

Plans to Inject Fresh Equity

Keeping in mind the capital requirements for the current year, Sanchetna is in the process of injecting fresh equity to the tune of INR 14 Million from its existing promoters and their extended support group. This will take the total net worth of the company to INR 22 Million at current levels. With Sanchetna accumulating profit month on month basis, the same will increase further. With an additional subordinated debt of 10 Million from NABARD expected shortly the total net worth of the company will go up to a healthy INR 34 Million in coming three months. This should help the company raise the required resources for the future growth.

Foray into Mesofinancing – The next step forward

Having tested the markets through its Micro loans, Sanchetna, according to its plans is in the implementation phase of Mesofinance Loans. The company is looking to create a strong channel for its successful micro-entrepreneurs and graduate them into Mesofinance category, with the longer-term goal of establishing healthy, sustainable, multi-employee enterprises in needy communities. The company has already introduced a separate cattle loan product, "Sahay".

Sanchetna has also tied up with its sister concern Samridhi Agri Products Pvt. Ltd., which is currently catering to the dairy clients for providing business linkages to its clientele. By September'10, Sanchetna has plans to put 300 such micro-entrepreneurs on a fast track growth path through this venture of providing larger loan sizes along with business support services.

Social Performance Management – Progress out of Poverty

A SPM exercise was conducted last month for the clients who have been associated with Sanchetna for 18 months or more.

A total of 300 clients were surveyed for this exercise. The survey gives an overall positive trend as while in 2008 when Sanchetna started working out of total 300 people surveyed 176 were living below the poverty line (as per ADB's criteria of 1.25 US\$/Day PPP). Currently the number of people in this category have come down to 123. Details of the survey are published on www.sanchetnaindia.com.

Going forward Sanchetna will incorporate this indicator as part of its loan application process in order to gauge the progress of its clients.

Sanctions

- **Maanaveeya Holdings & Investments (P) Ltd**, the Indian subsidiary of **Oikocredit**, a 30 year old global Development Financing Institution has sanctioned a loan of INR 10 Million for a period of 3 years.
- **Ananya Finance for Inclusive Growth**, formerly **FWWB**, continuing its relationship with Sanchetna has sanctioned another INR 3 Million term loan to Sanchetna to be repaid over a period of 18 months. **TMN** has further sanctioned INR 2 Million as term loan to Sanchetna.

News Updates

- The **Board Meeting** took place on the 12th of June at the company's corporate office. The meeting was attended by 5 out of the six directors.
- A team from **Unitus** comprising of **Suhasini Singh**, Senior Manager, India Programs and **Jeevan Kumar**, Associate, Advisory Services visited Sanchetna on the 2nd of June. The team visited areas in Barabanki where **Samridhi Agri Products**, a sister concern of Sanchetna is providing **market linkages** to the members of Sanchetna.
- **SIDBI Lucknow** team visited the operations of Sanchetna in view of the loan proposal submitted by Sanchetna with it.

Sound Bytes

"I know of no more encouraging fact than the unquestionable ability of man to elevate his life by conscious endeavor."

Henry David Thoreau

Operational Highlights		
	Mar-10	Jun-10
Branches	4	6
Districts	5	5
Employees	33	37
Members	3748	5260
Cumulative Disbursement (INR in Millions)	38	59
Portfolio Outstanding (INR in Millions)	21	30