

Business Standard

IndusInd, Grameen Capital, SKS partner in Rs 100 crore deal

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Three leading institutions, IndusInd Bank, Grameen Capital India and SKS Microfinance, today announced the closure of a Rs 100 crore closure assignment of microfinance receivables.

Grameen Capital structured and arranged the transaction, comprising a pool of advances to agriculture and allied sectors, a press release issued here stated.

Private sector IndusInd Bank has been assigned microfinance receivables totalling Rs 150 crore of which the first tranche of Rs 100 crore transaction was closed on July 29. The second tranche is slated to be concluded in February 2009, the release said. IndusInd Bank's Head, Corporate & Investment Banking, Suhail Chander, said that "this is an excellent opportunity for us, not only to build up our agri portfolio, but also to be involved in the fast-growing microfinance field."

"The transaction allows us to diversify our asset base by partnering with globally-recognised microfinance players," he added.

SKS Microfinance's Chief Financial Officer, Dilliraj S, said that "normally, the assignment of agri portfolio picks up in the fourth quarter only. We are glad that we were able to warm up the market right in July itself."

The structure was a win-win deal for both IndusInd Bank and SKS Microfinance, Dilliraj said.

While SKS got access to low-cost money in July itself, IndusInd was also assured of peak outstanding in March 2009 with a top-up at a pre-negotiated rate, he added.