

Zilingo acquires Sri Lanka-based startup nCinga

- Sizeable recent tech buy-out in Sri Lanka, valued at Rs 2.8 bn

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The teams from nCinga, Zilingo and BOV Capital following the acquisition

Global technology platform Zilingo has acquired Sri Lanka-based startup nCinga Innovations resulting in cash and stock worth approximately Rs 2.8 billion (USD 15.5 million) changing hands. This landmark deal was one of the largest Sri Lankan tech buy-outs in recent times.

Sri Lanka-Singapore based Venture Capital fund BOV Capital, the lead investor in this landmark deal, gave a 300% return to its global investors, which resulted in the distribution of funds of up to LKR 380 million. BOV Capital is the first Sri Lankan and Singaporean Venture Capital fund focusing on Sri Lanka-based tech start-ups; BOV Capital made an initial, seed investment in nCinga in 2017 via the Singaporean fund and follow-on rounds via the Sri Lankan fund (Digital Innovation Fund).

“Sri Lanka has very special skills in computer science and we believe Sri Lankan founders can build vertical and focused horizontal software companies that can scale regionally and globally. Like with the nCinga exit, our aim is to help start-ups accelerate growth in the region. We do this by bringing in smart money. We help each entrepreneur with product-market fit, regional expansion, team building, follow-on funding and eventually exit opportunities,” said BOV Capital Co-Founder Prajeeth Balasubramaniam.

Established in October 2014, nCinga’s Manufacturing Execution System (MES) software automates operations on the factory floor, allowing factories to dramatically improve efficiency and reduce defects by accessing real-time production data and actionable performance reports. The software has been successfully deployed by some of Sri Lanka’s largest apparel manufacturers.

The acquisition will drive the adoption of the software across Zilingo’s global network, specifically for core fashion manufacturing markets in Asia as well as brands in the United States, Europe and Australia, addressing a traditional lack in transparency over the supply chain and manufacturing processes.

“We, at nCinga, are very inspired by Zilingo’s vision. Both the teams align on shared values and a global ambition to make the fashion and apparel industry fair, transparent, and efficient. We hope to do great things together,” said Imal Kalutotage, Chief Executive Officer, nCinga Innovations.

The largest tech-exit in Sri Lanka in recent times, the acquisition has created deep excitement in the Sri Lankan start-up eco-system, highlighting BOV’s ability to create start-ups with the potential to scale globally. In line with this, BOV Capital since its inception has been creating a lot of awareness via various programs and helping start-ups scale globally.