



AAVISHKAAR IMPACT REPORT 2013







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Dear Friends,

The last 12 months have been very fulfilling for us at Aavishkaar. We concluded the fund raising for Aavishkaar II, made new investments in companies and entrepreneurs and collaborated with fellow investors to set up the India Impact Investor Council (IIIC) - an industry body aimed at promoting the development of the impact investing industry in India.

In last year's report, I had questioned the way impact is discussed by Impact Funds and had emphasised that instead of just looking at our investee companies, fund manager approach and performance should be key measurement criteria. Personally, over the last 12 months, my most gratifying experience has been the time our team spent with colleagues from GIZ, IFC and Intellect, discussing the development of an impact tool. The tool, named 'PRABHAV'(Hindi for 'Impact'), is going through its initial trials and our first fund, Aavishkaar India Micro Venture Capital Fund, was the first fund analysed; some of the outcomes of which are featured in this report.

Some of the relevant insights we gained through this tool about our first fund: In 91% of the cases, we were the first institutional investor in our investee companies. Most interestingly, 52% of our companies started their business with our capital, which means they started their commercial operations after we invested. 100% of our companies were started by first generation entrepreneurs and 100% of our companies were in seed stage when we invested.

Our investments are spread across 22 Indian states and these include all the seven low-income states namely Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh. Our investee companies are reaching out to 269 out of 600 districts in India. Their impact is broadly divided into two categories; they are either creating livelihood for low income populations or are reducing vulnerabilities rising out of health concerns, poor education, inadequate water or sanitation services and lack of other social infrastructure. Based on the economic, social and infrastructure data provided by the Government of India, Prabhav analysis suggests that out of 269

districts we operate in, 38% have been classified as highly underdeveloped and more than 47% fall in the moderately-developed category. This clearly shows our inclination to invest in companies that work in difficult and underserved geographies.

As you read this report, data complemented by explanatory maps and charts will provide you with better insights about the geographic spread and quality of the fund's impact. My partner Pradeep, while reflecting on some of these outcomes, commented that if INR 600 million (at current exchange rate less than US\$ 10 million) raised over 9 years could catalyse such change, surely we can do much better now. It is this same passion and enthusiasm that drives our new endeavour, Aavishkaar Frontier Fund, which aims to take this model beyond Indian shores to South and South East Asia.

I would like to thank you for taking the time to read through the information shared through this report. I hope it makes for an interesting read and I welcome your thoughts on how we can further enrich our work in this space. Your guidance through insights, comments and questions will be appreciated.

Best wishes,



Vineet Rai

Setting The Trend

Aavishkaar: An innovator in early-stage investing

The name of our organization – Aavishkaar – means ‘invention’ in Hindi. Founded in 2001, with a vision to catalyse development in India's underserved regions, it identifies capable entrepreneurs, provides them with capital, supplements it with a nurturing environment and helps build sustainable enterprises. Aavishkaar's big innovation is the adoption of venture capital methodology to serve the low-income market segment by creating scalable enterprises.

Aavishkaar's founding team faced the challenge of modifying the investing methodology followed in the Silicon Valley. Funding in the Valley typically focused on new technologies and breakthroughs in intellectual property. Back home, Aavishkaar had to adapt it to brick and mortar, investing in hinterland and rural geographies with a target clientele that had a tiny wallet. At the same time, reasonable returns had to be delivered to investors. This meant that Aavishkaar had to find a large number of start-up companies scattered across underdeveloped regions with limited infrastructure and then invest small amounts of capital in them.

To adapt to this reality, Aavishkaar brought in 3 key innovations to venture capital investing:

- Moving the investment risk from technology and product innovation to innovation in execution. This allowed us to focus on the needs of the people. This also increased our success ratio at the enterprise-level, despite the perceived high-risk of early-stage investing and geographical dispersion.
- Redefining the parameters of blockbuster success – a return of 5 to 10 times of invested capital, instead of a return of 100 times.
- Identifying young and experienced investment managers driven by passion, social recognition and fulfilment in work, remunerating them in an equitable and non-hierarchical manner, thus building a large team with limited fee, and no grant support.

Aavishkaar is driven by the belief that an ‘enterprise - based development approach can enhance livelihoods and reduce vulnerabilities for the low-income population. Armed with all these, Aavishkaar has moved on the path of investing in enterprises that gainfully engage rural and economically - weak populations either as producers, users or owners to deliver commercial returns. At the same time, significant developmental returns have been brought about.

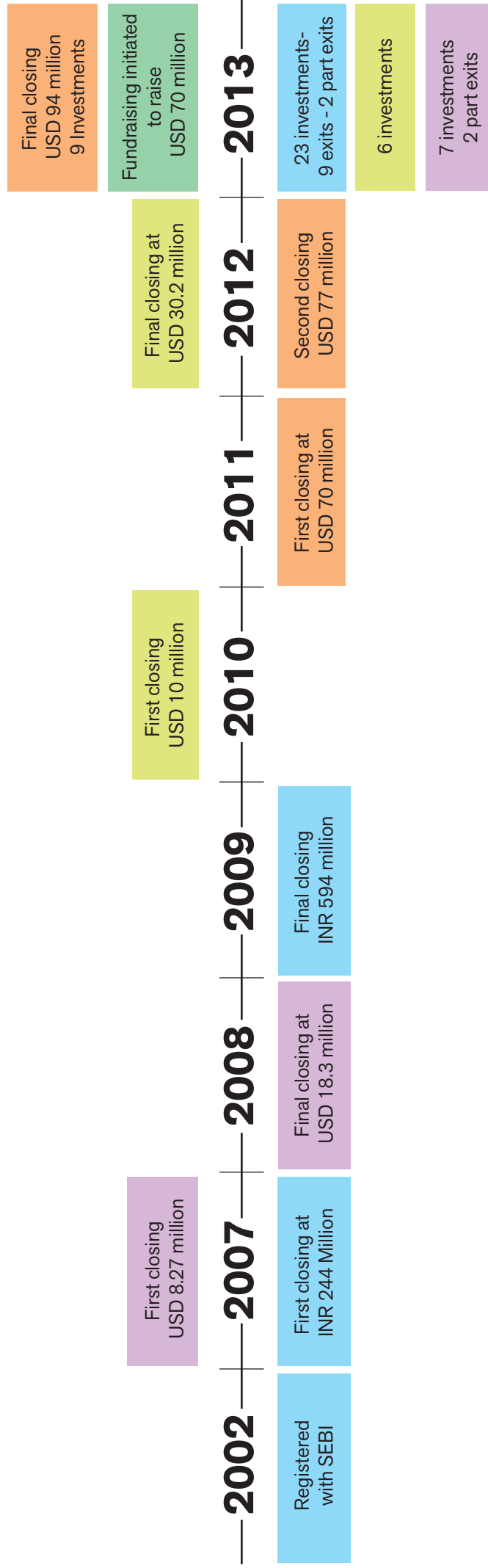
Over the last decade, Aavishkaar has established a successful track record with over US\$ 155 million under management and a diverse portfolio of over 45 high - impact businesses at various levels of growth. This spans a range of sectors, namely agriculture, dairy, education, energy, handicrafts, health, water and sanitation, technology for development, microfinance and financial inclusion.

Over the years, we have matured as an organization and recognized our strengths and limitations, regarding our work in India. We have also started to look at other emerging economies around the world as the next logical focus area for Aavishkaar. **As part of its growth plans, Aavishkaar has launched its first international foray with the Aavishkaar Frontier Fund, dedicated to taking the Aavishkaar model of investing to neighbouring countries like Indonesia, Sri Lanka, Myanmar, Bangladesh and Pakistan. Our 10-year goal is to invest in 300 start-up companies** across emerging economies with significant low-income populations, nurture latent local entrepreneurial talent, and promote enterprise-based development in these countries, thus helping them achieve sustainable and equitable economic growth. To achieve these goals, Aavishkaar aims to raise US\$1.0 billion over the next ten years.

Aavishkaar's History

The Road Travelled

Aavishkaar's journey began in 2001 when we began a pilot to tap the business potential in rural and semi urban India.



Aavishkaar I (Micro-equity fund)	Aavishkaar Goodwell I (Microfinance fund)	Aavishkaar Frontier Fund
Aavishkaar Goodwell II (Financial Inclusion fund)	Aavishkaar II (Early & growth stage fund))	

AAVISHKAAR: By The Numbers

Journey started in 2001



12 YEARS

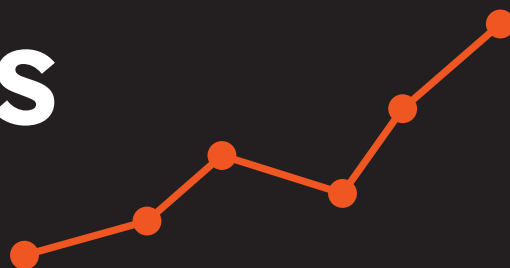
Of Building Enterprises

4 funds raised
with total capital of
\$156.3 million

0% Grants

100% Commercial Capital

**45 INVESTMENTS
& GROWING**



99% Equity Investments

In **90%** COMPANIES
we were the **FIRST**
external institutional investor



9 Exits And 4 Part-Exits



Invest in multiple sectors spanning

Agriculture

Energy

Education

Healthcare

Technology

Water & Sanitation

Financial Inclusion

for development



**ENTERPRISES
SPURRING GROWTH**
in rural and
semi-urban India

Helped investees
RAISE FOLLOW-ON
funding of over
\$100 million

Portfolio companies have
OPERATIONS ACROSS
23 Indian States
including all
7 LOW INCOME STATES



As of September 2013

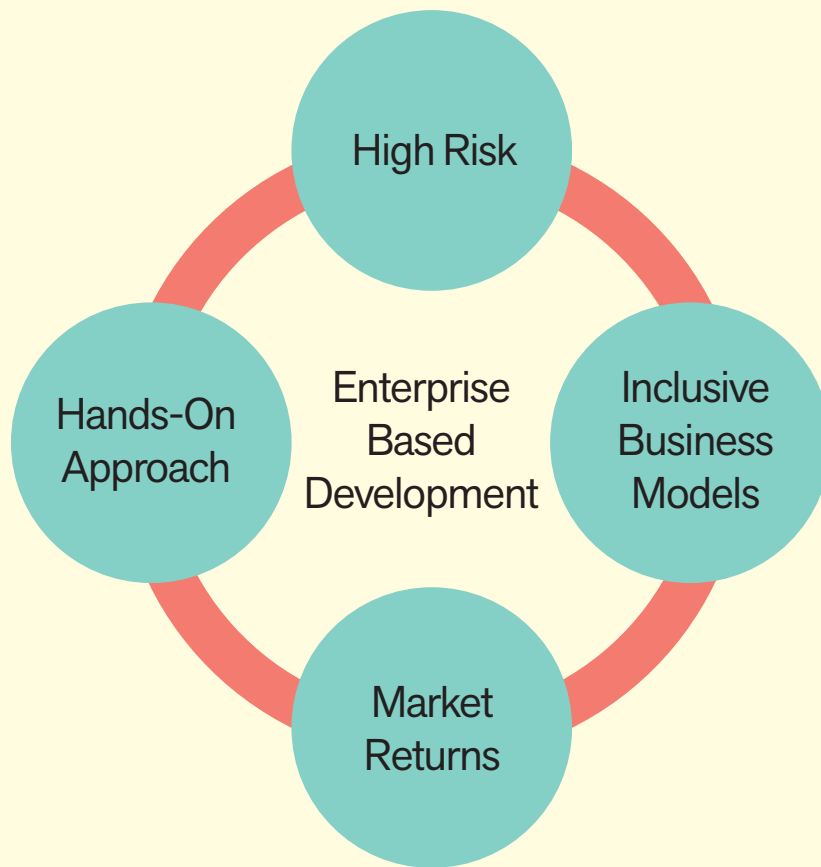
Business Model:

Where commercial and social returns meet

Over the years, **Aavishkaar** has developed a business model that combines profit with impact and innovation. This enables our investments to simultaneously generate commercial and developmental returns .



The Aavishkaar Business Model



Investing in inclusive business models

The Aavishkaar business model intrinsically links commercial returns with developmental impact. It does so through the method of investing in businesses whose growth is directly proportionate to the development impact they create. We engage with early stage enterprises whose products or services are relevant for rural and small-town India, either directly as customers or end-users of their product or service, or as employees, part-owners, suppliers, producers or other important roles.

Taking disproportionately high risk while delivering market rate of return

By investing early in enterprises operating in rural markets that have not been penetrated, and with longer investment timelines, Aavishkaar takes significantly greater risks than its mainstream counterparts. Consequently, we have been the first investor in majority of our portfolio companies. In many cases, our investment has been the reason behind the very establishment of the company.

Hands-on entrepreneur focussed approach

Aavishkaar's work with its portfolio companies is based on a strong on-ground presence and a hands-on approach. We are committed to helping evolve commercially viable businesses and strong entrepreneurial track records that are able to draw more capital from other investors, increase revenue, and deliver opportunities for exit. In the long run, we help generate attractive returns for our investors.

Breaking Boundaries Setting New Limits

A case study on Aavishkaar India
Micro Venture Capital Fund (AIMVCF)



Introducing Prabhav

Impact fund rating tool

Prabhav is an impact fund raising tool designed to capture the contribution of impact funds in developing, sustaining and regulating the impact investing eco-system. It has been developed by Intellectap, with the support of GIZ and in collaboration with IFC. It is the fruit of extensive primary and secondary research and interactions and interviews with over 15 stakeholders including limited partners, academicians and impact funds in India and abroad.

Prabhav offers a framework to understand the performance of impact funds and highlight the unique attributes of the same. It sets an industry standard for understanding impact fund performance guided by their local operating context. This is done through the evaluation of risks undertaken by impact funds, based on the location of investments, stage of investments and financial instruments utilized. It also enables users, especially limited partners, to rate funds based on their priority areas to assess funds in line with their own investment mandate. Additionally, it assigns geography risk scores which play a critical role in setting the context of impact for fund investments and provide a perspective on the risk being undertaken.

Prabhav comes with many possibilities. Its functionalities and features have the potential of expanding and evolving according to future needs. The development of this tool is critical for building of the right infrastructure for the impact investing ecosystem in a country like India.

This tool has the potential to analyse data across funds to yield insights on fund impact, greater perspectives on the risk undertaken and fund statistics. This enables cross tabulation of data across funds to yield insights into the impact investing industry.

The tool's ability to graphically represent impact investing scenarios on a district-level map of India can provide contextual information regarding:

- a) Funds investing in limited partner preferred locations (e.g. Limited Partner XYZ looking to invest in funds in low income districts. This can generate a map showing the fund locations)
- b) Risk assessment of investments at a fund portfolio level, in order to aid comparison
- c) District characteristics based on selected development parameters (social, environmental, economic and infrastructure)

The rating tool will provide a credible, reliable method for carrying out assessment of impact investing in the country, with the potential of being adopted globally. The tool will have the capability of becoming an industry standard for self-regulation and measurement, thus contributing to the industry's overall sustainability.

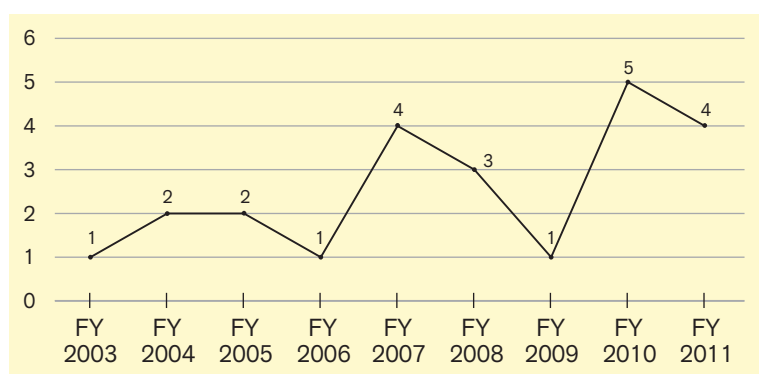
FUND SUMMARY & PERFORMANCE OVERVIEW

Fund Name: Aavishkaar India Micro Venture Capital Fund (AIMVCF)

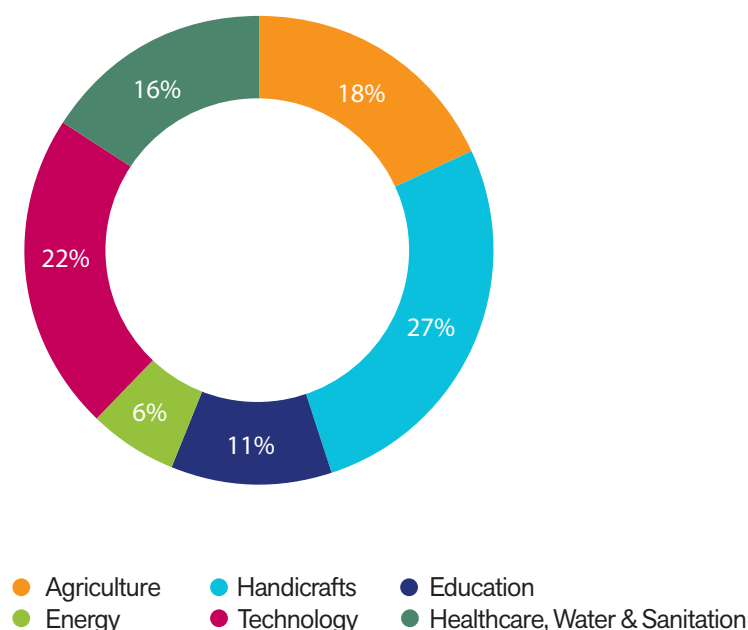
Fund Status: Closed

Fund Size: INR 594 million

Number of investments p.a.
(Year Represents Financial Year)



Investments by Sector



Key Facts

- 100% First Generation Entrepreneurs
- 99% Equity Investment
- 100% Seed / Startup Stage
- 91% Aavishkaar was the first institutional investor
- 52% Companies started with Aavishkaar's capital

Follow- on Investments

- 52% Investee firms received follow-on investments from AIMVCF
- 65% Investee firms received follow-on investments from other funds

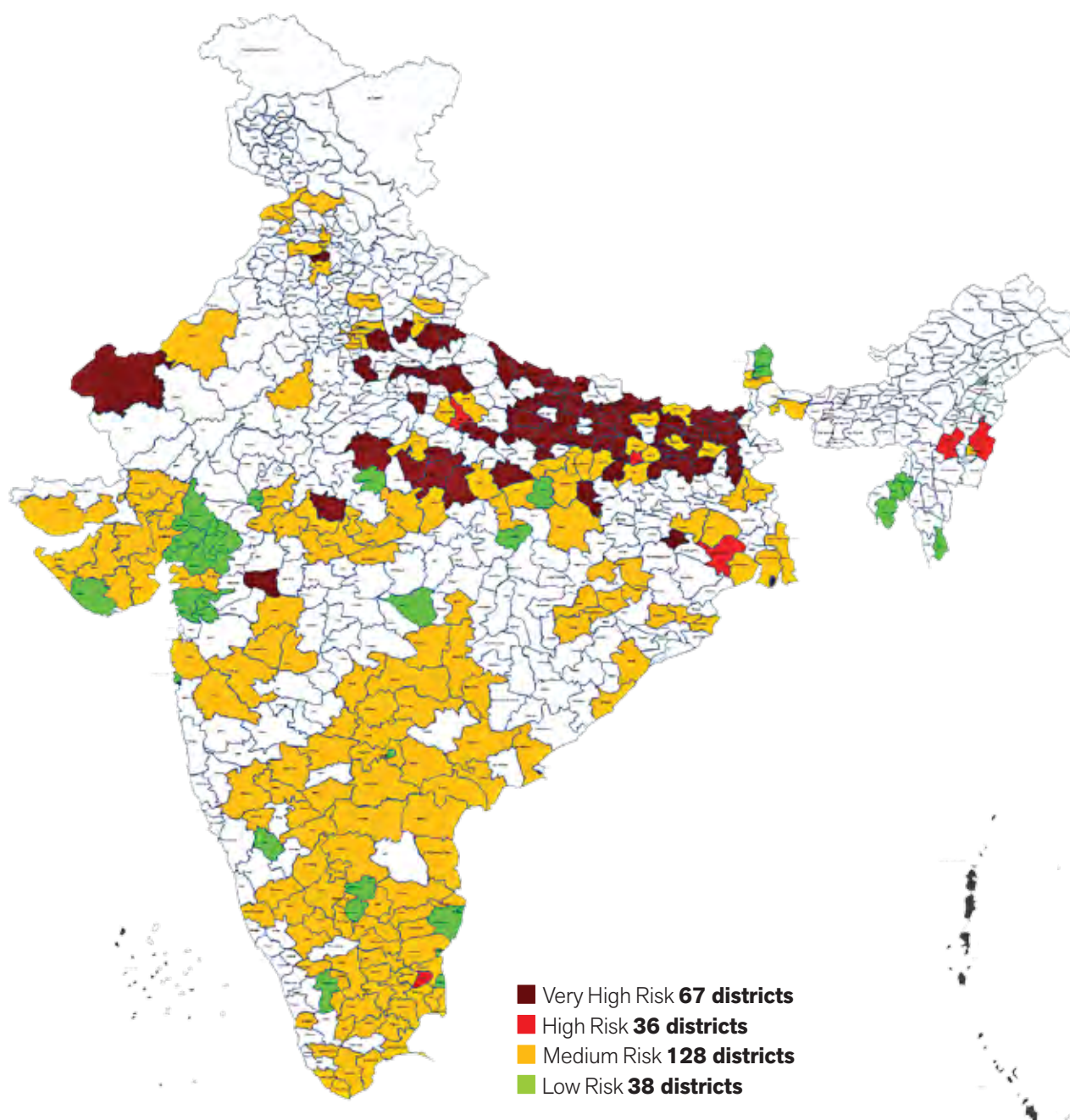
Geographic Presence of AIMVCF Investee Firms

The 23 investee firms of AIMVCF have a presence in 22 States, including all 7 low income states. These investee firms have operations and sales presence in 269 districts across the country.

The fund tool provides detailed insight on investee firms' exposure to geographical risk. It assigns geography risk scores which plays a critical role in setting the context of impact for fund investments and provides a perspective on the risk being undertaken.

The Geography Risk Calculator provides a comprehensive score, capturing district level risk exposure of the fund's portfolio. Data is collected at the district level across three risk categories – social risk, environmental risk, economic and infrastructure risk - based on investee firms' location of operations.

Out of the 269 districts, below is a breakdown of the geographical presence of investee firms in very high, high, medium and low risk districts.

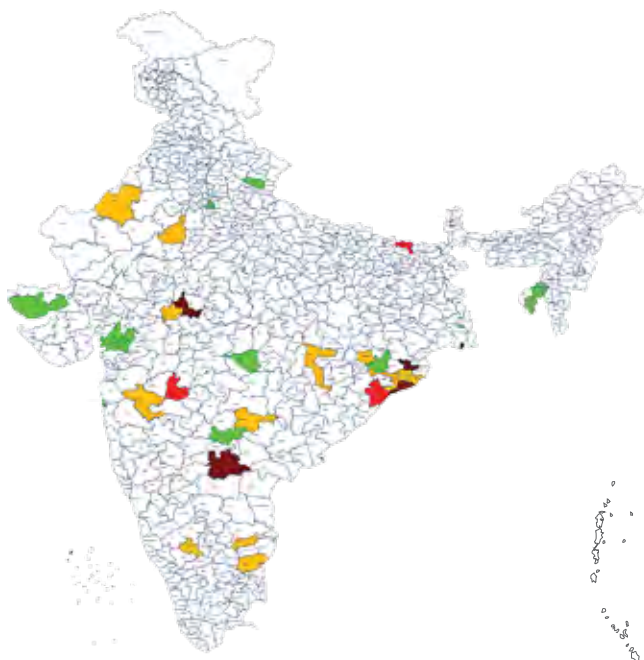


Note: The discrepancy between the number of districts indicated in the legend and those depicted on the map is due to technical limitations in rendering the map at the time of printing this report.

All 23 investee firms in AIMVCF create social impact at two main levels

- I. Providing **access to livelihood** and increasing income levels
- II. **Reducing overall vulnerability** in the spheres of education, healthcare, environment and infrastructure

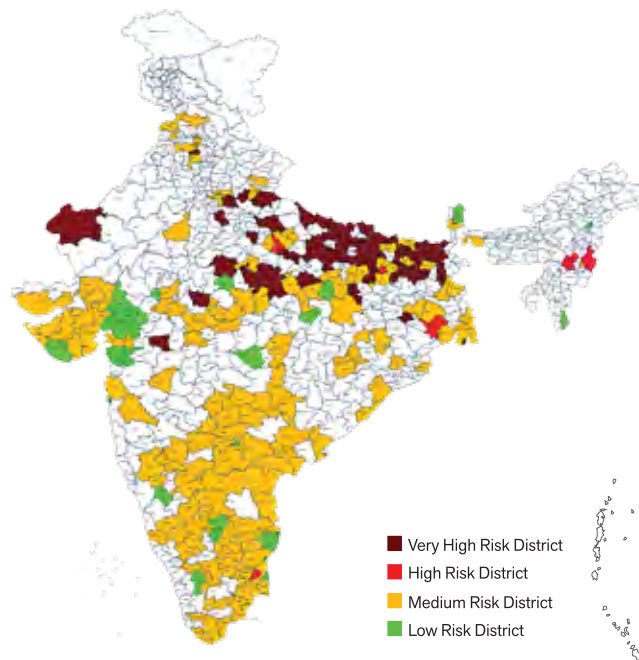
Access to Livelihood



43% of AIMVCF investee firms aim to increase access to livelihood and increase income levels of people. Using metrics such as monthly income per capita, districts share of national GDP and population below the poverty line, the above map reveals:

- 32% investee firms operate in districts that have very high economic vulnerability
- 41% investees operate in districts that have medium level economic vulnerability
- 27% investees operate in districts that have low economic vulnerability

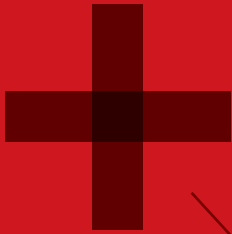
Reducing Vulnerabilities



57% AIMVCF investee firms aim to reduce vulnerabilities such as lack of access to education, healthcare, water and sanitation and infrastructure. Along with reducing social vulnerabilities, each of these companies have the scope to increase income and access to livelihoods as well. The above map reveals

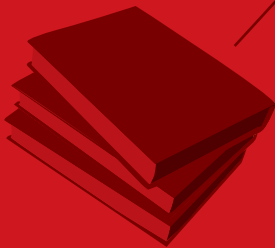
- Districts with very high education vulnerability form 59% of AIMVCF's portfolio investments
- Districts with very high healthcare vulnerability form 64% of AIMVCF's portfolio investments
- Districts with very high environment vulnerability form 39% of AIMVCF's portfolio investments
- Districts with very high infrastructure vulnerability form 65% of AIMVCF's portfolio investments

Note: The discrepancy in the number of districts depicted on the map is due to technical limitations in rendering the map at the time of printing this report.



ANNEXURE

OUR PORTFOLIO
On Ground Impact



SNAPSHOT FY13

Total jobs created: 15,916

Total beneficiaries: 11.1 million people

PORTFOLIO HIGHLIGHTS

AGRICULTURE AND DAIRY:

1,360,200

dairy farmers witnessed an increase in income from transparent and efficient milk collection processes through SKEPL.



EDUCATION:

528,700

students enhanced their understanding of Science and English from exposure to Butterfly Fields and Karadi Path's products and training in schools



ENERGY:

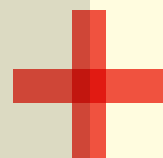
568,050

households had access to affordable and energy-efficient cooking solutions through Servals' products



HEALTHCARE:

48,610 people were treated in the low-income state of Uttar Pradesh through GV Meditech's services



TECHNOLOGY FOR DEVELOPMENT

498,134 people accessed financial services through **618** Vortex ATM's placed in rural and semi urban areas



MICROFINANCE:

4,764,032

people, of whom **84%** were women, accessed financial services through MFIs



A photograph of three workers in a dairy processing facility. They are wearing white hairnets and green face masks. The worker on the left is pouring a thick, yellowish-white substance from a large metal strainer into a large stainless steel vat. The worker in the center is holding a long-handled tool, possibly a paddle or stirrer, and is looking down at the vat. The worker on the right is also looking down at the vat. The background shows industrial equipment, including pipes and a large metal tank. A blue circular graphic with the text "AGRICULTURE & DAIRY" is overlaid on the center of the image.

AGRICULTURE & DAIRY

OVERVIEW

Total Investees: 3

Total Investment: US\$ 4.1 million

Total Beneficiaries: 10,425

Employment: 1,031 jobs

Economic Benefit: US\$ 2.5 million

Milk Mantra

Investee's Inception Date:
August 2009*

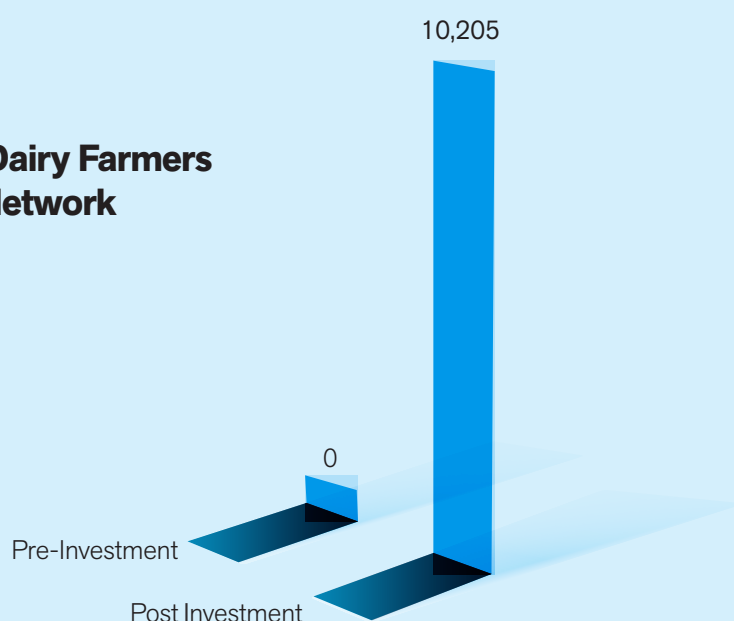
Aavishkaar's Investment Date:
February 2011

Brief Description

Creating a quality retail milk and milk product brand by building an organized dairy supply chain in Odisha and other markets in eastern India.

Geographical Reach
Odisha

No. of Dairy Farmers in the Network



Milk sourced from farmers (liters per day)** - 23,119

Additional Monthly Income/farmer (Rs.)*** - 4,500

* Note: Company's commercial operations started in October 2011

** Data refers to the period ending March 31st, 2011

*** Estimated by taking no. of pouring farmers as 3,100 and average per ltr. price of Rs. 19.20/-

INI Farms

Investee's Inception Date:
September 2009

Aavishkaar's Investment Date:
January 2011

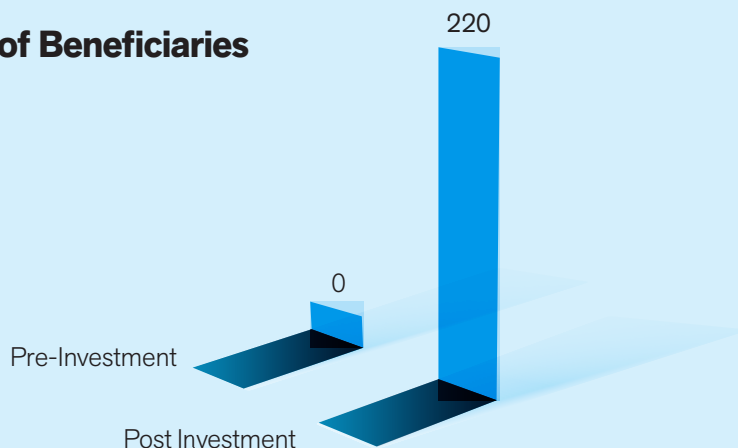
Brief Description

INI Farms is developing high quality horticultural plantations for export and domestic markets through organized farming and supply chain management

Geographical Reach

Maharashtra, Madhya Pradesh and Gujarat

No. of Beneficiaries



Land under management has increased from 44 acres to 600 acres – **A 12 FOLD INCREASE.**

ULink BioEnergy Pvt. Ltd.

Investee's Inception Date:
September 2009

Aavishkaar's Investment Date:
March 2013

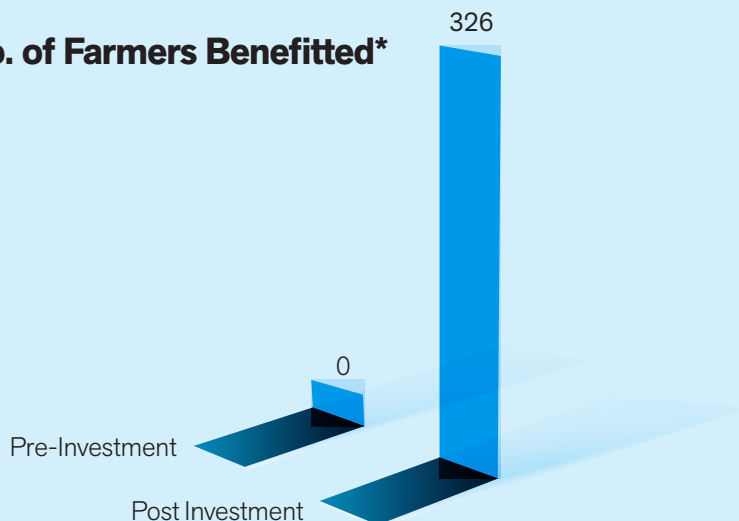
Brief Description

Marketing and trading of agricultural inputs such as fertilizers, pesticides, nutrients, seeds etc with discounts on market prices

Geographical Reach

Gujarat

No. of Farmers Benefitted*



Average discount offered to farmers was 21% across product lines in the 5 districts covered by the company.

* For June 2013 only



EDUCATION

OVERVIEW

Total Investees: 2

Total Investment: US\$ 2.2 million

Total Student Beneficiaries: 528,700

Employment: 110 jobs

Butterfly Fields

Investee's Inception Date:
2008

Aavishkaar's Investment Date:
September 2010

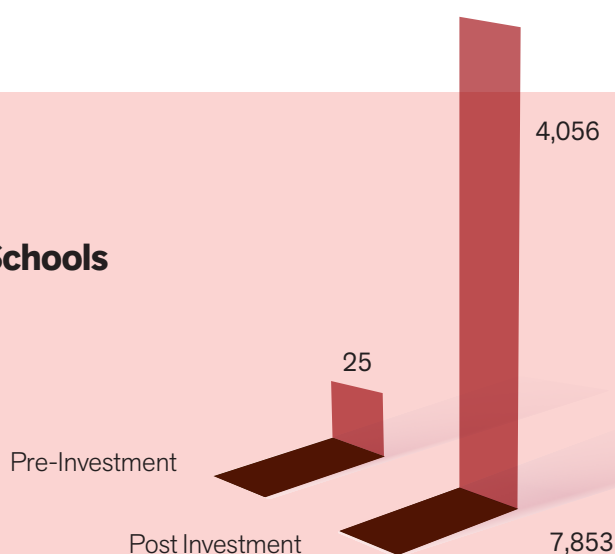
Brief Description

Butterfly Fields is dedicated to making education enjoyable, particularly in government schools and private schools, catering to children from economically-weaker sections. The company has designed a range of innovative and low-cost products, activities and experiences that is transforming the way Science and Mathematics are taught in schools.

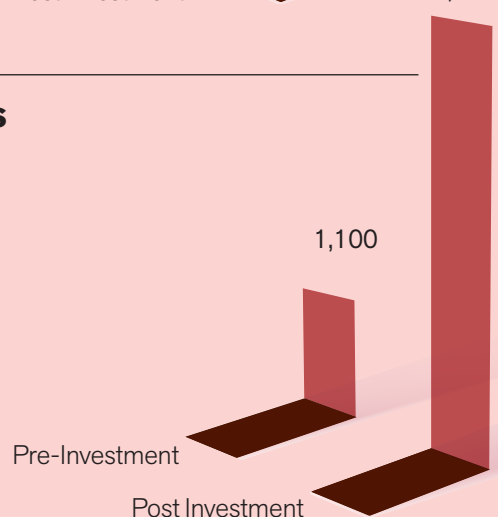
Geographical Reach

Andhra Pradesh, Chattisgarh,
Himachal Pradesh,
Karnataka, Maharashtra,
Tamil Nadu, Uttar Pradesh

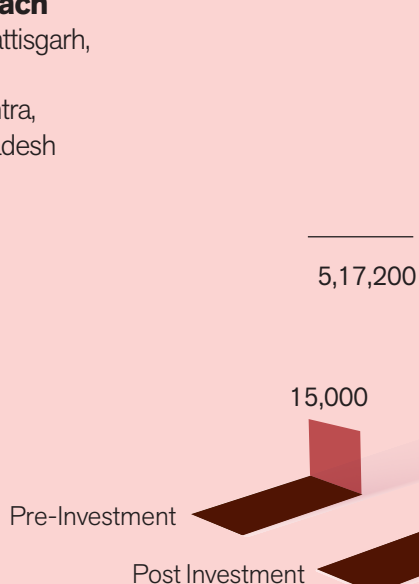
No. of Schools



No. of Teachers



No. of Students



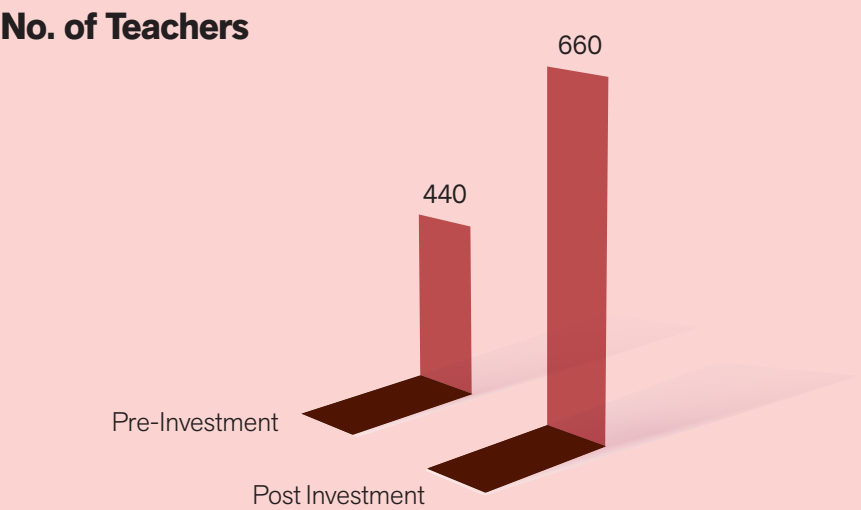
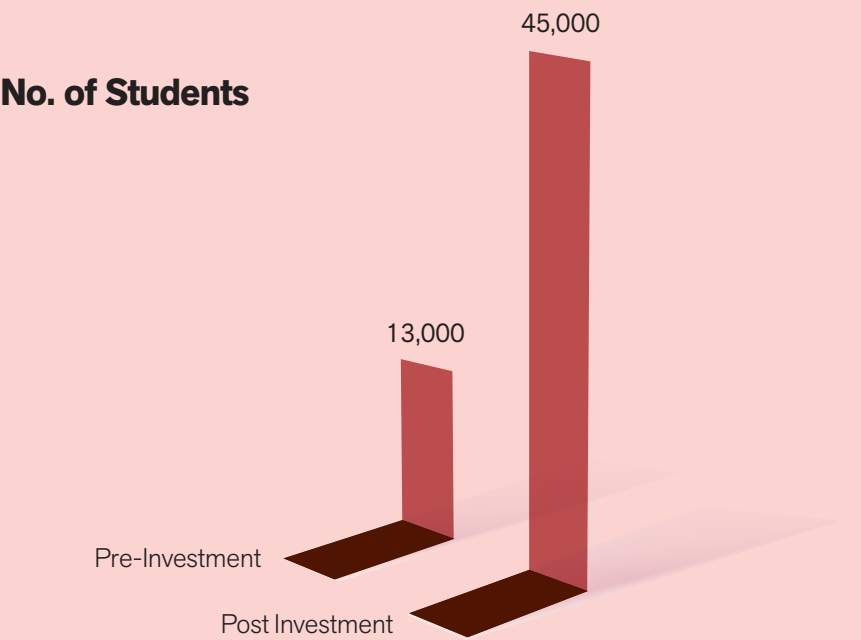
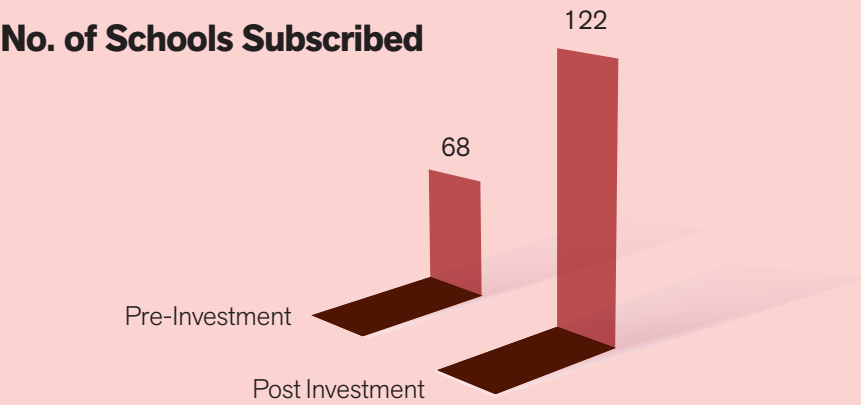
Karadi Path Education Company

Investee's Inception Date:
December 2010

Aavishkaar's Investment Date:
March 2012

Brief Description
Karadi Path Education Company provides low-cost and innovative English education to children in rural/semi urban areas. It has developed a non-linear English teaching methodology that innovatively combines stories with actions and music to teach English language in the same manner that one learns the mother tongue.

Geographical Reach
Tamil Nadu, Andhra Pradesh, Karnataka and Goa





ENERGY

OVERVIEW

Total Investees: 2

Total Investment: US\$ 3.3 million

Total Beneficiaries: 568,059

Employment: 191 jobs

Economic Benefit: US\$ 24 million

Servals Automation

Investee's Inception Date:

June 2002

Aavishkaar's Investment Date:

November 2002

Brief Description

Servals Automation offers affordable and energy-efficient cooking solutions for the masses. Its flagship products include stove burner that saves more than 30% kerosene, an 'any-fuel' biomass stove and vegetable oil stove.

Geographical Reach

Pan-India

Vana Vidyut Pvt. Ltd.

Investee's Inception Date:

January 2012

Aavishkaar's Investment Date:

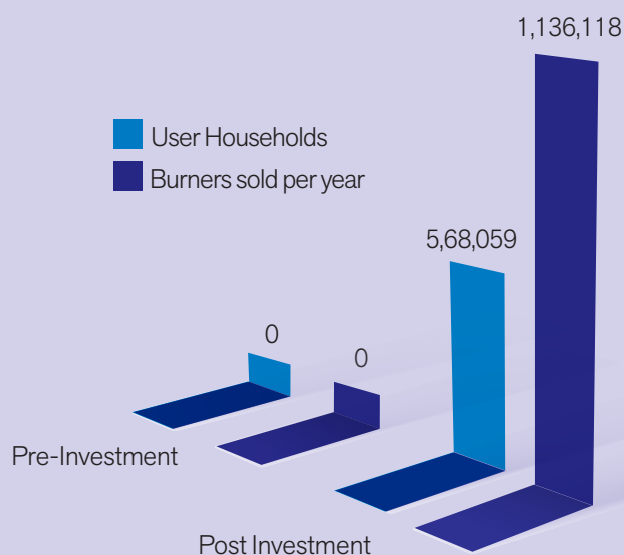
April 2012

Brief Description

Vana Vidyut Private Limited (VVPL) will establish India's first grid-connected biomass power plant with biomass feedstock from regenerative forest plantations

Geographical Reach

Tamil Nadu, Maharashtra



Carbon savings from burners - 89,981 MT

In 2012-13, 380 acres of plantations supported by VVPL sequestered 17,100 (MT) of carbon at maturity



Healthcare, Water & Sanitation

OVERVIEW

Total Investees: 6

Total investment: US\$ 3.1 million

Total Beneficiaries: 1,817,737

Employment: 2,283 jobs

Economic Benefit: US\$ 5.1 million

Vaatsalya

Investee's Inception Date:
2005

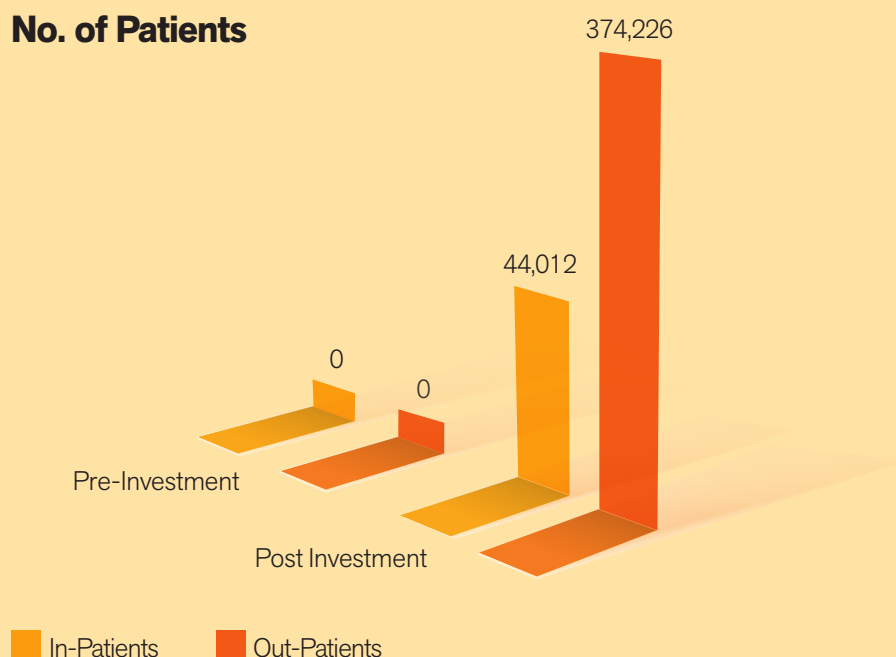
Aavishkaar's Investment Date:
August 2006

Brief Description

Vaatsalya offers good quality affordable healthcare to underserved populations through a chain of semi-urban and rural hospitals in the southern states of Andhra Pradesh and Karnataka.

Geographical Reach
Odisha

No. of Patients



GV Meditech

Investee's Inception Date:
2002

Aavishkaar's Investment Date:
March 2010

Brief Description

GV Meditech is a Varanasi based healthcare company that provides quality primary, secondary and speciality services in the low income state of Uttar Pradesh.

Geographical Reach

Varanasi, Uttar Pradesh

Number of patients 48,610

Outreach (women patients) 19,671

Saraplast

Investee's Inception Date:
February 2006

Aavishkaar's Investment Date:
April 2009

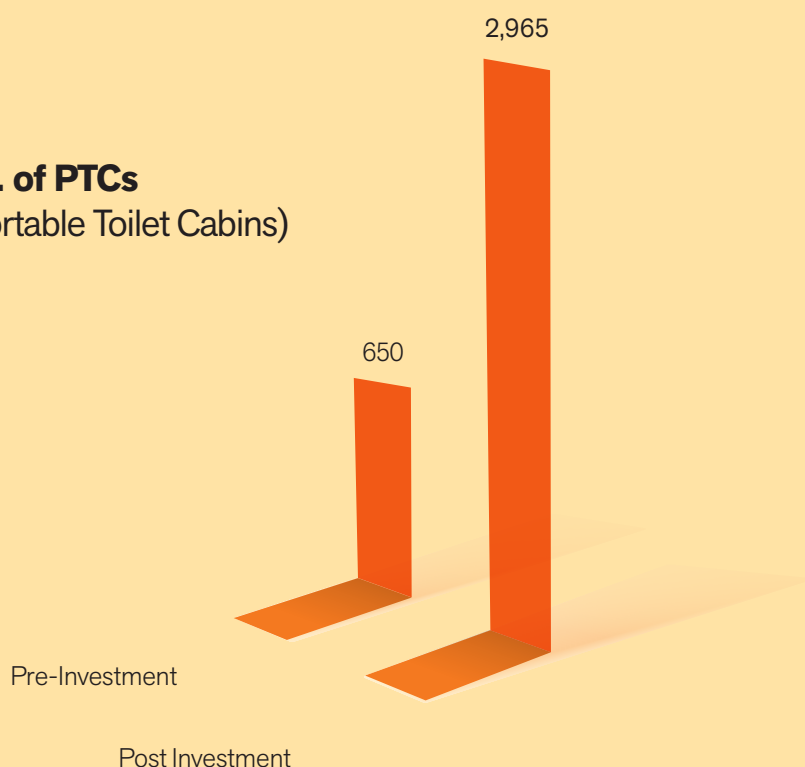
Brief Description

Saraplast is the fastest growing portable toilet leasing company in the country. It tackles one of India's biggest challenges – access to hygienic sanitation. The company provides portable sanitation facilities along with cleaning, evacuation and disposal services for the waste.

Geographical Reach

Maharashtra, Tamil Nadu,
Karnataka, Delhi,
Andhra Pradesh

No. of PTCs
(Portable Toilet Cabins)



Waste collected and
disposed p.a – 168 million litres

89,760 people accessed clean and safe sanitation
through Saraplast's Portable Toilet Cabins

Waterlife

Investee's Inception Date:

August 2008

Aavishkaar's Investment Date:

September 2009

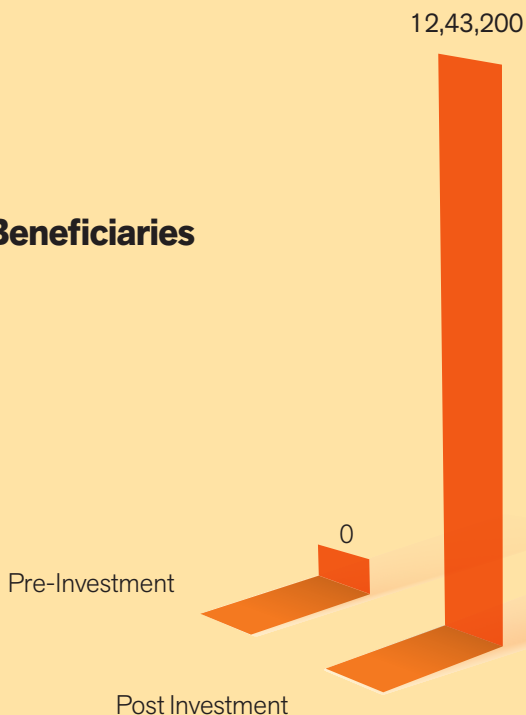
Brief Description

Waterlife provides rural and underserved communities with potable drinking water solutions. It sets up village-level water purification plants suited to local needs.

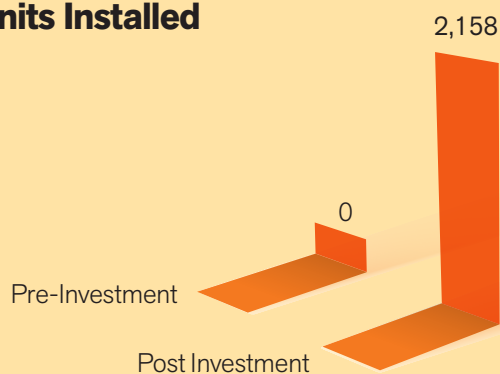
Geographical Reach

West Bengal, Uttar Pradesh, Maharashtra, Pondicherry, Bihar, Jharkhand, Karnataka, Tamil Nadu, Andhra Pradesh, Odisha

No. of Beneficiaries



No. of Units Installed



mHealth

Investee Inception Date:

December 2010

Aavishkaar's Investment Date:

January 2011

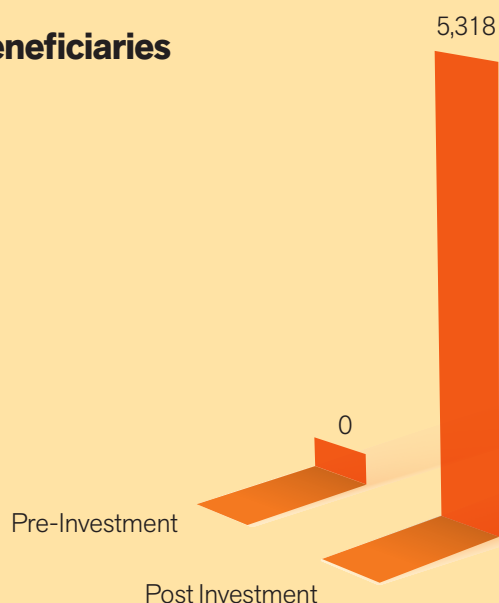
Brief Description

mHealth offers primary healthcare advice at affordable rates over the telephone, through licensed doctors. The 'Mera Doctor Health Kit' bundles annual medical insurance, discounts at diagnostic clinics and pharmacies with medical consultations.

Geographical Reach

Uttar Pradesh

No. of Beneficiaries



Number of subscriptions sold – 3,661

Nepra Resource Management

Investee Inception Date:

October 2006

Aavishkaar's Investment Date:

January 2013

Brief Description

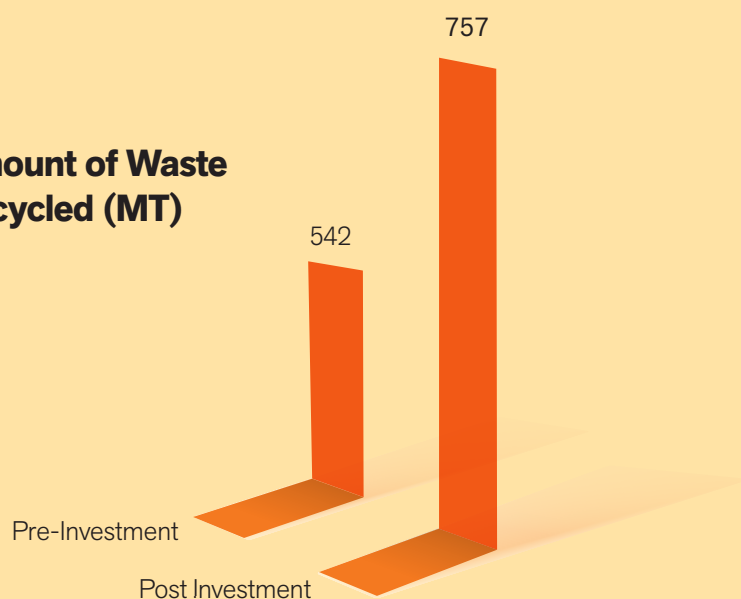
Nepra is dedicated to building an organized supply chain for dry waste recyclable materials. It helps connect waste generators and collectors to recycling industries.

Geographical Reach

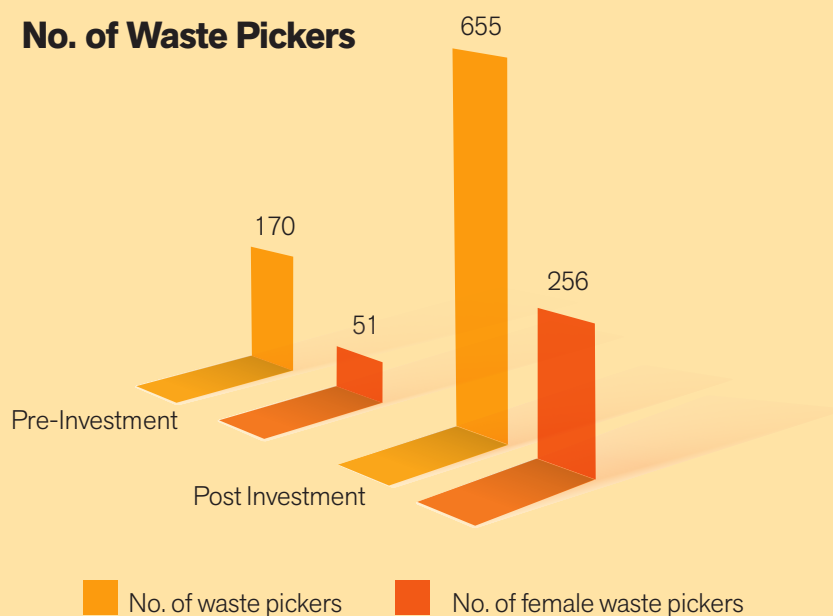
Ahmedabad,
Gujarat

Income earned by waste pickers has increased from 2.8 million to 5.8 million (INR) – an increase by over 100%

Amount of Waste Recycled (MT)



No. of Waste Pickers





Nepra Resource Management Pvt. Ltd. is helping communities recycle and reduce landfills by bringing together waste generators, collectors and recyclers. Nepra's efficient supply chain for waste management revolves around transparent weighing, fair pricing, scheduled pick-ups and service orientation.

CASE STUDY

Recycling waste, reforming hopes

Baluben had accepted the regular drudgery of her life. She was used to collecting waste and the time - consuming hassle of travelling to her waste trader's shop to sell it. Though always unsure about fair payment, she had never been the one to complain.

But now the widow in her seventies is ecstatic with a daily income increase of around Rs 50, and that too while being able to sell waste from her doorstep. Her new formal waste managers come to her shanty at a designated date and time, use an electronic machine to weigh the waste and pay her a fair price in cash accordingly. They have also taught Baluben to segregate her waste such that her work is now more useful for recyclers and more profitable for her.

Baluben is not the only one. Hundreds like her have been helped by Lets Recycle brand of Nepra Resource Management Pvt Ltd, funded by Aavishkar. Nepra has a vision of turning around the abysmal situation of India's dry waste collection and segregation, ultimately boosting the nation's recycling scenario. An unmatched rate of waste generation and the subsequent creation of need for management of the same, has currently led to an unregulated, unorganized and extremely inefficient supply-chain oriented industry. Numerous intermediaries, a long chain leading to process leakage, have resulted in low recovery of waste and requirement for landfills that are increasingly becoming a municipal constraint, not to mention the more serious environmental hazards that they pose.

Indian waste pickers, the most important part of the waste recovery ecosystem, are also among the most marginalized and exploited communities. They have no formal recognition of their role from municipal authorities and frequently get short changed at the hands of unscrupulous middle men and money lenders .

Enter Nepra The firm's model of a reliable dry waste supply chain encourages recycling of waste by providing transparent prices to generators and a steady supply of segregated quality waste to government approved and/or registered recyclers. Nepra is on its way to overcoming the crucial challenge of integrating informal waste collectors like Baluben and recyclers by engaging with waste pickers at the ground level and sourcing waste directly from them. They educate waste pickers about the need for efficient segregation, hygiene, familiarizing them with sorting requirements of different waste streams and most importantly helping to integrate them into the value chain and building long term relationships. While segregation leads to increasing amount of recyclables, the biggest gain for the likes of Baluben, with her increased income and job stability, is the elimination of the risk of exploitation by informal traders.

The number of waste pickers in Ahmedabad working with Nepra has increased steadily from 30 to 800 in the last one year. But the more significant change has been in terms of the daily income of these people, which has increased by around 20-30%.

Nepra's Ahmedabad material recovery facility has generated income and employment for unskilled workers, ensuring equal pay for equal work and a healthy environment for all employees.

The biggest gain in the long run, however, will be the cumulative environmental impact of Nepra's work. With increase in the amount of materials being recycled and the corresponding reduction in the waste diverted to landfills, the cities like Ahmedabad will be more than thankful!

And the likes of Baluben, of course, could not be happier.

A woman in a green and red sari is standing and interacting with a blue and grey automated financial service kiosk. The kiosk has a screen, a keypad, and a receipt printer. A circular green overlay with the text "Technology for Development" is centered over the image.

Technology for Development

OVERVIEW

Total Investees: 5

Total investment: US\$ 12.3 million

Total Beneficiaries: 3,470,721

Employment: 581 jobs

Economic Benefit: US\$ 12 million

Vortex Engineering

Investee Inception Date:
2001

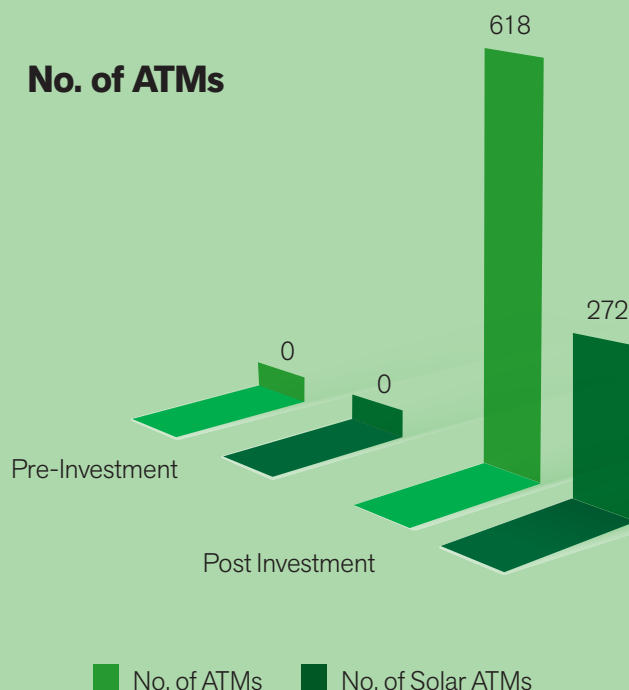
Aavishkaar's Investment Date:
August 2006

Brief Description

Vortex Engineering has developed the world's only low-cost, low-power and solar powered ATMs that are ideal for rugged, remote and rural conditions.

Geographical Reach
Pan India

No. of ATMs



498,134 people accessed financial services through 618 Vortex ATM's placed in rural and semi urban areas.

Vortex's ATM's help reduce 12,600 MT of CO₂ Emission

Net Systems

Investee Inception Date:

January 2005

Aavishkaar's Investment Date:

March 2005

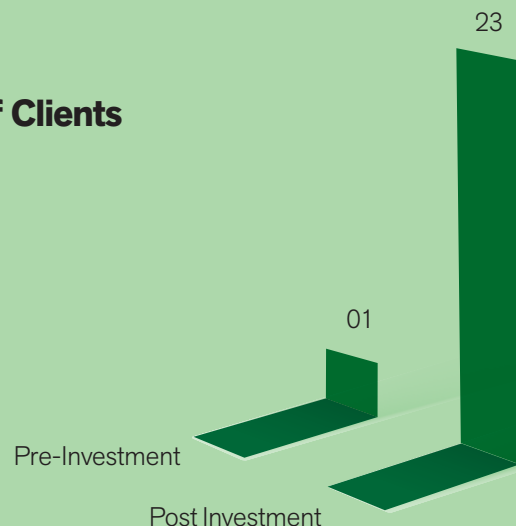
Brief Description

Net Systems is a leading accessibility consulting and knowledge management firm. It offers hardware, web and technology solutions to enable computer accessibility for people with disabilities

Geographical Reach

Pan India, International

No. of Clients



% of disabled employees - 43%

Outreach * - 355,050 people

*Estimated outreach of their products and services among disabled people

Shree Kamdhenu Electronics Pvt. Ltd. (SKEPL)

Investee Inception Date:

December 1996

Aavishkaar's Investment Date:

April 2003

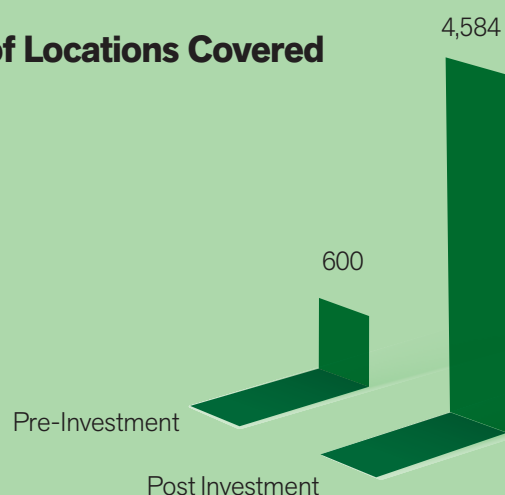
Brief Description

Shree Kamdhenu Electronics Private Limited (SKEPL) pioneered the automation of manual milk collection process in societies dominated by milk cooperatives. It thus helps eliminate several inefficiencies that plague the milk collection process and brings increased returns to dairy farmers.

Geographical Reach

Gujarat, Maharashtra, Jharkhand, Bihar, Rajasthan, UP, Punjab, West Bengal, Tamil Nadu, Sikkim,

No. of Locations Covered



1,360,200 dairy farmers witnessed an increase in income from transparent and efficient milk collection processes

B2R Technologies

Investee Inception Date:

August 2009

Aavishkaar's Investment Date:

February 2010

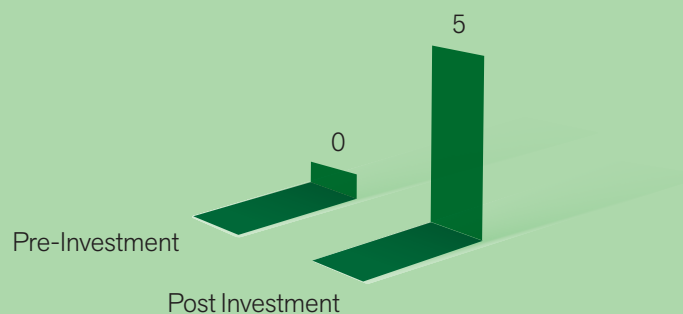
Brief Description

B2R (Business to Rural) is a rural BPO business, based in the northern state of Uttarakhand. The company envisages setting up clusters of rural BPO service delivery centers in a hub - and - spoke arrangement to provide business support services to clients.

Geographical Reach

Uttarakhand

No. of BPO Centres



Employment to rural youth: 171 jobs
52% female employees

Electronic Payment and Services Pvt. Ltd. (EPS)

Investee Inception Date:

September 2011

Aavishkaar's Investment Date:

September 2012

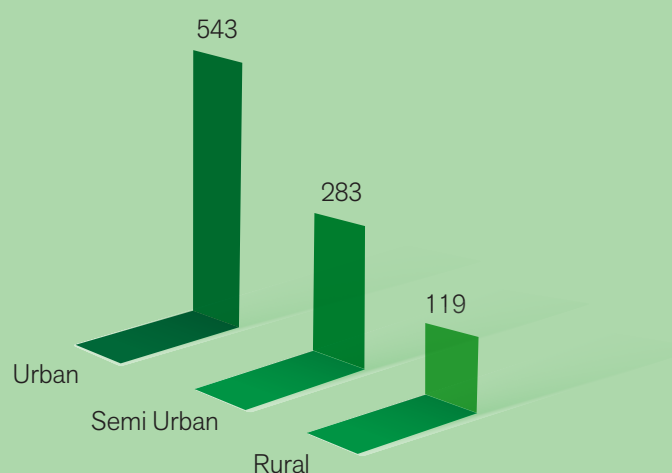
Brief Description

EPS is an end-to-end solutions provider for the retail banking and payments system industry. The company deploys, operates, and manages ATMs for 26 public sector banks in Maharashtra.

Geographical Reach

Maharashtra

No. of ATMs Deployed



Number of beneficiaries (ATM users) : 1,257,166

A woman in a pink sari with a bindi on her forehead is smiling and holding a small booklet. She is standing in a large, open chicken coop with a thatched roof. Numerous white chickens are on the ground around her, and several red feeders are visible. A purple circular graphic is overlaid on the image, containing the text.

Microfinance & Financial Inclusion

OVERVIEW

Total Investees: 9*

Total Investment: US\$ 26.8 million

Total Beneficiaries: 4,764,032

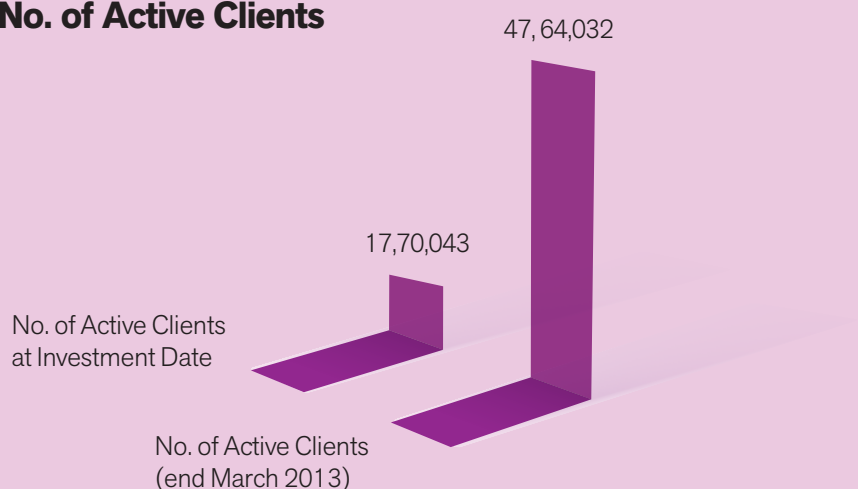
Employment: 11,765 jobs

Microfinance	Investee's Inception Date	Aavishkaar's Investment Date	Brief Description	Geographical Reach
Belstar	2008	March 2010	Belstar Investment and Finance Private Limited is the microfinance delivery arm of the Hand in Hand (HIH) group, a public charitable trust focused on livelihood promotion. HIH acquired Belstar in 2008 to run its for-profit microfinance operations, which were started in 2004.	Tamil Nadu, Pondicherry, Karnataka
BSFL	1997	March 2009	Bhartiya Samruddhi Finance Ltd (BSFL) is a part of the Hyderabad -based BASIX group. Its strategy is to promote a large number of sustainable livelihoods - the combination of financial inclusion services, agricultural and business development services and institutional development services.	Pan India
Equitas	June 2007	March 2008	Equitas is a Chennai-based MFI that extends micro credit to people who are otherwise unable to access finance from mainstream banking channels. It operates as a holding company with subsidiaries covering microfinance, vehicle finance and housing finance sectors.	Pan India
Grameen Financial Services Pvt. Ltd.	2007	March 2008	Grameen Koota is a Karnataka-based MFI with presence in Karnataka, Tamil Nadu and Maharashtra, serving 300K+ clients. Apart from the financial services that it provides, it offers various credit-plus activities including training, education and awareness creation.	Karnataka, Tamil Nadu, Maharashtra

*EPS included under Technology for Development

Microfinance	Investee's Inception Date	Aavishkaar's Investment Date	Brief Description	Geographical Reach
Utkarsh	2009	December 2009	Utkarsh Microfinance Pvt. Ltd. aims to provide access to finance in a grossly under-served and challenging region in the northern part of the country, where microfinance penetration is less than 4%.	Uttar Pradesh, Bihar, Madhya Pradesh, Uttarakhand, Delhi
Suryoday	2009	March 2009	Suryoday Micro Finance Pvt Ltd (SMF) is an MFI that commenced its micro-credit operations in Pune, Maharashtra in May 2009. It is engaged in providing loans to women from economically -weaker sections which do not have access to traditional banking.	Gujarat, Karnataka, Maharashtra, Orissa and Tamil Nadu
Share Microfin	1999	September 2007	Share Microfin Ltd. (SML) is a regulated Non-Banking Financial Company (NBFC) providing financial and support services to the marginalized sections in society, particularly to women from economically - weaker sections.	Pan India
Arohan / Intellecash	2007	September 2012	Intellecash is a pioneer in business franchising for MFIs and, as recently as 2010, started its retail MFI operations in Bihar. In September 2012, it merged with Arohan, a West Bengal-based MFI to create a holding–subsidiary like structure.	West Bengal, Bihar, Assam
Swarna Pragati	Jan 2009	September 2013	Swarna Pragati aims to create access to affordable housing in rural India.	Maharashtra, Karnataka, Orissa

No. of Active Clients



Average percentage of women borrowers – 84%



Swarna Pragati Housing Microfinance Pvt. Ltd is helping India's rural poor get a permanent roof above their head at low cost and high convenience. Its innovative housing finance and mortgage concepts for the Bottom of the Pyramid are helping overcome hindrances that impede the flow of credit to this segment.



CASE STUDY

Perfect loans for a perfect house

Forty-two year-old Pushpa Rahile is living her dream. Earlier, what she called home was a mere shanty, made of sticks, mud and tin. A dismal toehold for most of the year, there was also the annual monsoon evacuation when Pushpa's family of four was forced to move out of the thatched-wall house. Not anymore. Now the Rahiles can boast a proper one-room house with a 3-feet-high foundation, a metal roofing, toilet and even a small garden -a sheer luxury for them. And they owe it all to a unique idea engineered by Swarna Pragati Housing Microfinance Pvt Ltd. (SP) and funded by Aavishkaar.

Registered with National Housing Bank, SP caters primarily to families like the Rahiles, who belong to India's rural low-income group. Proper housing is a far reality for them. Their situation is bleaker because of the absence of formal titles and logistical and time-related issues of access to loans and repayment of the same. This is where SP comes in with its revolutionary model that has the potential of transforming the housing finance landscape for India's Bottom of the Pyramid.

The four-year old firm, with operations in Maharashtra, Orissa and Karnataka, has an innovative housing finance and mortgage system to help overcome hindrances that impede the flow of credit to this segment. With SP's concept of modular or incremental housing, a house is divided into components like roof, flooring, kitchen, toilet etc. Water and sanitation facilities to a basic house, improvement of roofing and gradual adding of new rooms are done in stages. Financing is provided for each step of construction at a time.

With this, numerous problem areas for those like the Rahiles have been resolved. Incentives provided for prepayment and small loan amounts based on borrowers' repayment capacity help borrowers manage their own risk fluctuations. Transaction costs are reduced by this Aavishkaar partner through delivery of loans at the beneficiaries' doorstep by NGO workers who also personally collect monthly installments from them. While paralegal titles address the issue of lack of formal titles, mortgages are reinforced by Panchayat Raj institutions. Already 3,040 families across 10 districts of Maharashtra have benefitted from disbursements worth INR 167 million.

SP's Orissa operations started in January 2013 by partnering with Graam Utthan. This marked their first foray into operating their model with Joint Liability Groups as opposed to self-help groups for loan disbursements.

Pushpa is one of the thousands of beneficiaries of SP's efforts. Her monetary requirement for a two-room pucca house construction stood at INR 70,000. SP advised her to build the house in modules, starting her out on the project with a loan of INR 40,000 for one room. Supplementing SP's loan with their savings of INR 10,000, the Rahiles, whose earning from agricultural labour and brick kilns range between INR 7,250 and INR 11,250 annually, put in their own physical effort to complete a one-room house. As the family's income had reduced during the construction period, a moratorium of 3 months was also provided. As soon as the current loan is repaid, the family hopes to borrow again to build another room.

Thanks to SP, Pushpa also has a title to her new home extended through paralegal mortgage, leveraging the Panchayat Raj machinery.

TEAM AAVISHKAAR



Aavishkaar Venture Management Services

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