

To: All Members  
From: Amit Bhatia, CEO, IIC  
Date: 19 December 2014

## IIC Members' Meet on 28 January 2015

Dear All,

Seasons Greetings. I hope you have all been well.

First, I'd like to thank all of you for giving me the opportunity to help build IIC and give voice to the outstanding work being done by all of you. Thank you all for the warm welcome messages. I am thrilled about the opportunity, personally believe in the impact investment space (as a social entrepreneur) and truly hope that I can help give your collective vision a solid start.

Second, I am working with both the IIC Executive Committee and with our interim Secretariat at Intellicap, to ensure this solid start on 28 January 2015 with the first meeting. In preparation for the same, I'm trying to meet each one of you in person, face to face, between now and then. I will be deeply thankful if you can help me schedule these meetings. I thank all of you who have already provided time over the past six weeks.

Finally, among other things, I have kick-started the following activities, based on guidance from the Executive Committee, which will be my key priorities, once you all approve. I hope to solicit your support for the same:

- **Firming membership commitments:** IIC must initiate annual fee-collection, critical to funding our intended activities. I want to request you all to please send in your cheques to "*Impact Investors Council, 2B, Ramkishore Road, Civil Lines, New Delhi, India- 110054*" for your commitments made towards membership fees as per the attached table. (Membership Fee Structure as Annexure 1). This fee would be applicable for the calendar year Jan-Dec 2015. Please address your cheques to "Impact Investors Council" and positively send these by 15 January 2015. The membership form is also attached with this email.
- **January 2015 Member Meeting & Representation to Government:** Host the next member meeting in January 2015 as discussed above to get all members on-board (Draft Agenda as Annexure 2). The meeting venue is Magnolia, The Habitat Centre, Lodhi Road, New Delhi from 9.00 am - 2.00 pm on 28 January, 2015. We will jointly review and the EC will submit our Representation to Ministry of Finance. Please find attached our first working draft (Annexure 3) on our Representation. Your feedback is very valuable as we finalize and firm up our requests.

- **Strengthening the IIC Brand Identity:** In an endeavor to strengthen the IIC brand and communicate our goals to a diverse audience, we have put together the attached draft website (mock website at <http://iicwebsite.wix.com/iic-website> for reviewing content) and a flyer (Annexure 4). Moreover, we intend to have a short film on our activities/members and their collective impact. Once again, I'd like to request all of you to share your firm's high-resolution logos, your high-resolution photographs, a short profile of your firm (~200 words), high-resolution field-photographs (of your work with investee companies), any film clips or video footage (of your work with investee companies), and, a filled-up spreadsheet (for actual investment data up to 2014 and projected till 2020). I will send you this spreadsheet separately to each of you with your historical data (if submitted previously). Once you read our disclaimer, you will be rest assured that there will be just two people who will handle your confidential data and only release aggregated results as per our charter and EC approval.
- **Creating a broad entrepreneurial platform to engage with the Government:** You will be happy to know that your association has initiated the creation of a larger and broader platform for government engagement along with IVCA (Indian Private Equity & Venture Capital Association), TiE (The Indus Entrepreneurs) and NASE (National Association for Social Enterprises). We will subsequently add IAN (Indian Angel Network) and MFIN (Micro Finance Institutions Network) to the working group. The group will jointly submit our representation(s) to the government. Please see our letter to the government as Annexure 5.
- **Initiating research on Social Impact Investment:** Your association teamed up with GIIN (Global Impact Investors Network), NASE, MFIN and Aspire Circle to start a dialogue with Prof. Abhijit Banerjee of MIT and J-PAL to explore national standards on social impact measurement. Lok Advisory & MSDF represented IIC at the meeting earlier this month.

I look forward to hearing back from all of you. Please mark the date: 28 January 2015 and do send us your membership cheques. Moreover, please do give me a time to meet you in person and most of all, do send us your updated personal, firm and investment data, so IIC can become a successful cheer-leader for all of you.

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In summary, I am very excited and thankful for the opportunity to be CEO of IIC. I look forward to working with all of you and believe that the 28 January 2015 meeting will start catalyzing the work ahead for IIC and myself.

Regards,

## ANNEXURE 1: IIC Membership Fee Structure

Membership Category	Membership Fee (2014-15)
<b>Anchor</b>	Minimum ₹ 10 Lakh
<b>Member</b>	
Investor with India allocation or AUM or portfolio (whichever is higher) more than ₹ 250 Crore	₹ 5 Lakh
Investor with India allocation or AUM or portfolio (whichever is higher) between ₹ 50-250 Crore	₹ 3 Lakh
Investor with India allocation or AUM or portfolio (whichever is higher) between ₹ 25-50 Crore	₹ 1 Lakh
Investor with India allocation or AUM or portfolio (whichever is higher) less than ₹ 25 Crore	₹ 25,000
<b>Partner</b>	
Research and advisory firms, Investment banks, Incubators etc.	₹ 1 Lakh
Academic Institutions	₹ 50,000
Individuals	₹ 20,000

## **Annexure 2: Draft Agenda for IIC Convention**

Magnolia, The Habitat Centre, Lodhi Road (28 January 2015)

### **Morning Session (9 am – 12 noon)**

- Updates on IIC activities since June 2014
- Discussion on Elections for Executive Council and Sub-committees
- Updates on Membership Enrolment and Grant Outreach Efforts
- Formation of Advisory Board – structure and activities
- Discuss PR/Media Plan
- Discuss plan on government engagement including initiate IIC's wish-list and plan for outreach with various government bodies
- Discuss research plans on impact measurement/ assessment framework development
- Other open items of discussions- e.g., first Annual Impact Investment Conference in Oct-Dec 2015 timeframe
- Active engagement with select Government Officers

### **Lunch Session (12 – 2 pm)**

- Press-conference/ Media Interactions; Release IIC brand identity, flyer, website, and, short film
- Lunch

### **Afternoon Session (2-4 pm)**

- IIC-EC members submit Representation to Ministry for Finance over along with IVCA, TiE, NASE, MFIN, etc.

### ANNEXURE 3

Mr. Jayant Sinha,  
Hon'ble Minister of State for Finance  
Ministry of Finance, Government of India  
New Delhi

**Subject:** BUDGET 2015-16 REPRESENTATIONS ON PROPOSED  
AMENDMENTS IMPACTING IMPACT INVESTING INDUSTRY

Dear Sir,

I am writing to you on behalf of the Impact Investor Council (IIC) - an industry body of the impact investing community of India. IIC aims to work towards nurturing the impact-investing ecosystem in India by channelizing increased capital flow to the sector. A vibrant impact investing community will contribute to India's growth story by facilitating economic growth and job creation at the Bottom of the Pyramid (BoP).

IIC has over 25 members currently. These, members have cumulatively invested over US\$700 million in India across 300+ social enterprises and funds across a range of high impact sectors such as financial inclusion, agribusiness, healthcare, education, clean energy, water and sanitation etc. The cumulative impact investments in India, including those by regular PE and VC players, has crossed US\$1.6 billion. IIC was established with the aim of fostering a favorable policy environment for impact investors in India and in order to further support the capital flow, we believe that certain policy amendments can aid the process.

IIC has identified three key areas where policy level amendments can provide a great boost to the impact investing community today. These three areas are outlined below:

- a. Definitional Clarity of Social Venture Fund Guidelines and Tax Implications for Social Venture Funds (Representation #1)
- b. Extending Priority Sector Lending to Social Enterprises (Representation #2)
- c. Increasing Access to External Commercial Borrowing (ECB) Funding by Social Enterprises (Representation #3)

*Following document covers further details of IIC's proposed policy level amendments.*

We look forward to your support in this matter and engage further in creating a vibrant impact-investing sector in India.

Thanking you,

Sincerely,

Amit Bhatia  
CEO- Impact Investors Council (IIC)

## Representation #1

### REPRESENTATION TO SEBI, THROUGH MINISTRY OF FINANCE, ON SOCIAL VENTURE FUND GUIDELINES IN ALTERNATE FUND INVESTMENT REGULATIONS (AIF), 2012

A favorable policy environment for impact investors necessarily precludes clarity on the exact structure of the investment vehicles impact investors should adopt and the tax implications of the structure. While there are no direct regulations in place for impact investors in India, IIC looks to address ambiguities in two areas that are related to impact investing. These are:

1. Definitional Clarity of Social Venture Fund Guidelines
2. Tax implications for Social Venture Funds

#### **1. Definitional Clarity of Social Venture Fund Guidelines**

One structure that impact investors can currently adopt is a Social Venture Fund (SVF) under Category I of SEBI's Alternate Investment Fund (AIF) Regulations. A *Social Venture Fund (SVF) is an AIF that invests 75% or more of its corpus in unlisted securities or partnership interest of social ventures that satisfy social performance norms defined by the fund. The fund may accept from and give grants to social ventures and may accept restricted or muted returns.*

- **Definition of Social Venture:** Currently a “social venture” is defined as a trust, society, company, venture capital undertaking or limited liability partnership formed with the purpose of promoting social welfare or solving social problems or providing social benefits and includes, -(i) public charitable trusts registered with Charity Commissioner; (ii) societies registered for charitable purposes or for promotion of science, literature, or fine arts; (iii) company registered under Section 25 of the Companies Act, 1956; (iv) micro finance institutions

This definition of Social Venture is limiting as social ventures are commonly associated with not-for-profit entities. However, majority impact investments have been made in for-profit enterprises that address social problems. Suggested legal structure for Social Ventures currently are predominantly not-for-profit entities such as charitable trusts, societies, Section 25 companies etc. and a few for-profit structures such as venture capital undertakings. It is therefore important that the current scope of definition of the term ‘Social Venture’ be broadened. There is also a need to clearly delineate the specific enterprises that constitute those promoting social welfare or solving social problems or providing social benefits. Additionally, in order to ensure standardization it is important to define the social performance norms that these social ventures should satisfy

- **Social Performance Norms:** The SVF definition states that social ventures should satisfy performance norms defined by the fund. However, there are no guidelines on what these suggested norms could be. It is important to clarify the expected performance norms else each individual fund can

adopt norms to suit their own interests. This can also adversely impact the social ventures landscape with greater flow of capital towards ventures that confirm to the specific standards set by individual funds.

- **Muted/ Restricted Returns:** It is suggested that an SVF may accept restricted or muted returns though SEBI does not provide a rationale as to why this should be the case or what the definition of muted returns itself is. Adopting a return-based definition is limiting and could deter mainstream capital from turning towards impact investing. Impact investors take on higher risk than mainstream investors due to the nature of the geographies and sectors that they operate in– they should be compensated for this risk by accepting similarly high returns. Each individual SVFs should be able to structure their own risk-return profile and thus, the muted returns constraint on SVFs should be revoked.

## 2. Tax Implications for Social Venture Funds

Social Venture Funds fall under Category I of the AIF Regulations. *Category I funds are those that invest in start-up or early stage ventures or social ventures or SMEs or infrastructure or other sectors or areas which the government or regulators consider as socially or economically desirable. These are Alternative Investment Funds which are generally perceived to have positive spillover effects on economy and for which the Board or Government of India or other regulators in India might consider providing incentives or concessions. The AIF guidelines further clarify that such funds which are formed as trusts or companies shall be construed as a Venture Capital Company or a VCF as specified under sub-section (23FB) of Section 10 of the Act.*

- **Tax-pass through status:** Section 10 (23FB) of the Income Tax Act, 1961 affords a “tax pass through” to all Venture Capital Funds (VCF) registered under the erstwhile VCF Regulations. Post the change of regulations to the pass-through status should be applicable to Category I AIFs – VCFs are a subset of Category I AIFs. However given the current wordings of the provisions, Category I AIFs that do not fall under the sub-category of VCFs are not eligible for a tax pass through. The current restriction on the tax pass-through status does not incentivize investors registering as SVFs.
- **Tax benefits:** The aim of the AIF guidelines is to support structures that create a positive spillover effect on the economy. The guidelines also state that the regulator may consider providing incentives or concessions to such funds that are able to generate these positive spillover effects. Social Venture Funds by virtue of investing in social ventures promote economic growth and job creation at the Bottom of the Pyramid. Thus in addition to clarifying the status on existing benefits such as tax-pass through there is a need to identify specific concessions for SVFs and the Limited Partners that support these SVF.

## Recommended Amendments

Based on the combination of factors discussed above, there is a need to address ambiguities in the SVF guidelines. Keeping this in view, IIC proposes the following amendments on the SVF guidelines in alternate fund investment regulations:

- *The muted returns constraint on SVFs should be revoked*
- *The minimum investment limit of INR 1 crore by an investor or limited partner (LP) should be reduced*
- *The fund minimum limit should be relaxed from INR 20 crore to INR 10 crore*
- *SVFs should be eligible for “tax pass through” under Category I AIF guidelines*
- *Grant investments to a fund should be tax exempted under Section 80G*
- *The Corporate Social Responsibility (CSR) guidelines should allow for financing to a Social Venture Fund*

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## Representation #2

### REPRESENTATION TO MINISTRY OF FINANCE AND RESERVE BANK OF INDIA ON EXTENDING PRIORITY SECTOR LENDING TO SOCIAL ENTERPRISES

Social enterprises (SE) are enterprises that provide access to basic product and service at the Bottom of the Pyramid (BoP) and help generate livelihood opportunities creating significant social and environmental impact. Social enterprises by virtue of the sectors they operate in and the target segment they address tend to have different characteristics in terms of unique risk return - social impact profile, base of the pyramid focus and a mission driven approach. Many developed countries provide special recognition to these enterprises due to the positive role they play in the society – in USA they are classified as B Corps while in the UK they are recognized as Community Investment Companies. Similarly there is a need for recognition of social enterprises in India as well.

#### Defining Social Enterprises

The Impact Investors Council (IIC) defines *social enterprise* as a for-profit enterprise that:

- Serves underserved beneficiaries who are producers, consumers, suppliers, employees or users; Underserved beneficiaries could also be enterprises as defined by the MSME Act 2006; Underserved beneficiaries should comprise super-majority (two-third or more) of the beneficiary base
- Is willing to carry out third party reporting/assessment in conjunction with investors<sup>2</sup>
- Follows all compliance and regulatory norms as prescribed by the authorities
- Demonstrates high standards of corporate governance and consumer protection

#### Financing challenges for Social Enterprises in India

Access to finance is the biggest challenge for social enterprises in India today; however there are limited sources of institutional finance available to them. The social enterprises have access to early stage equity from impact investors however the supply is constrained due to the nascent venture capital and angel investing space in India and preference of existing investors for growth stage enterprises.

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<sup>1</sup> Agriculture and livelihoods, Clean Energy, Education, Financial Inclusion, Healthcare, Water and Sanitation, Technology for Development

<sup>2</sup> The responsibility of social impact and third-party reporting lies with investors

While access to equity funding for social enterprises is limited; access to finance from banks is an even bigger challenge due to the following: (a) Non-Recognition of Social Enterprises by banks (b) Emphasis on Collateralized Lending (c) Non-viability of Product Innovation in Social Enterprise Lending- small ticket sizes of Social Enterprise loans limit the scope of innovation in product structures for this segment

Initiatives such as the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) set up by Government of India and SIDBI and Innovation Branch promoted by SIDBI do highlight attempts in innovative lending by the banking system. However, social enterprises are yet to benefit from these initiatives.

### **Current Guidelines for Priority Sector Lending**

Policy makers in India have always retained a focus on Micro, Small and Medium Enterprise (MSME) finance, as indicated by the RBI's Priority Sector Lending (PSL) norms for commercial banks. In India, the Micro, Small and Medium Enterprise Development Act 2006 (MSMED Act) of the Government of India defines the MSME sector based on the initial investment in plant and machinery<sup>3</sup>. In India there are no separate recognitions of social enterprises, such enterprises are mostly considered as a part of the MSME sector.

Advances to micro and small enterprises sector is reckoned in computing performance under the overall priority sector target. Within advances to micro and small enterprises, RBI has put the following mandates –

- There must be 20% y-o-y growth in MSE lending,
- 60% of the total advances to MSE must go to micro enterprises segment, and
- There must be 10% y-o-y growth in the number of accounts of micro enterprises

Very recently, The Securities and Exchange Board of India (SEBI) has also proposed that bank funding to listed small and medium enterprises (SMEs) be given a priority lending tag.

### **Need for Priority Sector Lending to SEs**

Social enterprises by virtue of being one among the micro, small or medium enterprise could be eligible to access debt under the PSL guidelines. However, most of social enterprises tend to be asset light, service-oriented companies that make them distinct from more established brick and mortar or manufacturing enterprises in the same category. It is observed that debt is limited in most social enterprise sectors with exceptions to sectors such as agriculture and rural development and vocational education where debt-flow is higher due to

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<sup>3</sup> MSME definition provided as part of annexure

government interventions (*Priority sectors under PSL directives include Agriculture and Rural Development, Micro and Small enterprises, Education among others*). Lack of access to finance coupled with lack of directives from regulatory bodies to increase capital infusion in the social enterprise sector indicate the need for an independent recognition of social enterprises. IIC proposes that by extending PSL to social enterprises can help mitigate a lot of the financial challenges that these enterprises face today.

### **Recommended Amendments:**

Based on the combination of factors discussed above, there is a need to amend the Priority Sector Lending definition and bring in inclusivity towards social enterprise sector. Keeping this in view, IIC proposes for the following amendments in the definition of the priority sector lending guidelines:

- *PSL should be extended to all the Social Enterprises - SE as defined by IIC guideline (Refer Appendix), to include all the socially relevant sectors such as Agriculture, Affordable Housing, Education, Financial Services, Healthcare, Livelihoods, Renewable Energy, Water and Sanitation irrespective of the size of enterprise*
- *The above can be executed by a self-declaration filed by the respective SE conforming to the SE definition of IIC and a certification from a credit rating agency*

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## Appendix to Representation #2:

### a. MSMED Act Definition of MSME

#### Initial Investment in Plant and Machinery in INR Million\*

Category/Enterprise Size	Micro	Small	Medium
<b>Manufacturing</b>	<2.5 (<50,000)	2.5 – 50 (50,000 – 1 Million)	50– 100 (1 Million – 2 Million)
	<1 (<20,000)	1 – 20 (20,000 – 0.4 Million)	20– 50 (0.4 Million – 1 Million)
<b>Services</b>			

\*Figures in brackets are in USD; Source: MSMED Act

### b. Definition of Underserved Beneficiaries:

Underserved beneficiaries have to satisfy the income- based definition

- Income-based definition: Beneficiaries with annual household incomes less than ₹ 3 Lakh\*; these are vulnerable due to lack of access to basic needs
- Marginalized Beneficiaries: Individuals with physical disabilities

The geography and sector-based definitions of underserved beneficiaries provide a secondary dimension but is not a necessary criterion

- Geography-based definition: Beneficiaries in under developed geographies (districts) as defined by bouquet of development indicators
- Sector-based definition: Beneficiaries in priority or impact sectors as defined by the Government of India

### Representation #3

#### INCREASING ACCESS TO EXTERNAL COMMERCIAL BORROWING (ECB) FUNDING BY SOCIAL ENTERPRISES

Access to finance is the biggest need for a social enterprise, however there are limited sources of institutional finance available to them. Social enterprises, especially startups and growth stage companies, have access to early stage equity through impact investors however have limited access to debt. In addition to risk-averse lending practices, the rate of interest on the domestic bank loan is distinctly higher than the overseas loan. This propagates a natural inclination by the enterprises (startups and growth stage companies) to explore the possibility of mobilizing funds through the external commercial borrowing (ECB) route to benefit from the lower interest burden. However, here too there are disbursement constraints as there is specific circular by the Reserve Bank of India stipulating various conditions and covenants that need to be satisfied for each funding under this route.

#### Defining External Commercial Borrowing

Commercial loans (in the form of bank loans, buyers' credit, suppliers' credit, and securitized instruments) availed from non-resident lenders with minimum average maturity of 3 years with advantage of

- Lower rates of interest prevailing in the international financial markets
- Longer maturity period
- For financing expansion of existing capacity as well as for fresh investment

#### External Commercial Borrowings can be accessed under two Routes

- i. **Automatic Route** i.e., no prior approvals, under delegated powers exercised by the Reserve Bank of India (RBI); Eligible borrowers under automatic route includes:
  - a. Corporates including hotel, hospital, software sectors (registered under the Companies Act 1956)
  - b. Infrastructure Finance Companies (IFCs) except financial intermediaries such as banks, FIs, HFCs, and NBFCs
  - c. Units in Special Economic Zones
  - d. NGOs engaged in micro finance activities (subject to certain conditions)

*Trusts and Non-Profit making organizations are not eligible to raise ECB.*

- ii. **Approval Route** i.e., requires permission by Reserve Bank of India and by the Government through the Foreign Investment Promotion Board (FIPB) under the Ministry of Finance; Financial sector including Banks, Non-Banking Financing Companies (NBFCs), Housing Finance Companies and Corporates engaged in industrial & infrastructure sector comes under approval route

### Challenges in accessing ECB Debt Clearances

ECBs provide an additional source of funds for the enterprises allowing them to supplement domestically available finance. The ECB policy is monitored and updated by RBI on a regular basis; however there remain a considerable number of challenges coupled with regulatory hurdles, which hamper the access of ECBs to enterprises. Some of the challenges include:

- **ECBs can be utilized for limited purposes** such as capital expansion, and cannot be used for working capital, real estate or discharge of rupee loans

If ECBs are allowed to pay-off existing rupee loans, it would help in lowering the cost of borrowing and channelize long-term and low cost funds into projects that require long-term and large capital investments

- In ECBs, the funds are raised in foreign currency along with the interest and redemption, the issuing company has to hedge its foreign exchange, which involves expenditure constraining the flow of capital
- **Lack of definitional clarity on some of the socially relevant sectors:** Recent changes in the definition of eligible borrowers led to the inclusion of “Power” under infrastructure which means (i) electricity generation, (ii) electricity transmission, (iii) electricity distribution (iv) oil pipelines, (v) oil/gas/liquefied natural gas (LNG) storage facility (includes strategic storage of crude oil) and (vi) gas pipelines (includes city gas distribution network).

However, given the broad definition of power sector, most banks have already reached their exposure limits in power sector set by them in pursuance of the RBI guidelines. Given the strong fillip of Indian government for harnessing renewable energy potential in India and lack of access to debt to the enterprises operating in this sector, there is a need to consider renewable energy as a separate sector for increasing sectoral exposure limits by banks.

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### **Recommended Amendments:**

Towards its aim of working towards positive policy reform favorable to the sector, IIC believes the following policy amendments may enable flow of impact capital (particularly debt) to the enterprises in the socially relevant sectors:

- *External Commercial Borrowings (ECBs) through the automatic route should be extended to Social Enterprises (SE) across all sectors, who conform to the IIC definition (Refer Appendix)*
- *The above can be executed by a self-declaration filed by the respective SE conforming to the SE definition of IIC and a certification from a credit rating agency*
- *Once an enterprise or a fund receives ECB approval from the RBI all follow-on tranches should be considered under the automatic route – requirement for multiple approvals from RBI by the same entity should be revoked*

### **Appendix to Representation # 3:**

#### **a. Definition of Underserved Beneficiaries:**

Underserved beneficiaries have to satisfy the income- based definition

- **Income-based definition:** Beneficiaries with annual household incomes less than ₹ 3 Lakh\*; these are vulnerable due to lack of access to basic needs
- **Marginalized Beneficiaries:** Individuals with physical disabilities

The geography and sector-based definitions of underserved beneficiaries provide a secondary dimension but is not a necessary criterion

- **Geography-based definition:** Beneficiaries in under developed geographies (districts) as defined by bouquet of development indicators

**Sector-based definition:** Beneficiaries in priority or impact sectors as defined by the Government of India

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## ANNEXURE 5

19 December 2014

Shri Jayant Sinha  
Hon'ble Minister of State for Finance  
Government of India

**Subject: Request for meeting with Working Group on Business & Social Entrepreneurial Impact**  
(An IVCA-TiE-IIC-NASE partnership, four leading Indian Associations of Investors & Entrepreneurs)

Dear Sir,

On behalf of four leading Indian Associations of Business & Social Entrepreneurs and Investors, I'd like to request you for an opportunity for ~30 Board Members of these four associations to meet you and discuss how our working group may align with Government's key priorities like "Make in India", "Smart Cities" and "Skilling Mission". We also hope that this will be an opportunity for us to felicitate you, update you on the progress and agenda of our coalition (and its four member associations) and outline our opportunities & challenges.

We are requesting for a meeting in the afternoon or evening of **Wednesday, 28<sup>th</sup> January 2014, as per your convenience, at The Habitat Centre, Lodi Road, New Delhi**. All four associations will be joining this event in Delhi to have an opportunity to meet and honor you.

Sir, as you are well aware, all four of us have worked tirelessly to ensure inclusive growth and development for India:

- IVCA or Indian Private Equity & Venture Capital Association ([www.indiavca.org](http://www.indiavca.org)) has cumulatively invested over \$100 billion in India
- TiE or The Indus Entrepreneurs ([www.tie.org](http://www.tie.org)) is world and India's largest association of entrepreneurs spread across 18 countries, 61 chapters and 11,343 charter members
- IIC or Impact Investors Council ([www.iiic.in](http://www.iiic.in)) is the association of all Impact Investors in India who have collectively invested over \$1.6 billion over the past decade in 300+ social enterprises to serve the underserved beneficiaries in India, especially the poor and rural areas
- NASE or National Association of Social Enterprises is the association of all social enterprises in India

We have read with great pride your assessment of India's potential to become a \$5 trillion economy in 10 years. We will be thrilled to align with your vision and are keen to ensure that we all collaborate to help India build an entrepreneurial eco-system which can truly help deliver India's potential.

We are very hopeful that you will find two hours on your calendar on 28 January, to meet the ~30 Board Members of our four associations. We look forward to felicitating you with great anticipation,

Regards,

Amit Bhatia  
CEO- IIC



## Invitation

The Board Members of TiE, IVCA, NASE & IIC are delighted to invite and request the gracious presence of

Hon'ble Shri Jayant Sinha  
Minster of State for Finance

On Wednesday, 28<sup>th</sup> January 2015 for a felicitation ceremony at Magnolia, The Habitat Centre, Lodhi Road, New Delhi; and to discuss & deliberate, with the Board Members of our four associations on how we may better align with Government's priorities and initiatives.



Geetika Dayal  
Executive Director, TiE (Delhi)



Alok Mittal  
Ashish Gupta, Evalueserve  
Atul Dhawan, Deloitte  
Bobby Bedi, Kaleidoscope  
Deep Kalra, Makemytrip  
Gita Dang, Talent Advisory  
Pradeep Gupta, CyberMedia  
Pramath Sinha, 9dot9  
Raman Roy, Quattro  
Sanjeev Bikhchandani, naukri.com  
SubinderKhurana, BankSmarts  
Saurabh Srivastava



Arvind Mathur  
CEO, IVCA



Ashley Menezes, Nuvo Chryscapital  
BejulSomaia, Lightspeed Venture Partners  
Bharat Banka, Aditya Birla Private Equity  
Gopal Srinivasan, TVS Capital  
NitenMalhan, Warburg Pincus  
Padmanabh Sinha, Tata Capital  
Sanjay Nayar, KKR India Advisors  
Satish Kumar Mandhana, IDFC Alternatives  
VishakhaMulye, ICICI Venture



Payal Randhawa  
Executive Director, NASE



Ashwin Naik, Vaatsalya Hospitals  
K. Chandrasekhar, Forus Health  
Murali Vullaganti, Rural Shores  
Neelam Chhiber, Mother Earth  
Sudesh Menon, Water Life  
Shilpi Kapoor, BarrierBreak  
Sanjay Gupta, English Helper



Amit Bhatia  
CEO, IIC



Anuradha Ramachandran, Omidyar  
Geeta Goel, Dell Foundation  
Mona Kachhwaha, Caspian  
Vineet Rai, Aavishkaar  
Vishal Mehta, Lok Advisory

## Working Group for Business & Social Entrepreneurial Impact

### TERMS OF REFERENCE

India's four leading associations for business & social entrepreneurship have partnered to form a working group to help accelerate the development of the entrepreneurial eco-system and determine a common charter, over and above their individual charters. These four associations are:

#### *Business Entrepreneurship*

- **TiE** (The Indus Entrepreneurs) is world and India's largest association of entrepreneurs spread across 18 countries, 61 chapters and 11,343 charter members
- **IVCA** (Indian Private Equity & Venture Capital Association) has cumulatively invested over \$100 billion in India

#### *Social Entrepreneurship*

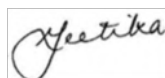
- **NASE** (National Association of Social Enterprises) is a platform for social enterprises to accelerate the innovative high impact work of social enterprises enabling them to effectively reach marginalized and under-served communities and populations in India
- **IIC** (Impact Investors Council) is a member-based industry body for development of the impact-investing sector in India, focused on impact measurement and standardization, research and policy support and self-regulation.

All four association have agreed to the following common terms of reference:

- **Entrepreneurial Eco-System Development:** We agree to collaborate in developing the entrepreneurial eco-system across India to build and scale business and social enterprises focused on innovation and job-creation as well as aligning our initiatives with PM's vision for "Make-in-India", "Skills Mission" and "Smart Cities"
- **Research & Policy Support:** We agree to collaborate in researching and disseminating best practices and policies for financing and nurturing world-class enterprises to all stakeholders, including Government.
- **Convening & Evangelism:** We agree to collaborate in ensuring convenings, individually and jointly, to evangelize the necessity of both business and social entrepreneurs in India to enhance our robust national platform for strong and sustainable inclusive growth.

We hereby commit as business and social investors and entrepreneurs, to support India's growth story, help under-served beneficiaries and ensure positive business, social and environmental impact.

Signed on 19<sup>th</sup> day of December 2014



Geetika Dayal  
TiE (Delhi)



Arvind Mathur  
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