jai kisan - rural credit infrastructure

Jai Kisan enables embedded credit across rural value chains by orchestrating trust, data, and capital

Problem

- Rural credit is fragmented, informal, and costly to distribute directly
- Direct-to-farmer fintechs face high CAC and low trust adoption

What Jai Kisan does

- Provides fast, customized credit to:
    - Farmers (inputs & seasonal needs)
    - Retailers / rural merchants (working capital)
    - MSMEs & distributors (supply-chain finance)

How it Works

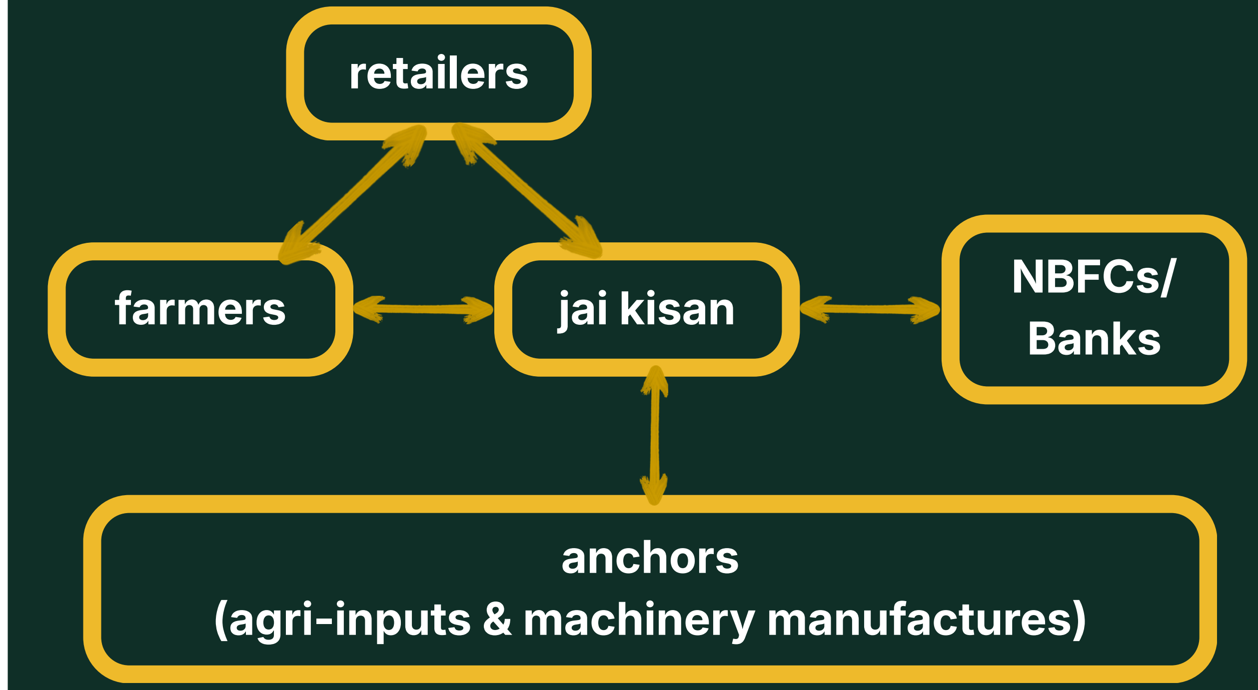
- Retailers / corporate anchors bring demand and trust
- Jai Kisan underwrites using transaction & ecosystem data
- Capital provided via NBFC/bank partnerships
- Credit disbursed and serviced digitally + assisted

Business Model

- Lending spreads & origination fees
    - Earns a share of interest and fees on loans facilitated or co-lent to farmers, retailers, and MSMEs
- Supply-chain financing programs
    - Custom credit programs for corporate anchors and their dealer/distributor networks
- Platform-led cross-sell(future potential)
    - Potential monetization via insurance, payments, and allied financial products once trust and scale are built

Key Stakeholders

- Farmers → timely, affordable credit
- Retailers → commissions, higher sales
- MSMEs → working capital
- Anchors → risk signal & scale
- NBFCs/Banks → capital
- Jai Kisan → orchestration layer



B2B2C distribution lowers acquisition cost and embeds credit into real transactions

competitive landscape

Common Models of Rural Lending

- NBFC-led (e.g. **Samunnati**): direct lending, high control, heavy ops
- Collateral-led (e.g. **Arya.ag**): produce-backed loans, lower risk, narrow use
- Commerce-led (e.g. **DeHaat**): credit on top of agri commerce

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Business Model Comparison

	Jai Kisan	Samunnati	Arya.ag	DeHaat
Primary model	**Transaction-led credit**	NBFC value-chain	Collateral finance	Commerce-first
Distribution	**B2B2C partners**	Direct + institutions	Warehousing	Physical centers
Underwriting	**Txn + ecosystem**	Chain-level risk	Commodity collateral	Platform usage
Revenue	**Fees + spreads**	Interest + services	Interest + storage	Commerce margins
Main constraint	**Partner reliance**	Ops complexity	Infra-heavy	Credit risk

Jai Kisan's Positoning

- Does not primarily lend on its own balance sheet
- Builds credit into retailer, anchor, and MSME transaction flows
- Orchestrates distribution, underwriting, and lender partnerships

Strengths

- Lower acquisition cost via partners
- Credit tied to real transactions
- Works across farmers, retailers, and MSMEs

Trade-offs

- Dependent on partners for trust & collections
- Limited direct control over end users

Jai Kisan delivers credit at the point of transaction across rural value chains

beyond NBFC ownership

- NBFC ownership gives Jai Kisan control over product design, pricing, and risk
- The challenge now is using balance-sheet control selectively, without becoming a traditional NBFC

RISK-TIERED LENDING

- Segment users into high, medium, and low confidence cohorts using transaction history
- Use Jai Kisan's NBFC balance sheet primarily for high-confidence retailers and MSMEs
- Co-lend or purely facilitate loans for riskier or new cohorts

Impact

- Better capital efficiency
- Lower downside risk
- Clear separation of growth vs risk ownership

DYNAMIC CREDIT LIMITS

- Treat credit limits as a live product, not a static number
- Auto-adjust limits based on repayment behavior, transaction frequency, and seasonality
- Make limit changes visible and explainable to users
    - e.g. ("Your limit increased because...")

Impact

- Higher repeat usage
- Better repayment discipline
- Faster learning cycles enabled by NBFC control

Risks, Trade-offs and Mitigations

Asset quality deterioration (NPAs)

Trade-offs

- Faster scaling can weaken underwriting discipline in rural cycles

Mitigations

- Use dynamic credit limits to gradually increase exposure
- Monitor cohort-level NPA, not just aggregate NPA

Growth vs risk team misalignment

Trade-offs

- Growth teams optimize for disbursals, risk teams for asset quality

Mitigations

- Align teams on shared metrics (risk-adjusted revenue, cohort NPA)
- Make product teams accountable for collections outcomes, not just disbursals

The real advantage of NBFC ownership lies in disciplined risk design, not in faster or larger disbursals