Early Warning System

DFC-2021-CHIRATAEVENTUR

Chiratae Ventures International Fund IV LLC

Quick Facts

Countries	India
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Approved
Bank Risk Rating	U
Borrower	Chiratae Advisors Company Limited
Sectors	Agriculture and Forestry, Communications, Education and Health, Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 275.00 million

Project Description

According to DFC, the Fund is expected to have a highly developmental impact through its deployment of up-to $275 million of capital through 30 to 40 equity investments primarily focused on SMEs in India. The SME segment in India remains an underserved market by both traditional commercial banks andprivate equity. While there is ample capital available for larger businesses in India, SMEs struggle to meet their financing needs, as the current SME financing gap in India stands at $221 billion. Private equity financing is uniquely poised to overcome common hurdles to SME financing such as information asymmetries, sizeable transaction costs, and a lack of adequatecollateral. The Fund Manager has an active hands-on approach for its investment strategy, taking significant minority positions with board seats, and brings a wealth of experience to portfolio companies.

Early Warning System Project Analysis

As stated by the DFC, the capitalization of the fund is screened as a Category D activity for the purposes of environmental and social assessment. Under DFC's Environmental and Social Policy Procedures, the Fund is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation's Performance Standards 1 and 2.

Investment Description

- US International Development Finance Corporation (DFC)

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.

- Chiratae Ventures International Fund IV LLC (Financial Intermediary) **is owned by** IDG Ventures India Advisors Pvt Ltd (Parent Company)

Private Actors Description

Chiratae Ventures International Fund IV LLC invests in innovative,impactful, and promising Health-Tech, Fin-Tech, Agri-Tech, Consumer,Media and Tech, Deep-Tech, and SaaS companies in India. As stated by Bloomberg, IDG Ventures India Advisors Pvt Ltd (Chiratae Ventures) operates as a venture capital firm. The Company offers investment management, advisory, and other related services. IDG Ventures India Advisors serves customers worldwide.

Contact Information

No contact information provided at the time of disclosure.

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure