

 Early Warning System

IFC-39454

Small Finance Bank RGVN



## Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-05-22
Borrower	RGVN (North East) Microfinance Limited
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 15.08 million



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## Project Description

The proposed project envisages a debt investment in RGVN (NE) Microfinance Limited (“RGVN” or the “Company”) which is a MFI headquartered in Guwahati, Assam. RGVN has an asset under management (“AUM”) of INR6.1bn (US\$89mn) across 6 north-eastern states and West Bengal has 133 branches and an outreach of 300,000 women clients. RGVN is focused mainly on the north eastern region of India.

RGVN is one of the 10 recipients of the Small Finance Bank License (“SFB”) awarded by the Reserve Bank of India in mid-September 2015. The proposed investment would provide long term liquidity support to RGVN while it starts building its retail savings base post transformation and would help it to continue its efforts towards financial inclusion. The proceeds of the loan would be utilized to extend microfinance and microenterprise loans in the northeastern states of India.



## Investment Description

- International Finance Corporation (IFC)

Microfinance was initiated in Northeast India through Rashtriya GraminVikas Nidhi – Credit & Savings Programme (RGVN-CSP) with revolving fund assistance from SIDBI in 1995 and RGVN (NE) MFI was incorporated as a public limited company in 2008, registering as a non-banking finance company with the Reserve Bank of India in 2010.

Currently the largest shareholder is Dia Vikas Capital (19.36%), the Indian arm of an Australian impact investing firm, followed by NMI (15.59%), a Norwegian microfinance fund and Oiko Credit (12.89%), a Dutch investment firm. The Company has recently raised fresh capital from new investors which include SIDBI Trustee Company Ltd (14.40%), RNT Associates Pvt Ltd (10.2%), Ratan Tata's investment and Pi Ventures LLC (7.20%) ahead of its transformation into a SFB. Other investors include SIDBI (8.4%), NEDFi (5.04%) and ESOP Trust (1.68%).

IFC proposes to invest up to US\$20 million (approximately INR 1,300 million equivalents) in RGVN in form of a senior debt investment.

## 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.

- [RGVN \(North East\) Microfinance Limited](#) (Financial Intermediary)



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## Private Actors Description

RGVN (NE) Microfinance Limited is an MFI headquartered in Guwahati, Assam. RGVN has an asset under management (“AUM”) of INR6.1bn (US\$89mn) across 6 north-eastern states and West Bengal has 133 branches and an outreach of 300,000 women clients. RGVN is focused mainly on the north eastern region of India.

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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/>