

Grameen Koota has been promoted by Mrs. Vinatha Reddy and Mr. Suresh K Krishna. It was started as a micro-lending project in 1999 under the NGO, T Muniswamappa Trust and was subsequently converted into a NBFC in 2006-07. The promoters have been active in the developmental sector in India for more than two decades.

Reserve Bank of India is registered non-banking finance company microfinance institution and has been in micro-credit operations since 1999.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Reserve Bank of India	Parent Company	-

Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

CONTACTS

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