Early Warning System

IFC-45210

Faering Capital International Growth Fund III

Quick Facts

Countries	India
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-05-15
Borrower	FAERING CAPITAL INTERNATIONAL GROWTH FUND III
Sectors	Education and Health, Industry and Trade
Investment Type(s)	Equity
Investment Amount (USD)	$ 40.00 million
Loan Amount (USD)	$ 40.00 million
Project Cost (USD)	$ 300.00 million

Project Description

According to IFC, "the proposed invesment is an equity investment of US$20 million, capped at 20% of final fund size into Faering Capital International Growth Fund III (“Fund”, “Faering III”), a mid-market private equity (PE) fund focused on growth equity transactions in India and targeting US$300 in total commitments. The Fund will be managed by Faering Capital Advisors LLP (the “Manager”). Consistent with its prior funds, Faering III will continue to focus on its key strengths of targeting growth stage mid-market companies in financial services, consumer and digital, pharma and healthcare, and other sectors such as business services."

The Fund proposes to make investments in growth-stage mid-market companies in India.

ENVIRONMENT AND SOCIAL STANDARDS

Most transactions are expected to be of medium to low E&S risk, therefore this project has been categorized as FI-2 in accordance with IFC's Environmental and Social Sustainability Policy. The Fund will not invest in coal-related activities, higher risk business activities that may include a) involuntary resettlement, b) risk of adverse impacts on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage or d) significant Occupational Health and Safety risks, as well as in financial institutions other than low-medium risk. Faering will be required to manage the E&S risks of Faering 3A-3B investments consistent with the requirements of the IFC Exclusion List, applicable national E&S laws and regulations, and IFC Performance Standards where applicable.

Investment Description

- International Finance Corporation (IFC)

The new Fund is expected to size its average ticket per company in the range of US$15-40 million in 10-12 companies. A delegated authority co-investment envelope for an amount of up to US$20 million in potential co-investments in the Fund's portfolio companies is also being proposed alongside the Fund commitment.

The target size of the Fund is US$300 million. IFC's proposed investment in the Fund is up to US$20 million, not to exceed 20% of total Fund commitments, and IFC not to be the single largest investor.

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.

- Faering Capital International Growth Fund III (Financial Intermediary) **is owned by** Faering Capital (Parent Company)

Private Actors Description

The Fund will be managed by Faering Capital Advisors LLP, co-led by its two founding partners, Aditya Parekh and Sameer Shroff who have substantial experience in the Indian PE Market and have strong sector experience

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Other Related Projects

- IFC-40323 Faering II