



## PRESS RELEASE

### **Intellecapt Secures \$9.87m Series B Funding for Bhartiya Samruddhi Finance Limited** *BSFL, a flagship company of BASIX group aims to reach 10million poor households by 2014*

**Hyderabad, India, April 30, 2009** - Bhartiya Samruddhi Finance Limited (BSFL), the flagship company of the Hyderabad based BASIX group, has concluded its Series-B funding of INR 500Mn (\$10m) with investments from Lok Capital LLC, Aavishkaar Goodwell India Microfinance Development Company and Small Industries Development Bank of India (SIDBI). Intellectual Capital Advisory Services (Intellecapt) acted as BSFL's advisors to the issue. IFC, Shorecap International Limited, Stichting Hivos-Triodos Fonds, ICICI Bank Limited and HDFC had invested in the previous round of capital expansion in 2001.

Founded by Vijay Mahajan, well-known in the development space as a visionary and a pioneer in the Indian Microfinance industry, BSFL started its operations in 1996. Today, BASIX is the world's leading provider of Integrated Livelihood Promotion Services and has impacted the lives of more than a million poor people through its unique holistic approach to livelihood promotion which uses microfinance, micro-insurance, agricultural, business and institutional development services in a mutually reinforcing manner. With a loan portfolio of INR 462 Crores (\$92.4m) and a customer base of over 1.5 million across BASIX and its affiliates for all services, BSFL operates in 15 states across India and expects to reach 10 million clients by 2014.

According to Vijay Mahajan, Chairman and CEO, BSFL, "This is a big milestone for us as investors have reposed faith in the BASIX integrated livelihood promotion model over cookie-cutter micro-credit. We are all set to now address our goal of reaching 10 million poor households by 2014."

Mr. Malla, Chairman, SIDBI said, "BSFL is well positioned in the MF sector with its holistic approach using microfinance for the upliftment of the economically weaker sections and rural poor. SIDBI's equity support to BSFL is a reaffirmation of its role as a true partner in micro finance and developmental initiatives. The capital infusion will enable BSFL to maintain its mission focus and leverage large borrowings, to expand its outreach rapidly, especially in under-served States like Jharkhand and Bihar and the Northeast."

Donald Peck, Co-founder of Lok Capital commented "We are delighted to be able to support the further growth of BSFL as it embarks on the next stage of roll-out of its unique agriculture and skills focused business models"

Wim van der Beek, Founding Partner of Aavishkaar Goodwell said "We look forward to work closely with Mr Mahajan and his team to capture the exciting growth opportunities for this pioneering institution, creating livelihoods for larger numbers of India's poor."

BSFL, through this round, has also facilitated partial exit of some of its initial investors through a secondary sale worth INR 20.2 crores (more than \$4m) to the new investors.

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#### **About Intellecapt**

Established in 2002, Intellecapt is one of the fastest growing strategic services firm in the international development sector. Intellecapt has undertaken pioneering initiatives in the field of finance and strategy in the microfinance sector, and seeks to leverage this experience to other areas that benefit social and economic development. Intellecapt has intermediated close to USD100MM in capital to development opportunities serving clients in Europe, the Middle East, South Asia and South East Asia. [www.intellecap.net](http://www.intellecap.net).

#### **About SIDBI**

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#### **Intellectual Capital Advisory Services Pvt. Ltd. (Intellecapt)**

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Small Industries Development Bank of India (SIDBI) was established in April 1990 under an Act of Indian Parliament as the principal financial institution for Promoting, Financing and Development of industry in the small scale sector. It also co-ordinates the functions of other institutions engaged in similar activities. The bank provides its services through a network of 49 offices located all over India. SIDBI runs several financing schemes like Direct Finance, Bill financing, Refinance, International Finance, Promotion and Development and Micro-finance for Small and Medium Enterprises (SMEs).

#### **About Lok Capital LLC**

Lok Capital LLC is a \$22 million Mauritius-based venture capital fund, which invests in microfinance institutions that provide financial services to the poor in a commercially sustainable manner. Its investors include IFC, CDC, KfW, FMO, ACCION, responsAbility and DID. Lok Capital, a pioneer in microfinance-focused investing in India, is advised by Lok Advisory Services Pvt. Ltd., a New Delhi-based team of finance and management professionals.

#### **About Aavishkaar Goodwell India Microfinance Development Company (AG)**

Aavishkaar Goodwell India Microfinance Development Company Ltd is a for-profit business development company that invests in entrepreneurial microfinance organizations in India on a socially and commercially sustainable basis. It aims to improve access to affordable financial services for millions of un-banked people in India. The Dutch microfinance private equity company Goodwell Microfinance Development Company is the leading investor in Aavishkaar Goodwell, along with international finance institutions and commercial banks. The dedicated investment team in India invests alongside the team that manages Aavishkaar India Micro Venture Capital Fund ([www.aavishkaar.org](http://www.aavishkaar.org)), an innovative and UNDP Award winning fund that invests micro-equity in scaleable SMEs in India. [www.aavishkaargoodwell.com](http://www.aavishkaargoodwell.com)

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