



Update: 8

July 9, 2005.

1. ORGANIZATION

- **Training:** Our ten-day train-the-trainer program for field staff is over. Two of our staff & two interns have gone on a 3 days exposure visit to SKS Micro finance Ltd. in Andhra Pradesh.

2. CAPITAL

- **Domestic Capital:** We have raised Rs.163 lakhs of domestic capital as of date. We expect to receive another Rs.10 before this month end. We will finalize the documentation with the institutional investor next week, which should take us up to around Rs.240 lakhs. We will then approach all the investors & have the documentations approved & signed. We should be in a position to apply to RBI early next month to start operations.

3. INFRASTRUCTURE

- **Technology:** The walk through & gap analysis with Nucleus has been completed.
- **Market Research:** The market research & the final presentation are complete. We expect the report next week.

4. BUSINESS DEVELOPMENT

- We have identified an area with a high concentration of poor in Bangalore where we will start our operations. We will be collaborating with an NGO running a school in that area.
- We have also identified a garment factory and have shared the results of our market research with the company. We plan to initially offer a micro finance program especially customized for the garment industry workers.

5. MONTH AHEAD

Increasingly, though it feels like the Long March, the light at the end of the tunnel is visible. We have a busy month ahead:

- We need to complete the documentation for the investment Institutional investor.
- Complete audited accounts up to June 05 required for RBI Application.
- Start the application process with RBI.

- Complete all the manuals: Products, Credit, HR, CSR Training
- Start the recruitment process for CSRs / Field Staff

Best Regards, Samit