

MODIFICATIONS TO THE SMALL GROUP LOAN

Borrower related:

- The borrowers total household income should not exceed Rs. 120,000—for non-rural (i.e. urban) areas
- Total indebtedness of the borrower should not exceed Rs. 50,000

Loan terms:

- Loans should not exceed Rs. 35,000 in the first cycle and Rs.50,000 in the subsequent cycles
- If loan amount exceeds Rs. 15,000 tenure of loan should be not less than 24 months— borrower has the right of pre-payment without penalty

- Loan should be repayable by weekly, fortnightly or monthly instalments at the choice of the borrower
- At least 75% of the loans have to be extended for income generating purpose only

Adherence to all these conditions will enable the loan portfolio to be treated as “qualifying assets”. As long as qualifying assets constitute 85% or more of the loan portfolio, the same will enable the MFI to borrow from banks under their “priority sector lending”. While the SG loan portfolio will be falling under the qualifying asset category (85%), the

other loan products will come under the balance 15%.

Pricing Guidelines:

- A margin cap of 12%
- Interest charged to customers capped at 26% on reducing basis
- Three elements of charges to our customers (i) interest, (ii) processing fees at 1% of loan (iii) Insurance premium where provided as per IRDA norms
- No penalty for delayed payment
- No margin money or security deposit to be taken

JANALAKSHMI MILESTONES

Branches

Total number of branches as on 31 June 2011:	66
Number of States JFS operates in:	10
Number of Cities JFS operates in:	47

Employees

Total number of employees (JFS, JSS & Janaadhar) as on 31 June 2011:	1085
New employees joined this month:	42

Borrowers

Total number of borrowers as on 31 June 2011:	200,768
Total June disbursment (Rs):	34.62 cr
Total outstanding (Rs):	188 cr

Retail Liability

Liability team crossed 150,000 accounts on 16th July 2011

New cross-sell product, Micro Care— accidental benefit product, launched in association with Axis Bank

Sales Team celebrated “Big Login Day” for Micro Care on 27th June and again on 18th July wherein the team sourced 633 and 1028 proposals on a single day

Gold Loan

Saibaba Colony had the highest disbursement this month (Rs. 25 lacs) followed by K B Sandra (Rs. 15 lacs) and K R Puram (Rs. 12.85 lacs)

MFI IN THE NEWS

Janalakshmi funding marks turning point for MFIs

http://articles.timesofindia.indiatimes.com/2011-06-23/india-business/29693885_1_mfi-sector-mfi-business-funding

Initial lending to MFIs may not be strong: Janalakshmi Fin

http://www.moneycontrol.com/news/business/initial-lending-to-mfis-may-not-be-strong-janalakshmi-fin_559704.html

Micro-lender Ujjivan raises Rs. 23 crore via pvt placement

<http://economictimes.indiatimes.com/news/news-by-industry/banking/finance/micro-lender-ujjivan-raises-rs-23-crore-via-pvt-placement/articleshow/9099856.cms>

EMAIL ETTIQUET

These days, e-mail is used by just about everyone. It stands true for our organization also. E-mail is an integral part of the communication infrastructure of Janalakshmi and used as default form of communication. Surprisingly, a lot of users don't use it *right*, playing with security risks, consuming excessive bandwidth, and practicing poor-etiquette. Here are some basic e-mail usage guidelines to help you to handle e-mail responsibly thus, safeguarding our organization:

1. Never forward company mail out of the office

When the CEO or any other senior manager of the organization sends out a company-wide e-mail message, consider it as company-confidential material. In other words, no matter how innocent you **think** the note is, don't forward it to your friends outside the company. It's the ethically and morally not the correct thing to do and, it may land up in the hands of a competitor.

Do not forward, emails contains, sensitive or potentially embarrassing information or tasteless jokes which targets specific community or group, as it may bring ill-repute to company. Better still, do not forward any nonproductive mails through business email-ID

2. Don't be a party to a flame-war

Flame-wars are heated e-mail exchanges that are more emotional than reasoned, and they have no place in professional communications. If you receive a flame or suddenly find yourself in a flame-war, take a little time before responding, if you respond at all. Think about the situation and reply rationally not emotionally. Better still, instead of replying, go to the person and discuss the message. If talking with the person doesn't end the problem, involve a manager for assistance in resolving the issue offline.

3. Do not overuse Reply to All

Use *Reply to All* only when you are confident that "all" will be interested in the content of your response or need to be aware of what your reply contains. Because a list of names are in the To: or CC: field does not indicate their interest in your commentary or reply. When in doubt, reply to sender alone. still better, reply to sender and select other recipients manually, one by one. It will also help us to make sure that, we are actually replying to the intended persons.

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