



# India: Debt Financing to Janalakshmi Financial Services Private Limited

Project Name	Debt Financing to Janalakshmi Financial Services Private Limited		
Project Number	50163-001		
Borrower/Company	JANALAKSHMI FINANCIAL SERVICES PRIVATE LIMITED		
Country	India		
Location	Nation-wide		
Approval Number	7481/7481		
Type of ADB Assistance / Amount	7481	Ordinary capital resources	USD 150.00 million Approved
Strategic Agendas	Inclusive economic growth		
Drivers of Change	Gender Equity and Mainstreaming Private sector development		
Sector / Subsector	Finance - Small and medium enterprise finance and leasing		
Gender Equity and Mainstreaming	Some gender elements		
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Private Sector Financial Institutions Division		
Responsible ADB Officer	Bracey, Pamela		
Project Sponsor(s)			
Description	Senior debt facility of up to \$150 million (in Indian rupee equivalent) to Janalakshmi Financial Services Private. Limited (JFS)		
Objectives and Scope	JFS will use the proceeds of the Asian Development Bank (ADB) loan to finance microfinance loans, predominately loans to women customers under the joint liability group (JLG) model, as well as other small loans to individuals and micro and small enterprises. Up to 5% of the ADB loan will be specifically dedicated to loans for building and improving sanitation facilities (e.g., toilets and septic tanks) throughout India.		
Status of Development Objectives	The main goals of the facility include increased capacity for microfinance lending and sanitation loans in India.		
Status of Operation/Construction	JFS has converted its operations from an NBFC-MFI to Jana Small Finance Bank with effect from 28 March 2018. Full commercial launch as a retail deposit taking bank was on 18 July 2018.		
Linkage to Country/Regional Strategy	The Midterm Review of Strategy 2020 emphasizes ADB's support to the financial sector by helping to develop financial infrastructure, institutions, and products and services. The proposed transaction contributes to financial sector development by supporting the growth of an SFB, an important component of the financial sector in India. The Midterm Review of Strategy 2020 also seeks to promote inclusive growth. Without access to formal financial services, lower income people or underserved segments will be excluded from the growth process and its benefits. According to the India country partnership strategy, 2013 2017, ADB's nonsovereign operations will continue to support the infrastructure and financial sectors by undertaking selective projects for physical and social infrastructure and financial infrastructure. The proposed transaction will support the development of microfinance in India, one of the financial infrastructures identified in the country partnership strategy and a high priority for the government.		
<b>Safeguard Categories</b>			
Environment	FI		
Involuntary Resettlement	FI		
Indigenous Peoples	FI-C		
<b>Summary of Environmental and Social Aspects</b>			
Environmental Aspects	The environmental and social performance of approved investment deals will need to be monitored by JFS. Periodic site visits, depending on the level of investment E&S risks, will need to be conducted. JFS at the end of the year will consolidate and report the E&S compliance of all approved investments to ADB. The effectivity of its ESMS will also be evaluated and reported as part of the annual report to ADB		
Involuntary Resettlement	None because of the small nature of investments involved. The environmental and social management system (ESMS) will provide guidance on due diligence and corrective actions in the unlikely event of any involuntary resettlement impacts.		
Indigenous Peoples	No adverse impacts because of the small nature of investments involved.		
Stakeholder Communication, Participation, and Consultation	NBFC-MFIs and banks follow a well-established participatory approach in forming groups and holding regularly scheduled, structured group meetings. This is adequately reflected in JFS's product policy papers for JLGs.		
<b>Timetable for assistance design, processing and implementation</b>			
Concept Clearance	29 Mar 2016		
Due Diligence	03 Oct 2016		
Credit Committee Meeting	23 May 2016 to 23 May 2016		

Approval	30 Jun 2016
Last PDS Update	12 Jun 2019

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Project Page	<a href="https://www.adb.org/projects/50163-001/main">https://www.adb.org/projects/50163-001/main</a>
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