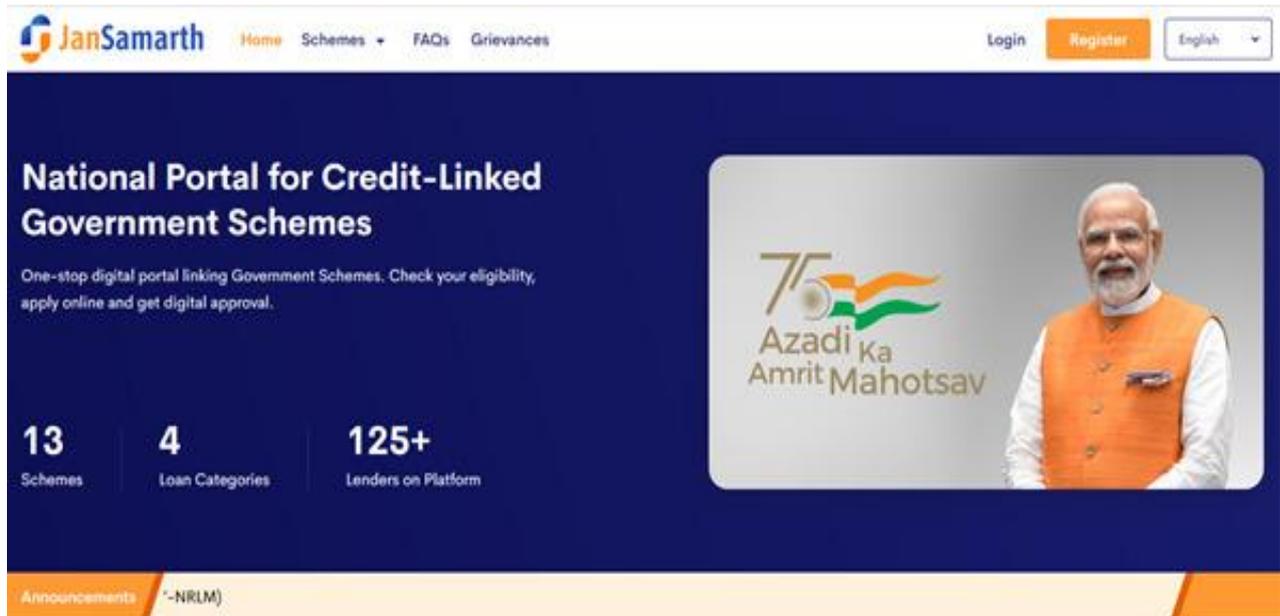


## Jan Samarth Portal -

(Fintech model for accessing Credit Linked Schemes of Government of India)

### Value creation for Investors and Borrowers



Source (Credit): <https://www.jansamarth.in/home>

It is well established that for better and higher value creation, credit/loan needs to go hand-in-hand with equity to broaden the base of capital and yield higher quantum of return. Thus, credit constitutes an important part of financial inclusion services. However, even in current age, getting credit facility from regular banks can be challenging for a large segment of Indian population. Being aware of the needs for credit facility and the challenges faced in accessing the credit facility, especially, when there has been so much of internet based technological advancements, Government of India recently launched the Jan Samarth Portal. Jan Samarth is a Hindi phrase than can be loosely translated as *Empowered or Capable Public*. This JanSamarth-National Portal for Government Schemes (<https://www.jansamarth.in>), launched on 06 June 2022 during the week-long celebration of Azadi Ka Amrit Mahotsav by the Prime Minister, seeks to bridge the gap between “Expectation and anxiety of

borrowers to receive the credit with least hassle” and the “Urge and mandate of government agencies to provide the credit and other financial services in a seamless manner”



Launch of JanSamarth by Sh Narendra Modi, Prime Minister of India

[Source /Credit: <https://www.youtube.com/watch?v=nMNsZwkXLBc>- Youtube Channel: PMO India]

India’s ambition to reach a \$5 trillion economy by the year 2025 took a serious setback with the outbreak of COVID-19. The pandemic put a sudden halt on all economic activities resulting in huge losses in output, consumption and employment and raising serious health concerns of the public. All these factors affected the general well-being of individuals with a bleak outlook on the future. However, with the gradual opening up of the economy and resumption of economic activities, the GDP took a sharp reversal and reached the pre-pandemic levels. While still in the recovery mode, the global economy faced another stumbling block in the form of the Russia-Ukraine conflict, which caused serious shortages of commodities resulting in high inflationary conditions. Amidst this background, the Government of India came up with a

number of support packages and relief packages for businesses and the public in general. During COVID19 pandemic as also during the recent, Ministry of Finance and Ministry of Corporate Affairs, kept providing exceptional services to the corporate sectors and to the borrowers and other users of financial services in an unhindered manner. Launch of Jan Samarth Portal is a further step to facilitate access of financial services by the needy.

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Traditionally, Indian financial system has been marred by the low distribution of financial services outlets, low internet penetration as well a low level of awareness of government-sponsored beneficiary schemes. However, with the increase in the number of internet users, it is expected that this portal will simplify the process of dissemination of information related to the existence of such schemes as well as to receive benefits under these schemes without much hassles.

Even before the launch of Jan Samarth portal, another similar initiative had been launched by government as <https://www.psbloansin59minutes.com>. This was another portal that was launched in November 2018, which being a new-age digital lending platform was based on fintech model. This portal seeks to process the loan application, based on submission of information related to GST, Income Tax, Bank Statements and details of promoters of the MSMEs, under just 59 minutes. The platform digitizes and automates the lending processes for borrowers as well as lenders through integrating advanced technologies like Artificial Intelligence and Machine Learning. This was a great improvement for the credit services offered to borrowers as the period of

sanction of loan drastically reduced from about 15-30 days to just 59 minutes. The offerings on this portal has become more broad based, since its launch, to include not only business loans (MUDRA loans upto Rs 10 lakhs and MSME loans in the range of Rs 10 lakhs to Rs 5 crore), but also retail loans such as home loans (upto 10crore), personal loans (upto20 lakh) and auto loans (upto 1 crore). There are more than 21 partner banks, more than 5 lakh loan application has been processed and more than 70, 000 (seventy thousand) crores have been disbursed. In Indian context, it is one of the smartest, fastest, safest and simplest means to get credit facility from the formal lending sector.

Given that the digital platform of credit was available, it was still felt a need by the Government of India to have a separate digital platform for Central Government schemes for easier and focused access by the needy target segment of the Indian population. Thus, the national portal for credit-linked government schemes was launched by Prime Minister Shri Narendra Modi on 6 June 2022. This portal aims to integrate and bring more than 125 lenders to a single platform under the 4 loan categories and 13 Credit Linked Government schemes. The unique feature of this initiative is that it provides all information like details of the schemes, eligibility of an applicant and the requirement of application documents. It saves individuals from the hassle of finding suitable government schemes for availing finance as well as applying to those schemes. Thus, beneficiaries can digitally check eligibility in a few simple steps. Accordingly, they can apply under eligible schemes and receive approval of sanction digitally in a seamless manner.

## **Categories of Loans**

Unlike under the PSB Loans in 59 minutes, where the credit facilities are available under two categories of business and retail, the categories of loans offered under Jan Samarth are divided into 4 broad categories viz. education (3 schemes), Agri infrastructure (3 schemes), business activities (6 schemes) and livelihood (1 scheme). A total of 13 schemes under these four categories are currently being offered. Under the education loan category, loans for pursuing education from graduate level to PhD level, both in India and abroad, are offered. The focus is on students from economically weaker section of the Indian society. Similarly, under the Agri Infrastructure category, loans for developing Agri infrastructure, clinics and business centres are provided to eligible candidates. Under the business activities category, there are 6 schemes, which provide loans for establishing new businesses as well as expanding the existing ones. Based on gender, social category and type of business, scheme-wise benefits are available. Under the livelihood categories, loans to SHGs and individuals are provided to sustain the livelihood of both urban and rural poor.

A summary of each of the schemes under different categories of Jan Samarth is presented as under:

<b>S No.</b>	<b>Category of Loan</b>	<b>Subsidy Head</b>	<b>Target Population/Purpose</b>	<b>Eligibility</b>
1.		Central Sector Interest Subsidy (CSIS)	Economic Weaker Section students to pursue professional and technical education in India	Annual family income not greater than Rs 4.5 lakhs
2.		Padho	Interest subsidy	Total family

	<b>Education Loan</b>	Pradesh	scheme for minorities to pursue higher education overseas.	income should not exceed Rs 6 lakhs, student should be enrolled in approved courses with a bank loan
3.		Dr Ambedkar Central Sector Scheme	Interest subsidy scheme for OBS and EBC to pursue higher education overseas.	Total annual family income should not exceed creamy layer criteria of 8 lakhs
4	<b>Agri Infrastructure</b>	Agri Clinic and Agri Business Centres Scheme	Supplement the efforts of public extension, support agriculture development and provide gainful self-employment	Only candidates who completed training through MANAGE. (for other eligibility criteria refer ACABC guidelines)
5.		Agricultural Marketing Infrastructure	To create agricultural marketing infrastructure including storage infrastructure	All entities public, private, NGOs and individuals

6.		Agriculture Infrastructure Fund	For building agriculture infrastructure for post-harvest stage	Farmers, FPOs, SHGs, JLGs, Multipurpose Cooperative Societies, etc
7.		PM Employment Generation Plan	Bank finance subsidy for setting up new micro enterprises in non-farm sector	Any individual above 18 yrs of age.
8.		Weaver Mudra Scheme	Financial assistance to handloom weavers in form of a weaver's credit card or term loan	Handloom weavers involved in weaving activities
9.		PM Mudra Yojana	Financial assistance up to Rs 10 lakhs to small enterprises to help them develop and expand their businesses	Non-corporate, non-agriculture small and micro enterprises and individuals
10.	<b>Business</b>	PM SVANidhi Scheme	Working capital credit for street vendors. The credit facility, which is upto Rs 10,000 and that is Collateral free	Street vendors registered with or identified by urban local bodies

	<b>Activity Loans</b>		is to be repaid over a period of one year. This credit facility has interest subsidy @7% for timely repayment.	
11.		Self-Employment Schemefor Rehabilitation of Manual Scavengers	For the identified manual scavenger, per family, scheme offers a) Cash assistance of Rs 40,000 b) two years of skill development with a stipend of Rs 3,000 per month	Manual scavengers identified during survey conducted by state governments and allotted MS-ID receipt no. and their dependent
12.		Stand Up India Scheme	Credit facility (term loan as well as working capital loan) of amount between Rs 10 lakh and Rs 1 crore with tenure of 7 years (moratorium of 1.5 years)	SC/ST and women entrepreneurs for greenfield projects (projects that are being undertaken by beneficiary for the first time)
13.		Deen Dayal Antyodaya	To mobilise 8-10 crore rural poor	SHGs following Panchasutras, in

	<b>Livelihood Loan</b>	Yojana-National Rural Livelihood Mission (DAY-NRLM)	households into SHGs and provide a long-term support range of financial services and livelihood services.	existence for more than the past 6 months, qualified as per grading norms fixed by NABARD.
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*Details of the above schemes are available on the Jan Samarthportal.*  
<https://www.jansamarth.in/>

## The Process

The process of accessing credit facility on Jan Samarth portal is as under:

<i>Step in the process</i>	Check Eligibility	Apply Online	Get Digital Approval	Track the application
<i>Details of the step related</i>	For getting matched to the most suitable or	Just furnish required documents and a few	Based on the information provided offers would become	At the convenience of the Borrower/customer, the status of

<i>actions</i>	best scheme, one needs to answer a few questions	basic details – the system, using smart analytics, would auto-fill the fields in the application	available from the lenders on the platform. Borrower/customer can select the lender/bank to get digital approval	application on real-time basis.

## Conclusion

In current age of IT enabled services and digital financial transaction, there is no gainsaying that, as fintechs gain prominence, for investors and promoters of SMEs as well as for those who wish to access the financial services in general, such portals like Jan Samarth and 59minutesloan would become key to ensuring accessibility of financial services in timely and efficient manner.

While acknowledging the importance of different portals, from user perspective, it could be also a good idea to have one large portal of credit/loan facility, where sub-portals like Jan Samarth and 59minutesloan are hosted or, at least, the links of different portals are provided. Such a singularity would help avoid confusion to public as also help financial service providers like banks in obviating the necessity of onboarding on multiple portals. From service providers perspective, managing responses/applications received on multiple portals could imply deploying additional resources.

The overall objective of Jan Samarth Portal is to enable value creation for investors/borrowers/customers by connecting, on a single digital platform, different stakeholders of the financial ecosystem providing Credit-Linked Government Schemes to promote and facilitate inclusive development and ease of doing business in India. The portal also seeks to protect the interest of investors and entrepreneurs, especially from the underserved segment of society, by guiding and providing them to the appropriate type of government schemes and benefits through simple, efficient, low-cost digital process in place of the cumbersome physical process. It is hoped that these kind of initiatives of government of India would enable in not only encouraging tech-savvy new generation to access Credit-Linked Government Schemes but also make it more efficient for banks and other financial service providers to advance the cause of government in ensuring financial inclusion and better financial services provisioning in India.