

Early Warning System

FMO-61525

Lok Capital IV LLC

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Quick Facts

Countries	India
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-12-15
Borrower	Lok Capital IV LLC
Sectors	Agriculture and Forestry, Climate and Environment, Education and Health, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million

Project Description

According to FMO, through this investment they support Lok Capital IV LLC Fund in its fundraising and allow it to reach its target fund size of USD 150-180mln. The Fund seeks to generate positive financial returns and positive impact from making investments in both growth and earlier stage (Series A+) investments in small and medium-sized companies in the sectors of AgriTech, HealthTech, and ClimateTech.

The Fund targets investments in several focus sectors and impact themes - including financial inclusion and climate action - for FMO. The investment will allow FMO to keep supporting a trusted local partner with an explicit impact focus in one of its core markets. Lok IV will also be eligible to apply under the 2X Challenge as Flagship Fund.

E&S risk is considered Medium (Cat. B) based on Lok IVa€™s investment strategy and E&S risk profile and size of targeted investments.

Key risks that are triggered in targeted sectors are mostly related to IFC-PS 1-4 (E&S risk management, labour and working conditions, resource efficiency and pollution prevention, community health & safety). IFC-PS 5-8 are less likely to be triggered, as the Fund will focus on asset-light tech-enabled/tech-first business models and not invest in companies with extensive physical infrastructure.

Investment Description

- Netherlands Development Finance Company (FMO)

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.

- Lok Capital (Financial Intermediary)

Private Actors Description

Lok Capital IV LLC is the fourth India-focused private equity fund raised by long-standing FMO relationship Lok Capital. The Fund combines a focus on growth equity investments in more traditional financial services and FinTech companies with investments in earlier stage deals in the AgriTech, HealthTech, and ClimateTech space. In line with its predecessor funds, Lok IV will make investments in private companies in India, with inclusion-themed investments in the FI sector making up the core of the portfolio.

Contact Information

Information not available at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Other Related Projects

- FMO-56269 Lok Capital Growth Fund IV