

A Study for Analysis the Degree of Performance of Deposits and Loans in Jana Small Finance Bank in India

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Abstract: *Jana Small Finance Bank has long and distinguished history, which stands as a testament to who we are today for more than a decade, we have actively listened and responded to the needs of our customers. We strive hard every day to deliver value through our competitive and thoughtful Financial Services, thus helping our customers leads better lives. Jana Small Finance Bank erst while Janalakshmi Financial services (JFS) is head quarters in Bangalore and has over a decade of existence. It is one of the 10 Financial institutions which had receive in principal Approval from the RBI for the a small Finance Bank in 2015. Jana small finance Bank received financial banking licensing in April 2017. It is started Banking operations on March 28-2018. Currently the Bank is serving 3.6. million customers across 20 states and union territories in India. It vision is to become the leading inclusive digitalized Bank serving all customer segments and communities of an aspirational India.*

Key Words: *Small Finance Bank, microfinance, Invest fixed sum, Deposits and Loans.*

1. INTRODUCTION:

Small Finance Banks are a type of nice banks in India. Banks with a small finance bank licenses can provide basic banking services of acceptance of deposits and lending. The aim behinds these to provide financial inclusion to sections of the economy not being served by other Banks, Such as Small Business unit, Small and marginal farmers, Micro and Small industries and unorganized sector entries. The existing Non-Banking financial companies (NBFC) microfinance institutions (MFI) and local area Bank (LAB) can apply to become small finance banks. It can be promoted either by individual corporate, trust and societies. They are established as public limited companies in the private sector and for the companies Act 1956. They are governed by the provisions of Reserve Bank of India Act 1934. Banking Regulation Act 1949, and other relevant statutes.

The Reserve Bank of India announced that it had given provisional license to ten entities who would have to convert to small finance banks with in one year. Eight out of these ten entities were micro financing NBFC's reiterating RBI agencies of financial inclusion. Capital small finance Bank begin operations, operations opening with 47 branches on 24 April 2016. The names of the licenses are as below.

Orginal License	Commented
1. Ujjvan Financial Services pvt Ltd	1 st Feb.2017
2. Janalekshmi Financial Services pvt Ltd	29 March2018
3. Equities Holding Pvt Ltd	5 September 2016
4. AU Financies India Ltd	19 th April 2017
5. Capital Local Area Bank Ltd	24 th April 2016
6. Disha Micron Finance Pvt Ltd	21 st July 2017
7. ESAF Micro Finance	17 th March 2017

Bank Name	Head quarters
1. Ujjivan Small Finance Bank	Bangalore
2. Jana Small Finance Bank	Bangalore

3. Equities Small Finance Bank	Chennai
4. Au Small Finance Bank	Jaipur
5. Capital Small Finance Bank	Jalandbar
6. Fincare Small Finance Bank	Bangalore
7. ESAF Small Finance Bank	Thrissur Reg:cha
8. RGVN North East MicroFinance Pvt Ltd	17 th October 2017
9. Utkarsh Micro Finance Pvt Ltd	23 January 2017

2. Objectives of the JSFB:

They were setup with the twin objectives

- 1) It providing an institutional mechanism for promoting rural and Semi Urban Savings.
- 2) It providing for viable economic activities in the local areas.

North East Small Finance Bank	Guwahati
Suryoday Small Finance Bank	Navi Mumbai
Utkarsh Small Finance Bank	Varanasi

The objectives of setting up of small Finance bank will be for furthering financial inclusion.

- 1) Provisions of savings vehicles primarily to Un served and under served sections of the populations
- 2) Supply of credit to small business units small and marginal farmers and micro and small industries and other Unorganised sector entities through high technology low cost operations.

3. Scope of activities in small finance bank:

The small finance Bank, In further use of the objectives for which it is set up shall primarily under take basic banking activities of acceptance of deposits and lending to un served and under served sections including small business units, small and marginal farmers, micro and small industries, and un organized sector entities. It can also under take other no-risk sharing simple financial services activities, not requiring any commitment of own find, Such as distribution of mutual fund units, insurance products etc with the prior approval of the RBI and after complying with the requirements of the sectoral regulator for such products. The small finance banks can also become a category II Authorised dealer in foreign exchange business for its clients requirements to undertake non banking financial services activities.

The annual branch expansion plans for the small finance Banks for the initial five year would need prior approval of RBI. The annual branch expansion plans should be in compliance with the requirement of opening at least 25 percent of its branches in unbanked rural centres.

4. Limitations:

- Small Finance Bank card do restricted business up to Rs: 1lakhs and cannot gives loan.
- Area of operations will be smaller
- Not allowed to setup a subsidiary to offer nonbanking financial services to the customers.
- Cooperative bank cannot apply for license of small Banks.
- Small Finance Banks has restrictions on providing any kind of product, functions and services to the customers.
- Small Finance Banks are not allowed to invest the money they collect in form of deposits in open market.

5. Needs of the study:

Jana Small Finance provide various types of deposit to individuals like Regular F,D. FD plus, Recurring deposits and deposits of 2 core and above.

Regular FD (Fixed Deposits):

Jana Small Finance Bank's regular fixed deposits ensures that your earning grow steadily and effort least. Its key features like attractive interest pay out options make it the ideal investment of your hard-earned money.

Interest rates for Regular Fixed Deposits:

Period	Regular FD. Interest Rate (pa) effective Date 9/9/2019		Senior citizen interest Rate (Pa) effective Date 9/09/2019	
	Rate	yield	Rate	yield
7-14 days	5.00%	5.00%	5.60%	5.60%
15-45 days	5.50%	5.50%	6.10%	6.10%
46-60 days	6.25%	6.25%	6.85%	6.85
61-90 days	6.50	6.50%	7.10%	7.10
91-180 days	7.00	7.00%	7.60	7.67
181-364 days	8.00	8.24%	8.60	8.88
1 year-365 days	8.50%	8.77%	9.10	9.42
1 year-2years	8.60	9.26%	9.20	9.98
2 year- 3 years	8.50	9.57%	9.10	10.33
3 years- 5years	8.00	9.72%	8.60	10.61
5 years – 10 years	6.75	9.54%	7.35	10.73

Terms and conditions:

1. The interest is computed based on the actual number of days - year that is 365 days for non leap year and 365 day for a leap year. The turn of deposits is calculated in number of days.
2. The above card rates are applicable to deposits less than INR 2 Cores
3. For interest Rates on Deposits of INR 2 core & above.
4. In case of premature with drawl of the deposits interest will not be paid at the originally contracted rate. In such cases interest will be paid at the applicable rate of interest for the duration which the deposits is maintained with as minus premature with drawl penal rates as follows.
5. Fixed deposits less than INR 200 Lakhs-0.5%
6. Fixed deposits greater than or equal to INR-200 Lakhs-1%

Note on calculation of effective yield:

- ❖ The yield show cased in the rate table is only indicative in nature, for exact returns always consult Jana trunk branch.
- ❖ The yield calculation is calculated from the start the year that is January.
- ❖ The yield calculation discount leap year.
- ❖ The yield is calculated for cumulative deposits.
- ❖ Effective yield (Total maturity payout original principal)-1/Tenor 1n year.
 - a) I year-365 days.
 - b) Total maturity payout includes the quarterly compounding of deposits.
 - c) The yield calculation is inclusive of TDS amount.

Eligibility Criteria:

- Both new and existing customers of Jana small Finance Bank can open a fixed deposits.
- Following are the types of customers who can open fixed deposits accounts individuals, minors, proprietorship Hindu undivided family, registered and unregistered body co-operative society, trust, partnership, NGO, Private limited.

Recurring Deposits:

Invest fixed sum of amount on monthly basis in recurring deposits and get attractive interest rates. Recurring deposits allows customers with an opportunity to build up their wealth securely through regular, monthly, deposits of fixed sum over a period of time.

Key Benefits:

Features	Benefits
Attractive interest Rules	Up to 9.10% for individuals

	Up to 8.5% for individuals
Flexible Tenor options	
Minimum tenor	6 Months
Maximum Tenor	10 years
Minimum amount	As low as Rs:100
Deposits Multiples	AS low as Rs:100
Ease of booking	➤ Open RD on click of a Button using internet or mobile Banking

Interest Rates for Recurring Deposits:

Period	Regular RD interest Rate (pa) Effective date 21/6/2019	Senior citizens RD interest Rate (Pa) Effective Date 21/6/2019
0-1 month	0.00%	0.00%
1-month-six month	6.00%	6.60%
6-12- months	8.00%	8.60%
12-23- months	8.00%	8.60%
-24 months	8.50%	9.10%
24-months-36	8.00%	8.60%
36-60 months	8.00%	8.60%
60-120 months	6.75%	7.35%

Terms and conditions:

- The interest is computed based on the actual number of days in a year ie 365 days for a leap year. The tenor of Deposits is calculated in number of days.
- In case of premature withdrawal of the recurring deposits, penalty of 0.5% will be applied on the applicable rate of interest for the term which the deposit is maintained.
- For delayed and or missed monthly payment.
 - a) A penalty of Rs:1.5 per Rs:100 on the installment amount will be levied.
 - b) The penalty will be levied on actual basis i.e. on the number of days of delay.
 - c) Grace period of 5 days will be provided to the customer to make the installment payment to avoid the penal charges.
- Bank reserves the right to close the recurring deposits in the case the customer misses 5 consecutive recurring deposit installment
- The minimum tenor of Recurring deposits should be Rs:100/-
- The installment amount should be in multiples of Rs:100/-

6. Conclusion:

The license to operate a small Finance Bank will enable to existing customers of Jana lakshmi to access financial services beyond the scope of micro finance. This is aimed at addressing Financial inclusion and to empower the unbanked segments of the society with several financial tools such as savings accounts, cash less transactions and soon . The bank is also building innovative financial product which every aspiring India wants to avail. The company is committed to ensure high standards of transparency and accountability in all the activities. B it is our vision to be the force of transformation that bring prosperity top every Indian. When have focused on servicing the need of the urban poor. One who may not be below the poverty line but has serve problem in accessing formal financial services. We strive to enable the dreams of the customer by providing financial services and empowering him to write his story of success.

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