



SAIJA
Empowering through Microfinance

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A Monthly Newsletter
From
Saija Finance

May 2010

From Editor's
Board

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The Editorial Team of “Saija Darpan” feels highly elated presenting the second Edition of our monthly Newsletter for the month of May’2010. The team is focused towards bringing the views of Saija Family as a whole to the limelight such that the **four pillars of the organization**, viz., **Transparency, Discipline, Excellence and Social Responsibility**, get expressed and tangible, in the sense that everybody in Saija gets an opportunity and platform to express their views towards the regular strengthening and improvement of the organization.

Support from the entire Saija Family is solicited for the success of the organizational efforts towards the betterment of the underprivileged segment of the society, taking into consideration the views of the stakeholders of the company.



**Participation by
Saija team
members at
National and
International
Forums**

Workshop on “Time Management”

A workshop on “Time Management” was organized on 8th May, 2010 in MBA Department of AN College, Boring Road, Patna. The participants of the workshop were from different organizations like Airtel, Bihar Road Transport Corporation, NHRDN, etc.

The participants from Saija Finance Private Limited were Ghanashyam Dey (Manager HR), Priyabrata Mohanty (BM Arrah) and Harish Sahay (Executive Administration)

The objectives of the training were:

- Common enemies of time,
- Myths and realities of time,
- Steps for good time management
- Golden rules of good time management.

The “Golden Rules for Good Time Management” like wherever possible, Finish your task and Think, Then act was very fruitful as Saija team learnt a lot from the rule.

The Saija team found the workshop very useful because it helped them to prioritize their work and set targets accordingly

ACCION Training

ACCION, a global microfinance company has organized the Training Programme on “Managing for Improve performance”. The training was delivered in two weeks, from 12 to 16 April 2010 and from 07 to 11 June 2010 in Mumbai. The General Manager of Saija Finance Private Limited, Dinesh Yadav participated in this training programme.

Dinesh Yadav learnt a number of things from the training session like Training highlights the importance of enhancing efficiency and provide the tool and strategies for improving the performance of institution and Training tries to cover and familiarize with organizational development through theory and practice to enhance the ability to support and motivate the staff members.



The Training program was very useful and fruitful for Dinesh Yadav as it raised his confidence, efficiency and efforts which is required to achieve the Company mission, vision and values

Industry updates

MICROCAPITAL BRIEF: World Bank Approves \$200m Loan to Small Industries Development Bank of India (SIDBI) For Microfinance Institutions (MFIs) in India

The World Bank's Board of Executive Directors has approved a loan of USD 200 million to be given to the Small Industries Development Bank of India (SIDBI) for lending to microfinance institutions (MFIs) in India. The funding is intended to "support operations and growth in MFIs, enhance their financial strength, and enable them to leverage private commercial funds to on-lend larger amounts to the under-served".

The project, called "Sustainable and Responsible Microfinance Project for India," will have a focus on initiatives such as the "establishment of a microfinance information platform and promotion of adherence to a code of conduct for MFIs, as well as for capacity building and monitoring." The period of maturity for the loan is 25 years with a 14.5 year grace period, and no interest rate is listed for that period.





ROLE CALL

RBI weighs letting MFIs become 'biz correspondents'

MFIs Feel Move Will Enable Their Clients Access Insured Deposits, National Payments System & Remittance Services

THE Reserve Bank of India is considering a proposal put forward by profit-oriented microfinance institutions (MFIs) to allow them to be business correspondents of banks for financial inclusion.

Speaking at an international forum in Washington on Friday, Reserve Bank of India deputy governor Usha Thorat said the central bank is examining a proposal that large 'for profit' companies, having a wide network of outlets — especially in rural areas, could be allowed to act as business correspondents of banks (for financial inclusion). "This issue is currently under examination and in doing so possible risks such as conflicts of interest, co-mingling of funds, misrepresentation and other agency-related risks would need to be weighed against possible safeguards for consumer protection."

The argument that MFIs have put forward justifying their demand is that this would enable their clients to access insured deposits, national payments system and remittance services. The central bank's statement comes in the backdrop of the priority accorded to inclusive growth through financial inclusion by the ruling UPA government.

MFIs have managed to provide finance to over 2.2 crore poor rural households. However, about 80% of funds are disbursed through profit-oriented MFIs registered with RBI as NBFCs, which are not allowed to use the banking system to lend loans. Hence, they do not contribute directly to the financial inclusion in the strict sense of the term. (According to Ms Thorat, financial inclusion primarily represents access to a bank account backed by deposit insurance, access to affordable credit and the payments system).

If the central bank considers the NBFC-MFI demand to allow them to function as business correspondents for banks for financial inclusion, the level of financial inclusion could go up significantly. Currently, several non-bank entities such as kirana shops and village heads, among others, are allowed to operate as business correspondents for banks, especially in areas where banks do not have a reach. According to official figures, currently only



about one third of Indians have access to any formal finance.

Ms Thorat has also clarified that the central bank is not in favour of capping the interest rate charged by MFIs. “Views have been expressed that with the lending to MFIs included in the priority sector, there should be a cap on the interest rates charged to the ultimate borrower. Efforts at financial inclusion can be sustained only if the delivery models are viable and interest rate caps can be a deterrent. From a regulatory perspective, we emphasise transparency, creating better awareness, customer education and effective grievance redressal systems,” she said.

Source:

Economics Times, June 8

Customer Interface



Name: Munna Kishore Sharma

Product: SKR

Group Name: Sai

Age: 35

Business: Runs Studio

He says “Saija is a very good company. I have been introduced to this company by one of my friends. Saija provided me loan to enlarge our business. My business is growing with the help of the company. I am a customer of this company since one year and will continue to be a client in the coming days”



I ,Haseen Khan, feel privileged to be amongst the first of Field Executives who joined the organization on 16.07.2007. Currently, I am working in the capacity of an Assistant Branch Manager. Although I had worked with NGOs, and Private sector Bank, but the kind of exposure and knowledge I gained at this organization is valuable for me. Company has always been encouraging and appreciating my

suggestions for the improvement in the functioning of the organization. I have been for almost three years in Saija. I have been doing my work with integrity and will continue doing in the same manner.

- **Md. Haseen Khan**
Asst. Branch Manager

Two people joined Saija in the month of May.

Mr. Manoj Kumar is a Commerce graduate and he has joined as senior executive in Operations department. He has past experience with NGO and in banking sector.

Mr. Ankit Kumar is Bachelor of Commerce and he has joined in Commercial department.

Employee Interface

People joining in May