Early Warning System

IFC-39061

Fullerton Masala

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-06-15
Borrower	Fullerton India Credit Company Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 89.57 million

Project Description

The proposed project involves the subscription by IFC to Masala Bond (Rupee Denominated)/ Non-Convertible Debentures issued by Fullerton India Credit Company Ltd. (“FICCL”, the “Company”)/ Fullerton India Home Finance Company Limited (“FIHFC”) for on-lending to micro, small and medium enterprise (“MSME”), sectors and business permitted under applicable laws/regulations.

Established in 2007, FICCL is a leading Non-Banking Finance Company registered with Reserve Bank of India. The Company has a strong focus on lending to rural and urban micro and small enterprises and also caters to mid-sized SMEs. FICCL also offers loans for affordable housing to salaried and self-employed individuals through it is fully owned subsidiary FIHFC.

As of Dec 31, 2016, FICCL has total assets under management of around US$ 1.88 billion and has reached out to more than 1.6 million customers through a widespread network of 528 branches spread across 22 states & 3 union territories, reaching out to 600 towns and 48,000 villages in the country.

Investment Description

- International Finance Corporation (IFC)

FICCL is a fully owned subsidiary of Temasek, through its holding company Fullerton Financial Holdings (“FFH’). FFH has 9 operating entities, all in Banking and Financial Services, located across 8 countries in Asia. FFH focuses on the SME and mass market customer segments across Asia, which fits well with IFC's mission.

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.

- Fullerton India Credit Company Limited (Financial Intermediary)
- Fullerton India Credit Company Limited (Financial Intermediary) **is owned by** Temasek (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Archer Capital Pty Ltd	Parent Company	Industry and Trade	owns	Craveable Brands Ltd	Client	Industry and Trade
Temasek	Investor	Finance	invests in	Archer Capital Pty Ltd	Parent Company	Industry and Trade
Temasek	Investor	Finance	invests in	Craveable Brands Ltd	Client	Industry and Trade

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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