

TO: All IIC Members & Partners
FROM: Neha Bhatnagar
DATE: 19 May 2016

IIC JANUARY-APRIL 2016 UPDATE

Dear All,

Best Regards from team IIC! We are particularly thrilled to share this update for the first quarter, as along with all of you, we pulled off two very key events successfully. This memo is in four parts, and captures different updates and forthcoming events.

First of all, we want to thank all of you for making our two highlight events a success:

- **Members' interaction with Shri Jayant Sinha**, Minister of State for Finance, on 1 February at University of Chicago Center was very successful as Shri Sinha candidly laid out direction of Government policy, reforms to come (e.g., Bankruptcy Law recently announced), promised to look at a Committee to address the needs of the Impact Investing sector and answered member questions head-on. We were joined by several partner associations.
- **Impact Investing Road-Shows with Sir Ronald Cohen**, Chair- Global Steering Group (GSG) on Impact Investment, originally a G8 committee, across New Delhi (17-18 March), Mumbai (21 March) and Bangalore (22 March) too were spectacularly successful with immense media coverage.

We very much hope that our members took pleasure in participating in both the events. We are happy to share that IIC has gained enormous visibility. We could not have been able to do it without the support of our Members. Thank You very much! We also hope that you will participate actively in the forthcoming events. We need you to urgently RSVP with us for as many of these events in which you can participate:

- **End-June:** Members' Convention To Be Announced
- **7-8 July:** GSG Plenary Meeting in **Lisbon, Portugal**
- **12 July:** IIC LP-GP Conference Curtain-Raiser at NDA event in **New York City** (The Pierre)
- **End September:** Members' Convention to be announced
- **15-17 November:** IIC's inaugural signature event, an **LP-GP Multilateral Conclave**, with finale in New Delhi. Early Bird pricing upto end-June 2016 only
- **Early January, 2017:** Members' Convention & Elections (2017-19) TBA

Please find attached four Annexures providing updates of:

1. IIC meet with Shri Jayant Sinha (Annexure 1),
2. Sir Ronald Cohen India Tour (Annexure 2),
3. Other IIC engagements (Annexure 3) and
4. Upcoming Events (Annexure 4).

Thanking You,

Sincerely,

Neha Bhatnagar

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Manager - IIC

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Annexure 1: Shri Jayant Sinha Meet

This was essentially a dialogue between 10 industry associations in the social (impact) investing sector, led by IIC and including AEPA, CLEAN, IHF, IVCA, MFIN, PSAI and TiE Delhi-NCR amongst themselves and with policy makers, including a 1 hour dialogue with Shri Jayant Sinha, Minister of State for Finance, Government of India. Our segment with the Minister was a closed-door session with about 75 senior executives without media, without audio or video recordings to essentially understand how Government is thinking about our sector.

Following were the key takeaways from this meet:

- The Government is unwilling to entertain any requests for special treatment or concessions or tax breaks, etc.
- The Government is firm on its agenda and is focusing its attention on greater tax collections (budget following the interaction reaffirmed this as did fate of DTA Treaties/GAAR)
- The Minister did agree that high-handedness of tax officials (MMT case discussed in detail re Service Tax issues) will be checked and noted down other actions required (notice offered to corporations for presentation to tax officials)
- The Minister did agree to considering a one-member Panel to take into account the needs of the Impact Investing sector including recognition as separate asset/investment class

The Minister directly answered questions from all associations but was quick to push back on all requests for special treatment.

Annexure 2: Sir Ronald Cohen India Tour

IIC had the pleasure to host Sir Ronald Cohen, Chairman- Global Social Impact Investment Steering Group, an institutional initiative, which started as a G8 committee. An illustrious business and political leader, he leads The Portland Trust, Social Finance UK, Social Finance USA, Social Finance Israel and Big Society Capital. He famously co-founded Bridges Ventures and Apax Partners Worldwide LLP. Vikram Gandhi, Asha Impact volunteered to host the Delhi RoundTable, Sandeep Farias, Elevar Equity volunteered to host the Bangalore RoundTable and Vineet Rai, Aavishkaar hosted the Mumbai RoundTable.

Following were the major engagements for Sir Cohen during his India Tour:

- 17 March (Thursday) in Delhi
 - Social Business Showcase, University of Chicago Center
 - Meet with Shri Jayant Sinha
 - Press Meetings
 - DFID Lecture at British Council
- 18 March (Friday) in Delhi
 - Ashoka University Lecture
 - Press Meetings
 - CEO Round Table hosted by Asha Impact
 - Cocktails by IVCA
- 21 March (Monday) in Mumbai- Roadshow
 - Social Business Showcase, ISDI
 - Press Meetings
 - CEO Round Table hosted by Aavishkaar
- 22 March (Tuesday) in Bangalore
 - CEO Round Table hosted by Elevar Equity
 - Press Meetings
 - Social Business Showcase hosted by Elevar Equity

We received an outstanding response at all the events with collectively close to 120 CEOs & Industry leaders, over 500 Social Enterprises, Social Entrepreneurs, Industry Operators and Students who walked this Tour with IIC and made it a grand success. In India, our foremost aim was to build awareness and generate interest with domestic LPs.

We welcome you to browse through our information data and Sir Ronald Cohen India Tour Material, and our 3 minute short video that captures Sir Cohen India Tour summary: <http://iic.in/ron-cohen-india-tour/>

IIC continues to carry the torch to make a difference and to improve millions of lives in India.

Annexure 3: Other IIC Engagements

- **McKinsey- IIC Study:** As you can recall, McKinsey & IIC decided to partner with each other on a research study to a) Create awareness about the social impact investing in India as a distinct category; b) Form an early view on models/lessons from the global experience as well as India's experience/record in that context; c) Define the potential initiatives that various stakeholders will have to take in order to drive growth in the industry going forward. Multiple reminders were sent to the members regarding the same. We now strongly request all the member funds to submit their data by 20 May 2016. We have approached non IIC Members to participate in the study and make this a success.
- **IIC Membership Fees:** Multiple reminders, again, were sent to all the members in this regard. IIC strongly urges all our members to kindly look into this at the earliest and clear their dues please. We would also like to thank all the members who have paid their fees in time.
- **Annual IIC Event: LP/GP Conference:** Multiple requests and reminders were sent to all the members requesting to invite their LPs/GPs – both domestic and international, along with Social Enterprises. Owing to extremely low response, we were forced to reschedule the Event to 15 – 17 November 2016
- **Marathon Calls on 29 Feb 2016:** 4 back to back calls were conducted on the 29 February 2016 to essentially streamline most of the upcoming events. Following are the minutes of all the four calls:

1) LP/GP subcommittee: (Sandeep, Mona, Geeta and Amit) – 45 mins

A sub committee was formed for the LP/GP conference that IIC intended to conduct in April (now rescheduled for 15-17 November 2016) Following were the minutes of the calls:

- Status was updated. Since there was only one confirmation and one LP from Mona's kitty who responded, the event has been rescheduled to November.
- We need an anchor celebrity to pull crowd in for this event. By end of March the target is to get atleast 6 LPs confirmed for the event.
- To pull more GPs- the mailer should be sent out to IIC Members and rest, with confirmed invitees (both LPs and GPs)
- Few suggested personalities to be approached for this event- Bob Patelio, Vinod Khosla, Pat Omidyar, Elizabeth Littlefield, Judith Rodden, Mohd Yunus
- German LPs to be looped in too

2) Tour Nominations (Sandeep, Mona, Geeta, Amit, Alpana/Rachana, Subhadeep, Neha)- 45 mins

LP/GP tour has been divided in to four zones- North, East, West, South for our members to nominate Social Enterprises per zone. IIC Members who have volunteered to take the respective zone under wings are Asha Impact, Omnivore, Caspian and Elevar Equity. Following are the minutes of the call:

- All four zones spoke about their nominations.
- All were told about the rescheduling
- Healthcare nominees look weak
- Glokul/Amroha/Vatsalya/INI Farms were suggested names
- For West, First Energy was suggested
- Taj Hotel Chain topping the list of preferred hotels

3) Executive Committee Call (Ajit, Anu, Mona, Royston, Sandeep, Vishal, Amit)- 45 mins

The first Executive Committee Meeting for the year 2016 was conducted partly over Skype and partly over phone. Following are the minutes of the meeting:

- The membership fee update was discussed
- The members who have not paid their fee yet were discussed
- Solutions to gather more members were discussed, 25-33% discount can be offered to members in lieu of losing voting rights
- There is no value for the non responsive members, hence creative solutions needed to design attract members
- The cap of the fees was suggested to be lowered to 5lakhs
- IIC needs to create value to have more members on board. Also we need to have clarity on what IIC is doing for the sector and for the members
- McKinsey – the members who have not submitted their data were discussed
- DFID and Responsibility to surely submit their McKinsey data
- CDC, IFC, KFW should be on board for the study. EC could have the DFIs on board for the McKinsey study
- Swapnil from IFC should be approached for data
- To target end of March for McKinsey Study release, which could be done. So the new deadline for the same has been decided. 30 April 2016
- FMO, Anu will introduce IIC to somebody for the data, Vishal and Amit will meet CDC
- Ronald Cohen Tour and it's status in detail was discussed
- It was decided that EC will help IIC sign up more CEOs for the CEO roundtable and the Social Entrepreneur Session,
- EC to be involved and take up tasks at Sir Cohen's Tour

- LP/GP Event
 - 2 LPs should be nominated per EC Member
- We could market LP/GP event at the Cohen's Tour to get better attendance
- More support from members and anchors needed to have a successful event.
- Dave (Bridge Waters) and J P Morgan could be approached.
- SOCAP was suggested for the event

4) Sir Cohen Tour (Alpana, Rachana, Devanshi, Darshana, Neha, Amit)- 45 mins

A detailed call was conducted to assure smooth running of the multi city Tour.

- **Sankalp 2016: 20- 22 April 2016**, IIC became knowledge partner with Sankalp which is amongst the biggest events in the world on social entrepreneurship and social investing. This event is organized annually by Intellectap and Aavishkaar (both founded by Vineet Rai and both IIC members); Owing to the IIC partnership, Sankalp offered discounts for IIC Members. The promo code that offered 20% discount on Regular Delegate tickets to IIC members was announced and shared with the IIC members.
 - GIIN Breakfast during Sankalp: GIIN organised a panel that discussed emerging investment opportunities in health, education, and agriculture, with a particular focus on which financing structures work best from both the LP and GP perspective. IIC members were invited to the same.

IIC Executive Council and Sub Committee Meeting(s) Minutes

- **15 April 2016- IIC Advocacy Sub Committee meeting minutes** (attended by Anuradha, Kartik, Ritu, Amit and Neha)

Social Impact Bonds, NITI Ayog and Policy Makers should be re-engaged.

Anuradha:

- Definition of Social Impact and Enterprises should get clear
- Underlined ministries should be approached
- Impact Investors should be defined better
- SEBI- Narayan Murthy should be engaged
- RBI should be met to get the sectoral definition in place
- Smita (Omidyar) can help us connect with the Govt organisations
- Impact Bonds we are unsure of them as sector specific

Ritu:

- We should mobilize LPs in India
- CSR registered fund should be considered (Jayant Sinha quotes CSR and trust money find their own way)
- IVCA 4 Members Sub Committee can be approached

Kartik:

- Agreed that SEBI, RBI and NitiAyog should be approached
- Plug in to NitiAyog necessary
- CSR funds into Impact funds should be encouraged
- Sanitation and Water sectors are doing well and the ministries should be approached

Amit:

- Legal Issues/Entities/tax issues could be consulted with NDA and Vijay Mahanjan
- We should try and get all sources of capital unified (for profit/not for profit)
- Won't get in to AIF (can take only for profit)
- Outcome funds, if they can connect with impact investors

- **19 April Research Sub Committee Meeting Minutes** (Attended by: Geeta, Mona, Jinesh, Amit and Neha)
 - McKinsey Data was discussed and 30 April is the new deadline
 - Omidyar needs to be requested for the McKinsey Data
 - PRISM proposal needs to be revisited and discussed
 - CDC and DFIs for the McKinsey research to be bought on board
 - IFC and USAID on McKinsey was discussed
 - Amit initiated and is currently finalising sectoral white papers on Health, Education and Water. He is also working on two editorials on Impact Investing.
 - A new candidate to be appointed by IIC for Research role- Ranjna Khanna. Jinesh, Mona and Geeta were requested to have a second round of interview with Ranjna and share feedback
 - It was decided that one call should be conducted a month and one in person meeting should be planned in a quarter

- **20 April Executive Council Meeting Minutes** (Attended by Royston, Mona, Vishal (despite bad network), Amit and Neha)
 - Recap from the last meeting
 - McKinsey Study needs IFMR and responsAbility on board. We need EC to help McKinsey Study become iconic.
 - LP/GP:
 - After considering few options for revised dates for LP/GP conference, (taking into consideration holidays etc) 15 - 17 November'16 was finalised
 - Mario Ottario (from Hillary Clinton's Office) to be invited. Vijay Mahajan from BASIX may be able to help us invite her.
 - Sandeep could help us invite Nandan Nilekani for the conference
 - 900\$ pricing for the international GPs was good. For members it will be INR 25000/-.
 - We need sponsorship for our LP/GP event.
 - We could have a curtain raiser for the LP/GP conference at the Lisbon GSG event in July
 - We could create two videos- (1) about India/tourism to get the crowd to attend. This could be played at the Lisbon event. and (2) a video about LP/GP event which could be played at SOCAP
 - It was decided that Amit should attend the Lisbon event to network with the LP/GP community

- **13 May Membership Sub Committee Meeting Minutes** (Attended by Royston, Srikrishna, Sanjib and Neha)
 - A time frame needs to be put in the charter for all the IIC members to meet at a certain frequency
 - Value proposition from IIC for prospective members/retaining old members needs to be revised. The following pointers could be considered:
 - Ronald Cohen Tour (website, video links etc)
 - Jayant Sinha's participation in IIC's events
 - Networking platform for funds/enterprises
 - Individual value proposition should be considered for few specific funds. Probably target their individual benefits as IIC Members
 - Membership number target and Fees should be discussed at the EC meeting on 26 May (next year's approach to be discussed now)
 - The list of the prospective members should be put up on the Google Docs for all to access and update. It will make life easier for all and better results could be targeted.
 - By 2017 we should target at 50 members on board.
 - McKinsey Study to be used as a tool to add more members- very good idea!
 - Royston mentioned Mr Madan Pataki from Head Held High Foundation is interested joining IIC as members.

A quick update on an important IIC engagement in April- May 2016.

- **Two New IIC Employees:** IIC is extremely happy to notify all IIC Members that our team has doubled in size from 2 to 4. Firstly, please join us in thanking IIC Members, Executive Council & the Chairman Sandeep Farias, in making this possible. We now have 2 new team mates joining us. Please join us in welcoming both Ranjna and Sugandhi.

1. **Ms. Ranjna Khanna** will be joining IIC as a Manager- Research. Ranjna has had 13 years of experience in corporate banking across client servicing, corporate credit, risk underwriting and portfolio management. She has worked as Vice President at HSBC, Head of Risk Analysis Unit for North & East India (HSBC). She has also worked earlier with Standard Chartered & AXIS Bank. Ranjna completed her Post Graduate in Management from MDI, Gurgaon after her B.Com. degree and lives in Gurgaon.

2. **Ms. Sugandhi Luthra** will be joining IIC as Associate- Communication & Administration. Sugandhi has had 6 years of work experience with Design Firms, Advertising Agencies & Luxury Brands. She has completed her Communication Design degree from Pearl Academy of Fashion. She has worked with brands like Raffles Millennium, Reddiffusion, Law & Kenneth and Moon Beam Capital. Sugandhi has done her B.A. (Honors) in English & Post Graduate in Retail Management.

We are delighted to welcome Ranjna and Sugandhi in our IIC family and request you all to kindly accord the same goodwill and warmth as you generously offered us.

Annexure 4: Upcoming IIC Events

- **End June:** IIC Member's Convention (Date To Be Announced soon)
 - **GSG Plenary:** Global Steering Group on Impact Investing is having their Annual Meeting on **7-8 July in Lisbon**. Sir Ronald Cohen chairs this and most large institutions like GIIN, Omidyar, Rockefeller, etc. attend this in full force from around the world. All IIC Members have been cordially invited to the same. A formal invite will be shared with IIC Members as soon as we hear from the GSG committee
 - **Nishith Desai Associates Annual Impact Investment Event:** This is to be held at New York on 12 July 2016 at The Pierre, A Taj Hotel, New York. IIC has collaborated with NDA for this event and would like to invite all Members for the same. IIC LP-GP Conference Curtain-Raiser will be at the NDA event in **New York City** (The Pierre). We will soon be sending a formal agenda.
 - **End September:** IIC Members' Convention (Date To Be Announced soon)
 - **IIC Annual LP/GP Conference:** This will become IIC's marquee annual event. As mentioned above, this event has now been postponed to November, commencing on Nov 15 till Nov 17 2016. The flow of the event has been mentioned underneath. Shri Jayant Sinha will chair the dialogue. We are also in the process of inviting Shri Arun Jaitley, Union Minister of Finance and most importantly, Shri Narendra Modi, our Prime Minister- the latter two are yet to be invited and confirmed.
- 1) We would like to request you to urgently book your seat by making Early Bird payment for the LP-GP event. The pricing for the conference is as follows with Early Bird Registrations available till 30 June. Additionally, for every four registrations, the fifth registration is free and can be gifted to anyone:
- Members: INR 30,000 (Early Bird INR 25,000)
 - Non-Members (International): \$900 (Early Bird \$750)
 - Non-Members (Domestic): INR 50,000 (Early Bird INR 40,000)
 - Partner Country Delegations (for upto 20 Delegates): USD 15,000 OR GBP 10,000 OR EURO 13,000 OR INR 1 Million

- 2) We strongly recommend that given limited seats, please use the Early Bird Registration discount and book your seat. This is per delegate cost and not per-fund cost. If you book four seats, you can gift a free fifth registration free for any delegate, domestic or international. This cost will include
 - (i) A 1.5 days Tours in North, East, West or South India with lunch and refreshments,
 - (ii) Grand Finale in New Delhi with 2 lunches and 1 cocktails/gala dinner, and
 - (iii) The multi-lateral dialogue.
 - 3) We have special rates with Taj which we will announce over the next fortnight. All delegates are encouraged to stay at Taj and the Grand Finale will be at Taj Palace Hotel, Sardar Patel Marg, New Delhi.
 - 4) We are confident that over these three days, we will help our members forge a closer partnership with LPs and GPs around the world, jointly identify ways to grow their investments and revenues, and most importantly, demonstrate global leadership in a nascent industry. For further details, we request you to kindly get in touch with:
Sugandhi on: sugandhi.luthra@iic.in / 8588830840 or
Neha on: neha.bhatnagar@iic.in / 9716066067
- **Early January, 2017:** Member's Convention and Elections (2017-2019 TBA)