

Nurturing Entrepreneurship



Agri-tech start-up Ergos raises additional INR 38.5 crore (US \$ 5 Million) in Series A round with fresh investment from Chiratae Ventures and Aavishkaar Capital



Mumbai, October 8, 2020: Aavishkaar Capital Investee, Ergos Business Solutions Pvt Ltd (“Ergos”), one of the leading agri-tech start-ups in the country, has announced that it has raised an additional capital of INR 38.5-Cr (US \$ 5 Million) in Series A round with fresh investment from Chiratae Ventures and Aavishkaar Capital.

Chiratae Ventures led the Series A round with an investment of INR 23.5 crore whereas Aavishkaar Capital, the Impact Investing arm of the Aavishkaar Group, invested an additional INR 15 crore. With this, the total investment into Ergos stands at INR 58.5 Cr of which INR 35 Cr is from Aavishkaar Capital and the rest from other investors. The equity round is expected to be an INR 80 crore raise with another institutional investor set to join the round.

Founded by young entrepreneurs from Bihar, Kishor Jha and Praveen Kumar, Ergos has been working on a unique farm-gate based Grainbank model that they have piloted in multiple districts of Bihar. The unique model enables farmers to digitize their food grains and also provides them with doorstep access of end-to-end postharvest supply chain solutions by leveraging a robust technology platform to ensure seamless service delivery.

The Ergos tech platform operates like a bank and offers Storage, Digitisation, Credit and Liquidation facility to Farmers through the single platform. Over the last five years the company’s Grainbank model has consistently helped farmers achieve significantly higher incomes through better price realization of their produce.

Speaking on this investment, Kishor Jha, Founder & CEO, Ergos, said, *“We are building the Ergos Grainbank to serve small and marginal farmers by leveraging technology and data sciences to disrupt the way farmers deal with their produce. We are extremely excited to have Chiratae on board; and along with the continued support from Aavishkaar Capital, we intend to rapidly scale our geographic footprint and remain focussed to service farmers directly at farmgate at over 2000 Grainbank locations over the next few years.”*

TCM Sundaram, Founder and Managing Director, Chiratae Ventures said, *“We are excited to partner with Ergos in its contribution to the Government’s mission to help farmers’ double their income in a quantifiable way. Ergos is bridging the large gap between the selling price of produce and the realisation of farmers at the farm-gate by using technology to facilitate credit and market linkages to the grains stored with it. This opportunity is massive and Ergos is expected to capitalise on its early lead to become a market leader that creates sustainable development to the farmers life.”*

Ajay Maniar, Partner, Aavishkaar Capital said, *“We are excited to welcome Chiratae as a co-investor in Ergos and join us in our journey of transforming the Indian farming*

landscape through Ergos' agri-technology platform We had seeded Ergos from a predecessor fund and are delighted with the company's progress and validation of our investment thesis. We believe the opportunity is very significant and the timing opportune to enable Ergos to rapidly scale the business & empower farmers."

About Ergos:

Ergos, has been building technology driven Grainbank at the farm-gate for the small and marginal farmers in India. The start-up supports more than 20,000 farmers on its digital platform and has a physical footprint in more than 60 locations in Bihar. The company plans to expand its footprint in more states with the new round of capital. In 2018, Ergos had won the All India Start-up Award for their "Innovative Model & Excellence in Supply Chain" by Indian Council of Food and Agriculture. <https://ergos.in/>

About Chiratae Ventures:

Launched in 2006, Chiratae Ventures India Advisors (formerly IDG Ventures India) is India's leading technology Venture Capital funds advisor. The funds advised by Chiratae Ventures India Advisors collectively have approximately \$800M under management and 90 investee companies across Consumer Media & Tech, Cloud/Software, Health-tech and, Fin-tech. Notable portfolio companies include AgroStar, Bizongo, Bounce, Cropin, Curefit, FirstCry, Flipkart, Lenskart, Manthan, Myntra (acquired by Flipkart), NestAway, Newgen (NSE: NEWGEN), PlaySimple, PolicyBazaar, Rentomojo, Unbxd, Uniphore and, HealthifyMe among others. www.chiratae.com

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About Aavishkaar Capital

Aavishkaar Capital is a global pioneer in taking an entrepreneurship-based approach to scaling businesses for impact. The unique approach has resulted in its invested enterprises impacting over 105 million lives (55% of whom are women) and creating over 300,000 jobs and livelihoods.

Aavishkaar Capital invests in sectors such as Agri-services & Food processing, Inclusive Finance and Essential Services across India, Emerging Asia, and Sub-Saharan Africa. Aligned to 13 out of the 17 Sustainable Development Goals, Aavishkaar Capital has raised six funds, while generating commercial returns with c.\$450mn in assets under management.

Aavishkaar Capital is the impact investing arm of the Aavishkaar Group, the impact platform with presence in Microfinance, MSME Lending and ecosystem building across Asia and Africa. Aavishkaar Group with its vision to bridge the opportunity gap for the emerging 3 Billion, currently manages over USD 1.2 billion across its platform.

For more details please visit www.aavishkaarcapital.in

