



**BlueOrchard**  
Microfinance Investment Managers

## **Microfinance: First direct investment of BlueOrchard Private Equity in India goes to Asmitha Microfin Limited**

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On September 30, BlueOrchard Private Equity, the private equity arm of BlueOrchard microfinance investment managers, invested INR 250 million (USD 5.3 million) and purchased a minority stake in Asmitha Microfin Limited, the fourth largest non-banking financial company in India. This will be BlueOrchard's first equity investment deal with an Indian microfinance institution (MFI).

With the new investment, Asmitha intends to expand its capital base and to bolster its borrowing capacity in order to shore up its microfinance lending operations. The new partnership is a strategic development for BlueOrchard, which hopes to consolidate its presence in India in the coming years.

"We are very proud to have been invited by Asmitha Microfin Ltd. Promoters as their first key external stakeholder," said Jean-Philippe de Schrevel, CEO of the Private Equity arm of BlueOrchard. "We intend to support Asmitha's growth ambitions financially and strategically, always keeping in mind the necessary dual returns—social and financial—intrinsic to the very success of microfinance."

Dr. Vidya Sravanthi, Chairperson and Managing Director of Asmitha, said, "it is a great moment for Asmitha, and we are pleased to partner with BlueOrchard, an institution that understands the vision and commitment of our company. We look forward to a challenging future of impacting the microfinance sector in India. While taking initiatives for future growth, Asmitha will continue in the pursuit of achieving highest standards both in operations and systems."

BlueOrchard, the global leader in commercial asset management in microfinance, chose to partner with Asmitha Microfin Limited in order to support its development in the coming years. BlueOrchard is the first external strategic partner invited by the founders of Asmitha Microfin. The company is presently serving 850,000 clients in thirteen Indian states and has ambitious expansion strategies.

BlueOrchard Private Equity's Indian strategy is aligned with the fund's overall objectives: to support MFIs' leaders in their plans for expansion at national and regional levels through organic growth and acquisition strategies. Consequently, BlueOrchard will invest in promising emerging companies complementing other portfolio investments through additional geographic coverage or different client segments. An additional fund of funds approach further consolidates local presence, market understanding, local co-investment and partnership opportunities.

Building on its team's vast experience and in-depth market knowledge gained through the relationships established with MFIs in the past 8 years, BlueOrchard launched a private equity fund at the end of 2007. With the aim of forging long-term partnerships with MFIs world-wide, the Swiss-based advisory company acquires minority stakes in the MFIs' capital. It assumes an active governance role within the MFIs by sharing international experience, information, networks, knowledge and by actively participating in the decision-process at board level. Through this approach, BlueOrchard strives to achieve strong tangible social returns along with market economic returns.

***Additional Resources:***

*BlueOrchard Private Equity Fund*

*The BlueOrchard Private Equity Fund is a SICAV registered in Luxemburg in December 2007. It is entirely managed by its General Partner BlueOrchard Capital Sarl, Luxemburg. BlueOrchard Investments Sarl, Geneva, is the investment advisor of the General Partner. As at 1 September 2008, total assets under management of the fund were USD 111 million. The parent company, BlueOrchard Finance S.A., is a Swiss company based in Geneva whose mission is to manage microfinance investment funds. It helps investors gain access to investment opportunities in the microfinance sector through a diversified range of products and services.*

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Also see: [www.blueorchard.com](http://www.blueorchard.com)

*Asmitha Microfin Limited*

*Established in 2002, Hyderabad-based Asmitha Microfin Limited is an MFI that provides collateral-free micro-loans to low-income rural women in order to generate for them self-sustaining livelihoods and incomes. Asmitha serves 850,000 clients in thirteen Indian states. As of March 31, 2008, the MFI possessed USD 83.7 million in its gross loan portfolio and USD 104.8 in total assets. Its return on assets was 1.43 percent and its return on equity was 17.87 percent. Its total debt-equity ratio was 1015.7 percent. Forbes magazine ranked Asmitha 29th best among the top 50 MFIs in the world, and the MIX Market, the microfinance information clearinghouse, rated of the level of Asmitha's financial disclosure as three out of five stars.*

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Also see: [www.asmithamicrofin.com](http://www.asmithamicrofin.com)