

 Early Warning System

IFC-39031

Capital First Limited BOW NCD



## Quick Facts

<b>Countries</b>	India
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	FI
<b>Voting Date</b>	2017-05-25
<b>Borrower</b>	Capital First Limited
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 52.86 million



## Project Description

The project involves IFC financing of up to INR 3.4 billion (US\$50 million equivalent) to Capital First Limited (“CFL” or the “Company”), a Systemically Important Non-Deposit Accepting Non-Banking Financial Company in India. The funding will be used for financing the growth of CFL’s lending portfolio to women-owned small and medium enterprises (“WSMEs”). This investment is part of IFC’s strategic target to reach 10 million MSMEs during FY17-21.

CFL serves micro, small and medium enterprises (“MSMEs”) and fast-growing emerging middle class consumers in India. It has a highly diversified loan book of INR188.00 billion (US\$2.8 billion equivalent) as of December 31, 2016, of which 91% consists of MSME and consumer financing. The Company has financed 3.5 million customers to-date in 222 locations, including low-income states, across India.



## Investment Description

- International Finance Corporation (IFC)

CFL is a publicly listed company. Its major shareholder is Warburg Pincus, which through its affiliated funds collectively holds 61.09% of the Company's equity as of December 2016. Other shareholders of the Company include financial investors such as Goldman Sachs Asset Management, GIC (the Sovereign Wealth Fund of the Government of Singapore), HDFC Standard Life, Government Pension Fund Global (Norges Bank Investment Management), Birla Asset Management, Ashburton, Ashmore and other leading global and domestic institutional investors. The Company's long term credit rating is AAA.

Mr. V. Vaidyanathan founded the company by a management buyout backed by Warburg Pincus and has been the Chairman and Managing Director of CFL since September 2012. He has transformed the Company into one of the leading players in the MSME and consumer financing space in India.

This is the second IFC debt investment in the Company; the first debt investment of INR 3.5 billion (US\$52.5 million equivalent) was completed in 2016.

## 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.

- [Capital First Limited](#) (Financial Intermediary)



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### Private Actors Description

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## 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>

### CONTACTS

Capital First Limited

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