



**Aavishkaar**  
**International**  
*Private Limited*

10A Barker Road  
Singapore 309875  
www.aavishkaar.org  
E-mail: [pulsar@magix.com.sg](mailto:pulsar@magix.com.sg)  
[anantha\\_n@aavishkaar.org](mailto:anantha_n@aavishkaar.org)

January 31, 2004

**Shareholders**  
**Aavishkaar International Private Limited**

Dear

Aavishkaar India concludes the terms of its fourth investment on January 30, 2004

I am pleased to inform you that on 30 January 2004, Aavishkaar India Micro Venture Capital Fund concluded the terms of its fourth investment in Craftsbridge Private Limited (CBPL). The Board of Trustees of Aavishkaar India will be releasing the first instalment of Rs.20.0 lakhs (Rupees Twenty lakhs or Indian Rupees Two millions only) to the entrepreneurs of CBPL.

**About the Enterprise**

CBPL is a Pune based cross channel design, manufacturing and marketing organization dedicated to the handicrafts industry in India. It is working with a mission to be a bridge between customers worldwide and crafts persons, designers, bulk buyers, researchers and others that form this community in India.

CBPL wishes to leverage “industry best practices and web technology” in sourcing, quality, design and marketing to benefit customers and producers.

**Company Structure**

CBPL was set up in July 2000. Ms. Shibani Jain, Chief Executive and founder, is a graduate from National Institute of Design, Ahmedabad. NID is one of the premier design institutes of the country. Shibani left Tata Interactive Systems (TIS) as head of its

Nurturing ventures into enterprises

design department to start CBPL. Currently, Shibani Jain and Vipul Jain hold the 100% stake in CB.

### Products and Services

CBPL offers premium, contemporary designer Handicrafts products in various categories. It is also providing 'made to order' customized products and designer services for the corporate gift market. In addition, CBPL sells a wide range of crafts and designer ware sourced directly from artisans, bulk suppliers and NGOs from different regions across India.

CBPL primarily deals in collectibles (artefacts, paintings, sculptures, office accessories, gift articles etc.), home furnishing and (furnishings, furniture, decorative, garden accessories, lighting etc.) personal accessories (apparel, jewellery etc.).

### Markets for CBPL

The company uses four channels to market its products.

- Corporate Customers
- Domestic Retail stores
- Direct Exports
- Internet based sales channel

Corporate customers form the largest chunk of company's turnover. The company's corporate customer base has expanded to more than 100 customers since with names like HLL, ICICI Bank, ABN AMRO Bank, Standard Chartered Bank, BNP, Pepsi, AT&T etc. The company has strengthened its sourcing network with partnerships with ICICI Communities. CBPL launched its 'Shop the Cause' line in association with ICICI Communities, wherein 85% of the material is sourced from NGOs only.

Domestic retail stores have helped CBPL develop an India presence. The company plans to introduce a retail store of its own in near future. Currently domestic retail is the second largest contributor to revenue.

### **Financial Performance**

CBPL achieved a turn over of almost Rs. 87.5 Lakhs (Rs. 8.75 millions) in 2002-03. The company's turnover was dominated by corporate sales constituting over 70%. Retail, online and Export made for the remaining turnover of the company. The growth over last year was 120%. Craftsbridge has already recorded sales of Rs. 1.1 Crore (Rupees 11 millions) in the first two quarters of 2003-04.

### **About the funding**

The first tranche of Rs. 20 lakhs (Rupees Two million) is to be invested at a pre-money valuation of Rs. 1 crore (Rs.10 million).

The second tranche of Rs.15 lakhs (Rupees 1.5 million) will be released as a fully convertible debenture of 15 lakhs. The debenture would be converted into common equity at the end of the year 2006-07. The EBITDA of Year 2006-07 would be used for conversion. An EBITDA multiplier of 3.35 would be used to arrive at the pre money value of the company.

The debenture would carry an annual interest rate of 8% compounded annually. The accrued interest along with the principal would convert into common equity at the end of the period 2006-07 as per the agreed multiple. The floor valuation price would be Rs. 2.0 crore (Rupees twenty millions) and the cap is at Rs. 5.0 crores (Rupees fifty millions).