



Grameen Koota Receives INR 92 Million Equity Investment from Aavishkaar Goodwell

1 April 2008, Bangalore, INDIA – Reputed Indian Microfinance Institution (MFI), Grameen Koota closed its first round of private equity investment when it received INR 92 million (USD 2.3 Million) from Aavishkaar Goodwell, the India-focused microfinance development company. Aavishkaar Goodwell will take up a significant minority interest in Grameen Koota with this investment and its India based team will work closely with Grameen Koota's management to help transform Grameen Koota into a national player that plans to reach out to over 2 million microfinance customers over the next 5 years.

Grameen Koota was started in 1999 by T. Muniswamappa Trust a not-for-profit trust with a clear mission of delivering need-based financial and capacity building services to the poor in a cost-effective and sustainable manner. Guided by its vision to bring mainstream financial services to the poor, the Karnataka-based MFI has built a customer base over 140,000 microfinance clients and is one of the leading microfinance players in the region. In October 2007, Grameen Koota successfully completed a transformation into a RBI regulated Non-Banking Financial Company (NBFC). Then in December 2007, Grameen Koota was placed at the 19th position in the list of Top 50 Microfinance Institutions globally, compiled by the *Forbes* magazine.

Speaking on the occasion, Mr. Suresh Krishna, Managing Director of Grameen Koota said, "We are delighted to have Aavishkaar Goodwell as an investor in Grameen Koota. With their active support and guidance, we are well poised for the next stage in our growth trajectory. We hope that the financial expertise, business experience and on the ground presence of Aavishkaar Goodwell's team will help us in fulfilling our objective of scaling up our operations and serving, increasing number of poor women in a sustainable manner."

For Aavishkaar Goodwell, this investment represents a significant step towards building a USD 25 million balanced portfolio of smart capital investments in financial services for the poor in India.

Mr. Pradeep, Chief Investment Officer of Aavishkaar Goodwell said, "Aavishkaar Goodwell invests in entrepreneurial microfinance organizations with the objective to create both social and economic value for these organizations and their clients, and consequently for our investors. The senior leadership at Grameen Koota has demonstrated that it is indeed possible to deliver financial services to the poor in a commercially sustainable manner and we remain committed to supporting the management in making Grameen Koota the preferred provider of microfinance in an increasingly competitive environment."

Ms. Vinatha Reddy, Founder and Executive Chairman of Grameen Koota added, "This investment [by Aavishkaar Goodwell] marks an important milestone in our journey at Grameen Koota that had started almost a decade ago as a small experiment. The institution has come a long way since its inception and this equity investment is a validation of our efforts to far. Together with our investors and all other stakeholders we hope to build a world class institution serving households at the bottom of the pyramid and becoming catalysts of change.. "

About Grameen Koota

Grameen Koota started its microfinance operations in 1999 as a program under the registered T. Muniswamappa Trust in Bangalore, Karnataka, India with the help of seed capital funding from Grameen Trust. Since inception, Grameen Koota has been a reputed institution in the Indian microfinance sector and achieved operational break-even in the financial year 2005-06. In October 2007, it transformed its operations into Grameen Financial Services Private Limited, a microfinance institution regulated by the Reserve Bank of India as a Non-Banking Financial Company ("NBFC"). Through its network of 44 branches spread across the state of Karnataka, it currently serves over 140,000 clients who lack access to formal financial services. Grameen Koota works with poor rural and urban women to provide them with small loans - approximately INR 7,000 to INR 35,000 to start income-generating activities such as trading, animal husbandry, agricultural production, and transportation.



The Grameen Koota team remains passionately committed to the guiding visions of its founders and plans to aggressively expand its presence across the country to offer a complete suite of integrated financial services to over 2 million poor women over the next 5 years in a sustainable manner.

For more information, please visit www.grameenkoota.org

About Aavishkaar Goodwell

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. Aavishkaar Goodwell aims to improve access to affordable financial services for millions of unbanked people in India. Aavishkaar Goodwell does this by developing and scaling up entrepreneurial microfinance organizations and integrating them into the mainstream financial sector. Aiming to realize “benefits of scale”: a substantial social impact and an attractive financial return, the company is building a portfolio of USD 25 million in microfinance start ups and fast growing institutions.

Aavishkaar Goodwell was initiated by an Indian-Dutch joint venture. For more information, please visit www.aavishkaargoodwell.com

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