

## Jana Small Finance Bank empowers women to become self-reliant

**Yamuna Nagar, Haryana, October XX, 2019:** Residing in the small city of Yamuna Nagar in Haryana, Naresh Kumari’s story of grit and determination took her a long way from pushing her family from the confines of poverty to financial stability.

Naresh’s husband, a canteen employee with an inadequate income and the only bread earner in the family of 5 was hardly able to meet the family’s needs. A year after their marriage, Naresh gave birth to twins, a boy and a girl. Even in this moment of happiness, the couple was constantly worried about the upbringing of the twins due to the lack of funds and as the saying goes, misfortunes always strikes together; Naresh’s son got admitted to the ICU for a month. The couple had a hard time paying the exorbitant medical bills. Moreover, her husband’s employer also refused to give him loan for paying the hospital expenses. The couple was just lucky to have friends who ultimately helped them pay the bills. After Naresh’s son got cured, her husband took up a new job as a driver with a monthly salary of Rs 6,000 but this was not sufficient to run the entire family.

The family’s urgent requirement of an alternative source of income compelled Naresh to become financially independent. Around the same time, she became aware about Jana Small Finance Bank from where she got her first group loan of Rs. 15,000 and utilised the money to set up a small grocery shop at home. Despite facing a lot of opposition and criticism from the family, Naresh remained stern on her decision. She even faced a strong competition from the neighbourhood shops but she remained undeterred.

Naresh not only paid back the loan she had taken but also applied for another larger amount of Rs 25,000 from Jana SFB. With developing business acumen, she invested the 2<sup>nd</sup> loan in buying products for her shop that were in demand which gave her incremental growth in her income. Along with balancing her business

well, Naresh was also able to invest in her children’s education. Her excellent track record also made her eligible for a larger individual loan of Rs. 75, 000 which she utilised in her business.

With her efforts and support from JANA SFB, Naresh Kumari and her family is now living a happy life.

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**Jana Small Finance Bank**, erstwhile Janalakshmi Financial Services (JFS), is headquartered in Bengaluru and has over a decade of existence. It is one of the 10 financial institutions which had received in-principal approval from the RBI for a Small Finance Bank in 2015. Jana Small Finance Bank received final banking license in April 2017; it started banking operations on March 28, 2018. Currently, the bank is serving 3.6 million customers across 20 states and Union Territories in India. Its vision is to become the leading inclusive digitized bank serving all customer segments and communities of an aspirational India.

The Indian microfinance sector has come a long way. Early estimates show that the industry / sector would have closed Mar'19 with a credit portfolio outstanding of nearly Rs 2,00,000 crore serving over 50 million end clients (of which 99% plus are women and for most of whom this would be the first credit facility in their life) across 30 states through an employee strength of over 1 Lakh. For an industry almost written off in mid-2011 after the Andhra Pradesh (AP) crisis, this is no mean feat indeed.

NBFC-MFIs are the only regulated financial institutions in the country which give unsecured loans to the borrowers from low income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.