

**Assetline Leasing Company Limited**

120, 120A, Pannipitiya Road,  
Battaramulla,  
Sri Lanka .



**Micro Finance Solution**  
***Proposed Micro Finance Solution***

**Prepared For:** AssetLine Leasing Company Ltd.

**Prepared By:** ModularFour Solutions (Pvt) Ltd.

**Description**

*Micro Finance Software is a comprehensive, user-friendly package consisting of the following components:*

*Contract Management  
Payments  
Reconciliation  
Reporting  
MIS  
Workflows & Master Data Configure*

*This has been designed for ease-of-use, being menu-driven with consistent structures across all of the integrated applications. The database provides shared access to the information while ensuring complete integrity of the data.*

Proposal Number: M4PO15000008

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## **About Micro Financing**

Many people in Sri Lanka are living without access to the financial services such as loans and insurance. There is a movement that is started to provide financial services to people that banks do not serve. These services are collectively called microfinance.

One of the most important segments of microfinance is microcredit or small loans. These loans are provided mainly for small scale business ventures, housing and education, thus, helping the poor to generate income for their families and begin the climb out of poverty. The key distinguishing factor between micro financing and other money lending activities is that in micro financing you should know the business of your client'. What makes a microfinance institution really worth its name is the ability to detect among thousands of that would gratefully accept a loan, those that would be productive for that loan, which can turn that loan to value and better the lives of the poor.

## **Advantage of Micro Lending over Normal Loans**

Micro lending is a financial innovation made possible by technology and the peer-to-peer economy. People looking to lend money to earn potentially high returns may fund borrowers who either have no access to credit due to geography or cannot get credit from traditional sources, such as banks or credit unions.

Many lenders may fund a single microloan, while others may spread an investment across a portfolio of microloans to diversify their risk exposure as opposed to a high risk bank loan where the loss in the event of a defaulter is high. Microloans carry high interest rates because they are typically much more risky than other forms of borrowing and do not post collateral in case of default. Thus, micro lenders charge a higher interest rate than bank loans creating more revenue for the lender.

Also it should be noted that it is very difficult to obtain small loans from banks. Further, banks cannot cater to the instant availability of cash offered by a micro lending organization.

Micro lending has caught on even with banks and other financial institutions that previously thought it was not feasible. It turned out that most of the small time borrowers were also good payers, and since the interest rates were higher than the usual mark-up of banks or financing companies, the practice became attractive to the large lenders.

## **Top Industry Challenges**

- Error prone manual processes
- Keeping operational costs low
- Improving transparency in order to measure impact
- Access to robust yet affordable technology

## **Key Benefits Provided By Our Solution**

- Automated processes reduce costs and enhance efficiency.
- Configurable credit decisioning and document management ensure compliance with latest regulations.
- Supports mobile banking and on-field transactions improving collaboration and customer experience.

## Our Solution

ModularFour™ is a company providing software, infrastructure, networking and consultation solutions for small to medium scale enterprises. We offer unique range of flexible finance solutions to our customers. Some of the products we offer banking and finance solutions, inventory solutions and printing solutions. The key advantage we provide customers is that our solutions include not just a shelf software, but a business re-engineering and tailoring the software solution to fit your organizations exact needs.

Modular 4™ provides an exclusive range of micro financing solutions for small to medium scale financial intermediaries. The solution includes high level of flexibility and configurability and provides micro financing solutions ranging from trial calculation to contract closure.

Our micro financing products have the following plethora of sub modules:

- Cluster Definition
- Cluster Dates
- Cluster Dates schedule
- Trial Calculation
- Application Entry
- Contract Initiate
- Activation (Cluster Date Wise)

## Implementation Plan

### High Level Project Plan

Application Development	1M
Integrating and Test Run	1M
Parallel and Test Run	5Days

## Software Agreement

The Software Agreement to be signed with "Modular4 Solutions (Pvt) Ltd."

## Software Warranty

This software solution carries a warranty period of One (01) Year from the date of User acceptance test (UAT).

## Software Maintenance

Maintenance services shall be provided under a maintenance agreement to be signed after the warranty period expires. The standard annual maintenance charges would

be eighteen percent (18%) on the product price plus the subsequent cost of modifications.

### **Software Maintenance**

Upfront 100% maintenance fees for a period of one year at the signing of the maintenance contract.

During such annual maintenance MODULAR4 shall rectify all software related faults, defects and malfunctions free of charge.

### **Additional Software Modifications**

All additional software modification charges will be quoted after a detailed system study. The development of the modifications would begin once a written confirmation is given by the client.

### **Modification Charges**

50% - on confirmation of the quotation

50% - on implementation of the modifications

### **Updates/New Modules**

Customers under maintenance service agreement are entitled to free Application Updates within the same version, database, operating system, and application language (subject to application customizations done at the client's site) of the modules purchased.

Other additional/new modules/new version upgrades would be available at a very special discounted price to your company.

### **Purchase Order & the Payments**

Purchase Order and the payments to be issued to "Modular4 Solutions (Pvt) Ltd."

# Financial Estimates

## Pricing Summary

### Option I

Total Software Cost	985,000.00
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## Proposal Validity

This proposal is valid for a period of one (01) month.

## Payment Terms & Other Charges

Application System Charges:

### Option I

50% - on Acceptance of Proposal

30% - on Parallel Run of Software Module (After Successfully Deploy For UAT)

30% - on Live Run of Software Module (After Successfully Live)

## Training

User training will be done at site during implementation.

## About Modular4

Modular4 has delivered cost effective and high-quality software solutions for a wide range of industries and domains. We work together to deliver the ultimate in customer satisfaction while also helping each business or company achieves their unique needs.

Our competence and experience ensures that we deliver excellent services and products to our customers.

At Modular4 we are proud of our high quality standards. These standards allow us to provide our customers with reliable software applications, regardless of complexity.

## Contact Us

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## Our Clients

Client	User reference	Solution Provided
People's Merchant Business PLC	Anuranga Indrajith Manager IT	"Pawn – Brokering" Software Solution
Citizen Development Bank	Mr. Imdaad Nagiub Senior Manager IT	"Pawn – Brokering" Software Solution
MBSL Savings Bank	Mr. Dushmantha Weerathunga Manager IT	"Pawn – Brokering" Software Solution
Lake House Printers & Publishers	Mr. Rasika Karandawa	Online Bank Cheque Book Ordering and Cheque Printing (MICR)  Cheque return Notice (CRN) Printing with Lanka Clearance Process data
City Bank	Mr. Sumeda Karunarathne Product Manager	Post Dated Cheque management Software
Ideal Property	Mr. Peter Jayalath Owner	Real Estate management Software
K.G.S Spear Parts	Mr. Sajeewa Ekanayaka Product Manager	Inventory Solution
Global Trust	Mr. Susantha Fernando	"Pawn – Brokering" Software Solution
Lucky Homes Pvt Ltd	Mr. M H Wasantha	Real Estate management Software

### Confidentiality

All material, prices and other information provided in this proposal and other supporting documents, annexure, CD-ROMs, diskettes etc. should not be disclosed to any 3<sup>rd</sup> party without written consent.

We hope this pricing proposal would meet your requirements. Should you need any further clarifications, please feel free to contact us.

Thank You,  
Yours sincerely,



Mahinda Jayakody  
Director Projects  
ModularFour Solutions