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The microlending platform everyone is talking about:



*It's an MFI. It's an NGO. No, it's Micrograam. It enables poor villagers to get credit, but it is not a microfinance institution...***India Today**

It is very easy to get a loan from Micrograam...**The Hindu**

MicroGraam sees a repayment rate of “nearly 100%,” says Varadan, stressing that they give a grace period before the repayment starts....**DNA**



MicroGraam’s focus on providing the lowest overhead enables the investors to minimize the cost of loan origination on small loans of up to Rs 2,000.....**Business Line**

MicroGraam takes over microfinance industry with low cost loans...**Economic Times**

Rangan Varadan, CEO, MicroGraam, brings with him extensive experience in the financial services domain....**India Infoline**



MicroGraam on a drive to expand scope of micro-equity in India...**Business Standard**



Why Financial Inclusion

MicroGraam is an online microcredit platform that enables social investors to lend credit to rural students, farmers, artisans, and micro-entrepreneurs. Based in Bangalore, MicroGraam works with over 26 NGO's northern Karnataka, Tamil Nadu, Jharkhand, West Bengal, and Assam. We are able to lower the cost of microcredit by crowdsourcing for funds on their online platform and obtain loans from socially conscious investors in India. MicroGraam works with established NGOs to identify their primary needs and develop innovative solutions to suit the needs of the borrowers. Currently we have lent funds to 2,200 borrowers and raised 5 crores of funding.

MicroGraam specializes in providing flexible and customized lending solutions for the wide array of borrowers. Micro start-up businesses generally have weak or poor cash flow situations for a period of time, often for more than a year. The difficulties facing a microenterprise owner are always very formidable, and an obligatory, strictly structured loan repayment schedule can often be a fatal factor. MicroGraam addresses these challenges by building different financial models for repayment for different types of borrowers. Farmers who receive loans for agricultural or dairy purposes are not required to repay their loans until their crops have been harvested. Additionally exceptions are made for extreme weather conditions that are outside the control of the borrower. Likewise, graduates who receive loans to participate in Vidya Poshak's employability training program are given a six-month grace period after joining a new job to begin repayments. Typical MicroGraam loans are typically used for livelihood activities such as raising dairy cows or goat rearing. The micro-enterprise loans are for diverse applications such as skills development training for tribal artisans in Assam, Sourashtrans sari weavers, and kirana shops in Trichy.



MicroGraam is the first organization of its kind in India to introduce a new Micro Venture investment model, which is a dramatic departure from traditional microcredit lending. MicroGraam aims to bring an array of diverse financial tools for India's underprivileged rural poor. In Micro Ventures, a micro-entrepreneur and a micro-venture capitalist enter into a revenue sharing agreement, which enables the two partners to create a micro to small enterprise (MSE). Although traditional microcredit provides the essential service of access to credit; entrepreneurs who are willing and able to undertake larger business ventures are unable to do so under the current paradigm. MicroGraam has created Micro Ventures to address this underserved niche market of entrepreneurs who require a larger loan size but cannot obtain them from commercial financing. Thus far, MicroGraam has facilitated a Micro Venture dairy farm in Kolar and a 'water shop' in northern Karnataka to provide clean water to 500+households. Micro Ventures provides flexibility and cost savings that can only arise from long term financing.



In order to achieve long term, sustainable development in rural India, financial models beyond traditional loans and saving are essential. An essential component of MicroGraam's model is to provide a return to investors. Investors can choose between 0-6% returns on microcredit loans and 0-8% returns on education loans. This is an essential component to furthering micro-lending as a financially sustainable model that is separate from traditional charity. MicroGraam continues to develop innovating financings for the needs of our borrowers and we are looking forward to helping our borrower throughout rural India.



HISTORY

Since its founding in 2010, *MicroGraam* has been India's preeminent micro-lending institute empowering thousands of rural farmers with microloans and equity.

The company introduced the peer-to-peer lending platform for socially conscious lenders and has brought the two loose ends of Indian society together on an online platform which unique and reliable. The company is consistently working to make the investment in rural India as an attractive and lucrative option for those who believe in impact investment. It is rare platform which givens socially conscious investors market returns on their savings. To keep the system sustainable and effective, MicroGraam uses the expertise of field partners to advantage in training and educating the villagers on how to use a loan, build their skills and help them maintain their accounts. Through this model, field partners are also able to earn up to 6.5 per cent in return, which makes them sustainable units. Through MicroGraam over 2000 farming families and self-help groups have benefitted from loans and equity up to mid 2013. The company currently works in five states of India (Karnataka, Tamil Nadu, Assam, Jharkhand and West Bengal) with a loan portfolio of Rs 3.5 Cr. Company is expecting to take the loan portfolio up to Rs 100 Cr in next three years. To safeguard the investment of the lenders, MicroGraam has created guarantee fund, which minimizes the risk of default through.

Since starting operations in 2010 press in both print and online outlets have been extensive, with profiles, features, and reviews appearing in:

Economic Times
The Hindu
Indian Express
India Today
Business Standard
Entrepreneur Magazine
Deccan Chronicle

Times of India
DNA
Business Line
India Infoline
Bangalore Mirror
Newsline Magazine
Financial Chronicle

The prize judges have taken note

1. CNBC – YourStory.In : Social Entrepreneur Award 2010
2. IIM Lucknow Prerna Award 2011
3. Computer World Award 2012
4. Innovation 4 Impact Award – XLRI 2013



Rangan Varadan is the co-founder of MicroGraam Marketplace Pvt. Ltd and currently its chief executive officer. Born in Chennai, Varadan did his bachelor's in commerce from Vivekananda College, Chennai and also earned a degree in chartered accountancy. Between 1987 - 1992, Varadan headed the accountancy firm Rangan & Krishnan, Chartered Accountants, Madras. He then earned his PhD in Finance from Lehigh University, USA, where he also served as adjunct professor.

In 1999, Varadan joined Infosys and left as Vice President of banking and capital markets domain consulting group in 2008. In 2010 Varadan co-founded MicroGraam with Sekhar Sarukkai.

After studying and teaching in US, Varadan was planning to return to India in early 1999and was to join as a professor at Indian Institute of Management, Bangalore.

It was here while delivering a seminar on finance, a study of strategic decision making with application of game-theory at IIM, Bangalore, Mohandas Pai, the former board member of Infosys, spotted Varadan and after the lecture offered him a job. Varadan was asked to head capital market domain consulting division. He was made VP of banking and capital markets domain consulting group.

After spending nearly a decade at Infosys Varadan in 2008 decided to focus his energies to make capital accessible to the poorest of the poor in India.

Before starting MicroGraam, Varadan joined a business correspondent company. During this period, Rangan traveled extensively in rural India. He visited more than 150 villages and met hundreds of rural communities.

Varadan once in an interview said: “Travels inside the rural India was the real transformation.”

After understanding the needs of the people and how finance can be made available to the deserving people in rural India, Varadan co-founded MicroGraam, which now has close to 2000 borrowers with a loan portfolio of Rs 3.5 Cr with a 99% repayment rate.