



# Profile of Sewa Finance



ISO 9001:2000 Certified Company

|                                 |  |
|---------------------------------|--|
| <b>Name of the Organization</b> | : Sewa Lanka Community Financial Services Ltd.<br>( Trading name: <b>Sewa Finance</b> )  |
| <b>Registration Details</b>     | : Registration Number : N(PBS) 1275<br>Registration Date : September 01, 2005  |
| <b>Head Office</b>              | : 263A, High level Road, Kirulapona, Colombo 5. Sri Lanka  |
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| <b>Fax</b>                      | : +94 (0)112769705   |
| <b>Website</b>                  | : <a href="http://www.sewafinance.com">www.sewafinance.com</a>   |
| <b>Contact person</b>           | : Mrs. T. P. Hewapathirana ( Chief Executive Officer )<br>Mobile phone : +94(0)773682135<br>Email : <a href="mailto:sewamfi@sltnet.lk">sewamfi@sltnet.lk</a> |

## Vision

Eradicate poverty through sustainable delivery of Micro Finance

## Mission

Sewa Finance has a mission to provide financial services to poor men and women of Sri Lanka to empower them economically by creating income and employment generation opportunities to increase income, employment, especially self employment, savings of members, reduce indebtedness to money lenders and distress sale of commodities and land.

[Sewa Lanka Community Financial Services Limited](#), trading as Sewa Finance was formed and incorporated in the year 2005 under the Companies Act 1982 as a Public Limited Company. The company is a financial services provider to the poor of Sri Lanka which includes provision of micro finance, mobilization of savings and provides technical assistance to CBOs to strengthen their capacity to retail micro finance to its members i.e. in the fields of governance, management, accounting and reporting. The company officially commenced its operations in June 2006. The company currently operates in eleven districts.

Sewa Finance is the micro-finance subsidiary of Sewa Lanka Foundation. For nearly 13 years Sewa Lanka Foundation implemented micro-finance activities through a CBO based revolving loan fund (RLF) system, which is informal, somewhat unsustainable but helped many CBOs to become strong in savings and credit activities.



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## Highlights

Sewa Finance is the youngest (about one year old) MFI in Sri Lanka. But to its credit is 100% loan recovery so far. Management procedures and processes of Sewa Finance is of high quality and it received the ISO 9001:2000 quality standard certification from Sri Lanka Standards Institution (SLSI) in June 2007, the first MFI in Sri Lanka ever to receive that accreditation.

Sewa Finance is a very active founding member of Micro-finance network of Sri Lanka, the only recognized micro-financial membership body in Sri Lanka.

## Company governance

The Board of Directors consists of committed development leaders, lawyers, bankers, and development workers. The Board is headed by a chairman who is a reputed development leader of Sri Lanka.

**Board of Directors:** Dr. Harsha Kumara Nawaratne, *Chairman, Sewa Lanka Foundation (Guarantee) Limited. Chairman of the Board*; Mr. Velupillai Revathan, *Vice Chairman, Sewa Lanka Foundation (Guarantee) Limited.*; Mr. Karuna Arachchilage Wijesekera, *Retired General Manager-Chief Executive Officer/People's Bank; Attorney-at-Law and Notary of the Public.*; Prof. A. Navaratnarajah, *Consultant/Director, Sewa Lanka Tertiary Education Programme, Sewa Lanka Foundation*; Mr. Mahinda De Silva, *Senior Consultant, Sewa Lanka Foundation (Guarantee) Limited.*; Ms. Kaushalya Nawaratne, *Director, Sewa Lanka Foundation (Guarantee) Limited.*; Ms. Annet Premalatha Kabiston Royce, *Deputy Director/ Special Projects, Sewa Lanka Foundation (Guarantee) Limited.*

## Company Management

The management team consists of Chief Executive Officer, Deputy General Manager, and Heads of all sections. The Chief Executive Officer is the senior management authority of the Company. All staff of the management of Sewa Finance are well experienced in their field. They are drawn from the field of development, private sector and micro finance with extensive experience in the field of finance and commitment. The management of Sewa Finance is well versed in all related legal and operational policy and procedures.

## Delivery Mechanism

### Present approach and strategies for the promotion of microfinance and income generating activities

Sewa Finance adopts two strategies in line with the two critical mission factors, namely the poverty reduction and the financial sustainability.



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| Critical mission factor  | Strategies  |
|--------------------------|---|
| Poverty reduction        | <ul style="list-style-type: none"> <li>• Bulk lending to CBOs, which are socially mobilized and have their own internal savings and credit programme. Bulk lending constitutes about 75% of the loan portfolio, where the average loan size is Rs. 20,000</li> <li>• Individual lending to carefully selected micro-entrepreneurs, where the average loan size is Rs. 75,000</li> <li>• Provision of credit plus services.</li> </ul> |
| Financial sustainability | <ul style="list-style-type: none"> <li>• Maintain low cost and low risk by contracting Sewa Lanka Foundation to manage the CBO based loan portfolio</li> <li>• Application of market rates of interest and function as community viable institution</li> </ul>  |

### Credit plus services

- The main clients are the CBOs. Therefore the biggest credit plus service is the social preparation, promoting of savings & credit and other capacity building carried out by Sewa Lanka Foundation as a part of its Development work (through projects and programmes)
- Entrepreneur Competency Development Unit (ECDU)** of Sewa Finance is identifying the knowledge and skill development needs of the clients. Necessary training programmes are organized in small (5-10) and large groups (25-30). ECDU also arrange individual and small group counseling programmes in coordination with Enterprise Development Trainers of Sewa Lanka Foundation.



### Perspectives for future sustainability

Sewa Finance always conducts its micro-finance activities on cost recovery basis and the critical factor that determines the sustainability is keeping the loan recovery rate at 100%. Close scrutiny and back up support to CBOs by the portfolio manager Sewa Lanka, and regular follow up of individual borrowers through training and counseling by the ECDU has so far ensured 100% loan recovery.

### Present geographical coverage and proposed coverage

Presently, the micro-finance services of Sewa Finance cover 17 districts including Southern coastal districts, North & East and to cater the plantation sector in the Central and the Uva provinces.

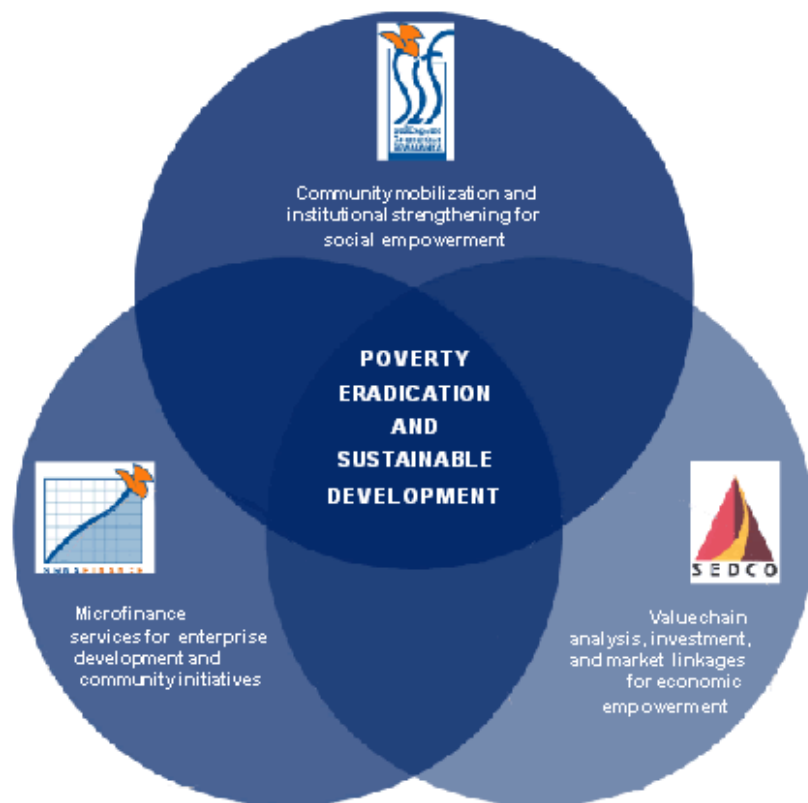


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## Our Specialty

Sewa Finance is not a conventional microfinance lender. We work with Sewa Lanka Foundation and SEDCO to provide a total package of services to our client CBOs and their members.

- Sewalanka Foundation provides ongoing capacity building support to CBOs through its network of trained and experienced social mobilizers and a range of livelihood development services through its team of sector specialists.
- At Sewa Finance, we make financial capital for income-generating initiatives more accessible to the rural poor by providing affordable, flexible loans to established CBOs.
- SEDCO helps CBO members improve their market access and increase their share of the value chain through research and advisory services, investment, and the formation of forward and backward market linkages.



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