

BlueOrchard invests INR 45 Mn in Svasti Microfinance

Mumbai, May 9, 2011

Svasti Microfinance Private Limited (“Svasti”), a Mumbai-based start-up Microfinance company, has successfully closed its second round of equity funding at the end of March 2011. Through its subsidiary in Mauritius, BlueOrchard Private Equity Fund has invested Rs. 4.5 crores. Grameen Capital India acted as exclusive advisor to Svasti on this transaction. The funds will be used by Svasti to expand its branch operations and to develop innovative loan products to service the entrepreneurial low income population in Mumbai.

Founded with incubation support from the Michael & Susan Dell Foundation and Kotak Mahindra Investments Limited (a subsidiary of Kotak Mahindra Bank), Svasti transformed its operations into a non-banking finance company in September 2010 by raising Rs. 5.45 crores in its first round of equity funding from several investors including a few members of the Mumbai Angels, India’s leading group of angel investors. Ms. Sarah Djari, Senior Investment Manager Asia, BlueOrchard Private Equity Fund, Mr. Srikrishna K Ramamoorthy, Grant Officer, the Michael & Susan Dell Foundation and Mr. Rajiv Dadlani from the Mumbai Angels are investor representatives on Svasti’s Board.

Speaking about the current investment, Sarah Djari, Senior Investment Manager Asia, BlueOrchard Private Equity Fund said “This investment is BlueOrchard’s second direct participation in the Indian microfinance sector, and allows our fund to support an innovative business model in the urban slums of Mumbai. I am personally very excited to partner with Svasti for its next development phase and much looking forward to collaborate with its management and existing shareholders”

P Arunkumar, Co-Founder and Director said “Svasti is very pleased to have BlueOrchard as an investor. BlueOrchard’s worldwide microfinance experience coupled with the backing of our existing investors will be of significant value as Svasti embarks on a growth phase”

B Narayanan, Co-Founder and Director said “BlueOrchard’s investment in the current environment where microfinance in India is going through a rough patch is a ratification not just of Svasti’s operational strengths and its capability, but also the robustness of the microfinance business model when fundamental principles are adhered to.”

About Svasti Microfinance

Svasti Microfinance Private Limited (www.svasti.in) is a registered Non Bank Finance Company providing financial services to the entrepreneurial urban poor in Mumbai. Svasti began its microfinance operations in Mumbai in 2008 and today manages a loan portfolio of around Rs. 5.39 Crores, servicing around 8500 clients from its 6 branches across the city.

About BlueOrchard

BlueOrchard is a global leading commercial microfinance investment manager providing loans to microfinance institutions through BlueOrchard Finance S.A. since 2001 and investing in the equity of microfinance institutions and microfinance network funds through BlueOrchard Investments Sàrl since 2007. BlueOrchard currently manages USD900M in debt and USD195M in Equity. In India, BlueOrchard has invested Equity in Asmitha and Aavishkaar Goodewell fund prior to investing in Svasti.

About Michael & Susan Dell Foundation

The Michael & Susan Dell Foundation (www.msdf.org) is dedicated to improving the lives of children living in urban poverty around the world. With offices in Austin, New Delhi, and Cape Town, 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. The foundation has committed more than \$530 million to global children's issues and community initiatives to date.

About Mumbai Angels

Mumbai Angels, started in November 2006, is a unique forum of angel investors where its members interact and exchange ideas and knowledge. The Mumbai Angels provides a unique platform to start-up and very early stage companies by bringing them face to face with successful entrepreneurs, professionals and executives who are interested in and have the funds available to invest in startup companies. Mumbai Angels has made over 30 investments in last 5 years, and some investee companies include InMobi, Apalya Technologies, Onward Mobility, Mobiquest, DEXL Education, Speakwell, Myntra, InstaHealth, Talent Bridge, Reverse Logistics and many others.

About Grameen Capital India

Established in 2007, Grameen Capital India provides capital market access to microfinance institutions (MFIs) and other social enterprises through innovative debt and equity solutions, credit enhancement and strategic advisory services. Grameen Capital India is a collaboration between Grameen Foundation, Citigroup and IFMR Trust