

## Grama Vidiyal Micro Finance Limited

Instrument	Amount In Rs. Crore	Rating Action
Long Term Bank Loans	922.07	[ICRA]BBB; placed under rating watch with positive implications
Subordinated Debt	47.00	[ICRA]BBB; placed under rating watch with positive implications
Non-Convertible Debentures	18.00	[ICRA]BBB; placed under rating watch with positive implications
Commercial Paper Programme	50.00	[ICRA]A3+; placed under rating watch with positive implications
Cumulative Non-Convertible Compulsorily Redeemable Preference Shares (CNCRPS)	8.50	[ICRA]A3; placed under rating watch with positive implications

ICRA has placed the [ICRA]BBB (pronounced ICRA triple B) rating of the Rs.922.07 crore long term bank facilities, the Rs. 47.00 crore subordinated debt programme and the Rs. 18.00 crore non-convertible debenture programme; the [ICRA]A3+ (pronounced ICRA A three plus) rating of the Rs. 50.00 crore commercial paper programme; and [ICRA]A3 (pronounced ICRA A three) rating of the Rs.8.50 crore CNCRPS programme of Grama Vidiyal Microfinance Ltd (GVMFL) **under rating watch with positive implications.**

ICRA's rating action follows the share purchase agreement between GVMFL and IDFC Bank (rated [ICRA]AAA(stable)/[ICRA]A1+), under which the latter is expected to acquire 100% of GVMFL's shares. Following the acquisition, GVMFL is expected to be a wholly owned subsidiary of IDFC Bank and would function as its business correspondent. ICRA notes that the acquisition by IDFC Bank would be credit positive for GVMFL. ICRA will however, monitor the evolving situation closely and will evaluate its implications on the credit profile of GVMFL in detail, once the transaction is concluded.

### Company Profile

GVMFL was setup by Mr. S. Devaraj in 1993. The microfinance activity was initially started as part of a charitable institute of the promoter and was subsequently transferred to the registered NBFC in 2007. GVMFL is currently engaged in extending microcredit to economically backward women through the joint liability group model. As of June 30, 2016, GVMFL had 12 lakh active members with a total outstanding portfolio of Rs. 1,483 crore, extended through its network of 319 branches. Its operations are primarily concentrated in Tamil Nadu and Pondicherry, with a small proportion of its portfolio in Madhya Pradesh, Maharashtra, Karnataka, Kerala and Gujarat.

During FY2016, the company reported a net profit of Rs.42.0 crore on a total income of Rs. 309.2 crore as compared to a net profit of Rs.18.3 crore on a total income of Rs. 228.6 crore in FY2015. The company's network was around Rs. 153.4 crore and reported gearing was around 7.7 times as on March 31, 2016.

**July 2016**

*For further details please contact:*

Analyst Contacts:

**Mr. Kalpesh Gada** (Tel. No. +91 22 6114 3445)

Head- Structured Finance

kalpesh@icraindia.com

Relationship Contacts:

**Mr. Jayanta Chatterjee** (Tel. No. +91-80-43326401)

jayantac@icraindia.com



© Copyright, 2016, ICRA Limited. All Rights Reserved  
Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001  
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office****Mr. Vivek Mathur**

Mobile: +91 9871221122

Email: [vivek@icraindia.com](mailto:vivek@icraindia.com)

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002  
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

3rd Floor, Electric Mansion  
Appasaheb Marathe Marg, Prabhadevi  
Mumbai—400025,  
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata****Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: [jayanta@icraindia.com](mailto:jayanta@icraindia.com)

A-10 & 11, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road  
Kolkata—700020  
Tel +91-33-22876617/8839 22800008/22831411,  
Fax +91-33-22870728

**Chennai****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

5th Floor, Karumuttu Centre  
634 Anna Salai, Nandanam  
Chennai—600035  
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore****Bangalore****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

'The Millenia'  
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,  
Murphy Road, Bangalore 560 008  
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

907 & 908 Sakar -II, Ellisbridge,  
Ahmedabad- 380006  
Tel: +91-79-26585049, 26585494, 26584924; Fax:  
+91-79-25569231

**Pune****Mr. L. Shivakumar**

Mobile: +91 9821086490

Email: [shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range  
Hills Road, Shivajinagar, Pune-411 020  
Tel: + 91-20-25561194-25560196; Fax: +91-20-  
25561231

**Hyderabad****Mr. Jayanta Chatterjee**

Mobile: +91 9845022459

Email: [jayantac@icraindia.com](mailto:jayantac@icraindia.com)

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj  
Bhavan Road, Hyderabad—500083  
Tel:- +91-40-40676500