



India's first "venture debt" finance company for early stage enterprises raises INR 280 million from Omidyar Network and Michael & Susan Dell Foundation to address India's burgeoning credit gap in the SME Sector

5 March 2014
Mumbai, India

For Immediate Release

Intellegrow, a Mumbai-based financing company for small and medium social enterprises, today announced that it has raised INR 250 million from Omidyar Network and INR 30 million from the Michael & Susan Dell Foundation. This new investment follows founding investments from the Shell Foundation, the Michael & Susan Dell Foundation, and Intellecip, and these new funds will be used to help Indian enterprises access capital for growth.

A 2012 report by IFC and Intellecip showed that one of the biggest challenges faced by the small and medium enterprise (SME) sector is the availability of adequate and timely finance. Despite the key economic role SMEs play, including a contribution of almost 22% to the GDP of India (35% to manufacturing output and 40% to exports), over 37% of the overall debt required from SMEs cannot be serviced by existing financial institutions. Most formal lenders typically engage in traditional collateral-based lending to enterprises operating in established industries and require at least three years of profitable track record, placing debt financing out of reach for many innovative new companies.

To date, Intellegrow has disbursed more than 60 loans, totaling more than INR 600 million to SMEs across India. Promoted by Intellecip, and registered as a Non-Banking Finance Company (NBFC), Intellegrow uses a unique model that unlocks capital for innovative entrepreneurs. Intellegrow's investee companies could deliver sustainable large-scale impact to help solve India's development challenges, but they previously lacked access to the right type and timing of finance in order to achieve their full growth potential. Intellegrow helps fill that need.

Intellegrow provides viability-based debt financing to fast growing early-stage enterprises with a turnover of less than INR 500 million and at least 12 months of track record. Intellegrow provides customised financing solutions using flexible repayment schedules linked to cash flows. Coupled with fast turn-around times, Intellegrow's process and approach innovations remove barriers to the growth of small and medium enterprises in India.

- 100% of the entrepreneurs that Intellegrow has supported are first generation entrepreneurs and among them 45% of the enterprises are start-ups.
- Intellegrow is a first lender to more than 70% of our borrowers, and lending has leveraged an additional INR 7000 million in investment in these companies;

- 25% of Intellegrow's portfolio companies engage suppliers and producers from low-income community and also employ workers from low income and underserved communities.

Commenting on the investment:

Sanjib Jha, CEO and Director, Intellegrow said, "Businesses in their early stages need debt at the right time to sustain and create value and not only just be dependent upon equity. Our offering in the form of venture debt creates value for promoters and investors and helps multiply the social impact. We know there are literally hundreds of worthy companies to meet and engage with in India. Unlocking capital for these companies means unlocking solutions to India's development challenges. With investment from Omidyar Network, we have found a new partner in this work – a partner that endorses our model and our track-record and joins other notable investors like Michael & Susan Dell Foundation."

Vineet Rai, Founder, Intellecip, and Promoter, Intellegrow welcomed the investment by Omidyar Network and renewed investment from Michael & Susan Dell Foundation. He said: "Intellegrow's pioneering approach to risk taking has yielded early positive results for stimulating growth of small and growing businesses. These investments from Omidyar and Michael & Susan Dell Foundation, strengthen our resolve to further our lending portfolio so that we may be able to support more entrepreneurs."

Dimple Sanghi, Director, Investments, Omidyar Network India Advisors, said of the new partnership with Intellegrow: "Omidyar Network's investments in entrepreneurship build on the principles of traditional venture capital, we support market-based approaches to catalyze economic change. By supporting debt for Indian social ventures through Intellegrow, we hope to spark greater confidence among mainstream investors in this model."

Satyam Darmora, Director, Family Economic Stability, Michael & Susan Dell Foundation, said:

"We are pleased that early risk capital has helped Intellegrow to successfully expand and scale while supporting early stage organizations in the education and health sectors. This aligns with the Michael & Susan Dell Foundation's mission to catalyze high impact education, health and family economic stability organizations and programs. With the new investments, we are confident this will usher in a new approach to helping the underprivileged, urban poor through Intellegrow's successful model."

For further details please contact:

Sara Leedom

Intellegrow

+91 7506 183 428 (m)

+91 022 61952708 (o)

sara.leedom@intellegrow.com

ABOUT INTELLEGROW:

Intellegrow is part of the Intellecip family of companies that have been actively building an eco-system to support the growth of impact-focused businesses over the last decade. Founded in 2012, with funding from Intellecip and Shell Foundation, Intellegrow has grown quickly to help fill a demonstrated market need for 'missing middle' financing for small and growing businesses in India. Our priority sectors for investment are modern energy, agriculture supply chain, healthcare, water and sanitation,

education, and financial inclusion. In early 2013, Intellegrow received additional capital from Michael & Susan Dell Foundation. With this investment from Omidyar Network, and follow-on investments from others, by the close of FY2016, Intellegrow will lend to more than 250 companies across India, with a loan book of at least INR 5000 million. To learn more, visit [www. Intellegrow.com](http://www.IntelleGrow.com).

ABOUT OMIDYAR NETWORK:

Omidyar Network is a philanthropic investment firm dedicated to harnessing the power of markets to create opportunity for people to improve their lives. Established in 2004 by eBay founder Pierre Omidyar and his wife Pam, the organization invests in and helps scale innovative organizations to catalyze economic and social change. To date, Omidyar Network has committed more than \$670 million to for-profit companies and non-profit organizations that foster economic advancement and encourage individual participation across multiple initiatives, including entrepreneurship, financial inclusion, property rights, government transparency, consumer Internet and mobile. To learn more, visit www.omidyar.com.

ABOUT MICHAEL & SUSAN DELL FOUNDATION:

The Michael & Susan Dell Foundation is a philanthropic organization with offices in Austin, USA and New Delhi, India, and Cape Town, South Africa. The Dell family foundation funds programs that foster high-quality public education and childhood health, and improve the economic stability of families living in poverty. Since 2006, the Michael & Susan Dell Foundation have invested more than \$120 million in transforming the lives of children living in urban poverty in India, including catalytic investments across its India-based microfinance, health and education initiatives. To learn more, visit www.msdf.org.

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