



Inclusive Cashless
Payment Partnership

Enroute Lakshya - Power of savings to meet unending possibilities



**Diversifying
into formal
savings is key**

The narrow streets on our way to Amna’s house are full of life in the disorganized neighbourhood of Bandha Basti, a hilly slum cluster in peri-urban Jaipur. Amna, a resident Anganvadi worker, has been working since 4 years with a monthly income of Rs. 2000 providing for the six family members with support of her husband.

On being asked, “How crucial it is for you to save?”, she confidently answers, “If I need to buy something for 2 rupees and have only 1 rupee, I resort to taking a loan. Inability to deal with situations usually arises out of bad financial planning and pushes me to take loans. It is very important for households to have funds in case of similar events. While debt makes me feel helpless, savings empower me and hence it is very important for me to save!”

With limitless zeal to save, she leveraged informal sources such as chit funds, and has recently started to save in formal sources. When asked why, she adds “Diversifying savings is helpful. I used to keep money in the house in some boxes and never knew where the money was, since I had no account of it and always ended up spending it. It is for these reasons that, I started saving with Lakshya account¹ to support my family with basic financial capital.”



**Kaleidofin
making odds
meet through
Lakshya**

Most families struggle with financial instability throughout Bandha Basti. Kaleidofin in partnership with SEWA Bank, aims to build on virtues of trust, and convenience to provide easy to use, flexible, personalised smart and efficient solutions that can make financial progress and financial freedom possible for the last mile.

To ensure a positive trajectory for first time users of formal savings, the diversity of needs of rural Jaipur needs to be recognized. As part of its Catalyst Incubator Initiative of reaching the last mile, Kaleidofin is enrolling low income communities to start saving in the Lakshya account. Their objective is to empower this community to become more financially stable by focusing on goals-based wealth management.

¹ Lakshya is a curated financial solution for customers who are interested in saving for a minimum of two years. It is specifically designed for households in the informal sector, whose income & expenses are quite volatile, making regular savings challenging.

Amzad, a 52-year-old seasonal wage worker, aims to save with Lakshya account as this money can help repair his house eventually. Until now, his sources of savings were to create jewellery for family members and using them when required. He believes it is important to save for the future since sickness comes uninvited. "At my age I don't need any advice. When I heard of Kaliedofin giving a higher interest rate on savings than usual banks and the fact that they would insure my goal, I knew I would adopt for it instantly!" He adds, "Lakshya combines the power of savings to provide a much needed cushion during crisis; further adding a goal protection insurance to safeguard against larger shocks."



Understanding the need to save is crucial

It can be undoubtedly said that communities in slums face greater barriers to access financial products than urban communities because of their limited access to infrastructure. This is partially due to the difficulty banks face in the traditionally expensive infrastructure they deploy and the proximity of client to the established branch. It is thus common in these areas that the community places trust with informal sources of savings, such as chit funds, due to convenience.

To build trust, Mehrunissa, a Sewa Sathi, has conducted several financial literacy camps and has established relationships of trust with the community. She believes that identification of community members who nudge and demonstrate the need of other sources of savings is crucial.

She adds, "All individuals get impacted by trainings differently. While, Amna adopted the product for her daughter's education, Amzad adopted it for his house renovation. Some get attracted as they can save for their child's marriage and other prepare for unexpected events like illness. I ensure that I go door to door and identify their needs."

She concludes, "With Lakshya, it would be interesting to witness the power of formal savings empowering low income clusters meet their life goals."