



Monthly Update MAY 2006

Update # 20

08-July-2006

With deep regret we announce the untimely passing away of one of our founder investors, Kailash Sharma on June 23rd, 2006. Our heartfelt condolences to the bereaved family, Sejida and their daughters.

MAJOR MILESTONES

- Yeswantpur Branch crossed 1000 customer milestone on June 30th, 2006.
- Fifth branch opened at H.A.L.

1. **BUSINESS DEVELOPMENT** As of 1/07/2006, we have 3529 customers, of whom 2419 have taken loans totaling to Rs.11.2 Million and the repayment rate is 99.9% with 99.8% on time repayment.

2. ORGANIZATION

Current Employee Strength:	52	Offers made:	13
Trainees:	39		
Interns:	<u>2</u>		
Total:	93		

- Cocoon Consulting diagnostic has been completed & we are in the process of implementation.

3. CAPITAL & FUNDING

- We are currently funding our operations and expenditures from our capital. We have received offers for funding from a number of banks & financial institution. A few more are in process. We plan to obtain approval from our Board on 29-07-06 to enter into these relationships.

4. MONTH AHEAD

- We will relocate in phases during this month to our permanent office at Koramangala.
- Complete the launching of ESOP Scheme.
- We are working on opening three more branches in the next 90 days.
- Complete Phase I of our conversion to the Banker's Realm, core processing software.
- We are also working on couple of major corporations to jointly implement their Corporate Social Responsibility Programs in the areas of health and providing basic household equipment.