Early Warning System

IFC-43960

Fullerton Loan

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Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2020-06-29
Borrower	Fullerton India Credit Company Limited
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million

Project Description

According to the bank's website, "The proposed project comprised a senior secured debt funding of up to $100mn to Fullerton India Credit Company Ltd (“FICCL” or the “Company”). The purpose of the proposed IFC investment is to support the Company's lending program to micro, small and medium enterprises (“MSMEs”) in India, especially in Low-Income States (“LIS”), and also to women entrepreneurs. FICCL is a diversified MSME-focused non-banking finance company (“NBFC”) headquartered in Mumbai. It has 648 branches and is present in over 58,000 thousand villages in India. As of end December 2019, FICCL’s loan portfolio stood at INR247 billion (US$3.3 billion). Gross non-performing assets (“NPA”) stood at 2.6% and net NPA at 1.4%. The Company’s annualized return on assets and return on equity stood at 3.6% and 20.2% respectively for the first three quarters of FY20."

People Affected By This Project

Stakeholder Effects: The project is expected to contribute positively to job creation by improving access to finance for MSMEs in the low-income states of India. Further, IFC anticipates the project to support FICCL in increasing its lending to women owned MSMEs.

Market Impact: The implementation of the proposed project will support the continued flow of credit to the MSME sector. The financing provided to FICCL and similar MSME focused NBFCs is critical for the livelihood of the customers found in the MSME segment. FICCL will be primarily catering to the need of the additional first-time borrowers who entered the market and will be demonstrating the financial viability of serving the unserved segment, especially the entrepreneurs, including women, in the low-income states.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

According to IFC, FICCL shareholding is as follows: Angelica Investments Pte Ltd (95.86%) and Fullerton Financial Holdings Pte Ltd (“FFH”) (4.14%). Angelica Investments is a wholly owned subsidiary of FFH. FFH is ultimately owned by Temasek Holdings Pte Ltd.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Angelica Investments Pte Ltd	Investor	-
-	-	-	-	Fullerton Financial Holdings Pte Ltd	Investor	-
-	-	-	-	Fullerton India Credit Company Limited	Client	-
-	-	-	-	Temasek Holdings Pte Ltd	Parent Company	-

Contact Information

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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/