



Financial Inclusion Lab (FIL) program

JPMorgan Chase Bank N.A., India

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Notice to the reader

- This assessment was conducted exclusively for JPMorgan Chase Bank N.A., India (JPMCB) to evaluate the impact of the Financial Inclusion Lab Program. The program, supported by IIM Ahmedabad's Incubator Program, aims to foster fintech innovations addressing the financial needs of low-to-middle-income individuals. This work was performed in accordance with instructions provided by the JPMCB, and all findings and recommendations are intended solely for their benefit and use.
- This report by its very nature involves numerous assumptions, inherent risks and uncertainties, both general and specific. The conclusion drawn are based on the information available with GT at the time of writing this report. The information contained in this report is selective and is subject to updating, expansion, revision and amendment. It does not purport to contain all the information that a reader may require.
- Our work was limited to the specific procedures described in this report and were based only on the information and analysis of the data from quantitative survey and qualitative interactions. Our observations represent our understanding and interpretation of the facts based on reporting of the key stakeholders.
- The information collected for this study is through virtual meetings with start-ups and LMI beneficiaries and backend data provided by JPMCB team. We have relied on the information shared by these sources. The scope of work here does not constitute due diligence of the information shared, hence information received from the various sources was believed to be accurate.
- This report should not be considered as an expression of opinion on any form of assurance on the financial statements of or on its financials or other information.
- The recommendations provided as part of the assessment exercise may be implemented after an analysis of prioritization. The decision to implement the recommendations is the responsibility of the management of JPMCB.
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01 Introduction and background

Rationale

Lack access to financial services for Low-Middle Income populations



The rapid growth of fintech solutions has transformed the way people access financial services¹. However, despite this progress, low-middle income communities continue to be left behind. They lack access to affordable and user-friendly financial services, hindering their economic mobility and exacerbating income inequality².

Low-middle income communities offer a vast, underserved market with significant growth potential for fintech players³. With less competition compared to higher-income segments, innovative players can establish a strong foothold. Existing players in this space have reported promising results, demonstrating its viability.

To bridge this gap, the Financial Inclusion Lab, an initiative by JPMorgan Chase Bank N.A., India supports innovative fintech solutions in India to increase access to financial services for underserved populations.

The lab provides resources, mentorship, and funding to startups and non-profits, focusing on:-

- Innovative financial inclusion solutions
- Mentorship
- Collaboration and knowledge-sharing
- Addressing key financial inclusion challenges

This initiative is part of JPMCB's commitment to financial inclusion and community development, aiming to create a more inclusive and equitable financial system in India.

¹ World Bank. (2020). Fintech and Financial Inclusion.

² United Nations Capital Development Fund. (2019). Financial Exclusion and Poverty.

³ McKinsey Global Institute. (2019). Fintech for All: Unlocking Access to Financial Services.

Fintech Startups in India

The Tracxn Annual India Fintech report 2024, reported that there are 161K companies in the FinTech sector across the world. India is globally ranked 3rd in global fintech funding in 2024, trailing the US and the UK.⁴

Digital lending dominated the funding, contribution to 64% to the total funding raised (Rs. 16,475 crore (US\$ 1.9 billion)

The number of fintech organisations has seen rapid growth in India, from 2,100 organisations in 2021 to 10,200 in 2024. The country now has 25 unicorns (valued between \$1 billion and \$10 billion) and 37 mini corns (valued between \$100 million and \$1 billion)⁵.

YoY decline in funding in 204 due to wider slowdown in demand and the geopolitical headwinds.

Within FIL, there are start-ups that have done well, and some have also shut down. A 20-30% survival rate is good but for the Bharat Inclusion Initiative (BII) the survival rate as per IIM- A can be considered as more than 50%

Different start-ups has showcased progress in different perspectives. E.g

Credit haat has ensured good operations, Rupiah has done credibly well.

Anniyam has created impact and created significant awareness around SHG loan. Finequas has been able to get funding, Gullak on the other hand has shutdown

Jai Kishan from Cohort 1 has done exceptionally well. Early entry into agri investment phase and was launched pre covid and they survived

Designing from a customer's point view like behaviour, aspirations, also essentially getting the context right. All startups are matured as seed stage start-ups. But regarding late stage there is n-going progress

⁴ <https://www.ibef.org/news/india-ranks-third-in-global-fintech-funding-despite-33-drop-in-2024-report#:~:text=Indian%20Economy%20News-Financial Exclusion and Poverty.>

⁵ https://www.business-standard.com/finance/personal-finance/india-home-to-26-fintech-unicorns-with-a-combined-market-value-of-90-bn-124090300565_1.html

About the program (1/2)

The Financial Inclusion Lab (FIL) program at IIM Ahmedabad bridges the financial inclusion gap by nurturing innovative fintech solutions designed for low-middle income communities. The FIL team provides comprehensive support to startups, enabling them to establish robust systems and operations that facilitate a seamless workflow.

Incubation and acceleration

Mentorship and Guidance

Providing expert mentorship and guidance to startups to refine their business models and strategies.

Networking and Partnerships

Enabling startups to connect with relevant stakeholders, including financial institutions, regulators, and industry experts.

Access to Funding

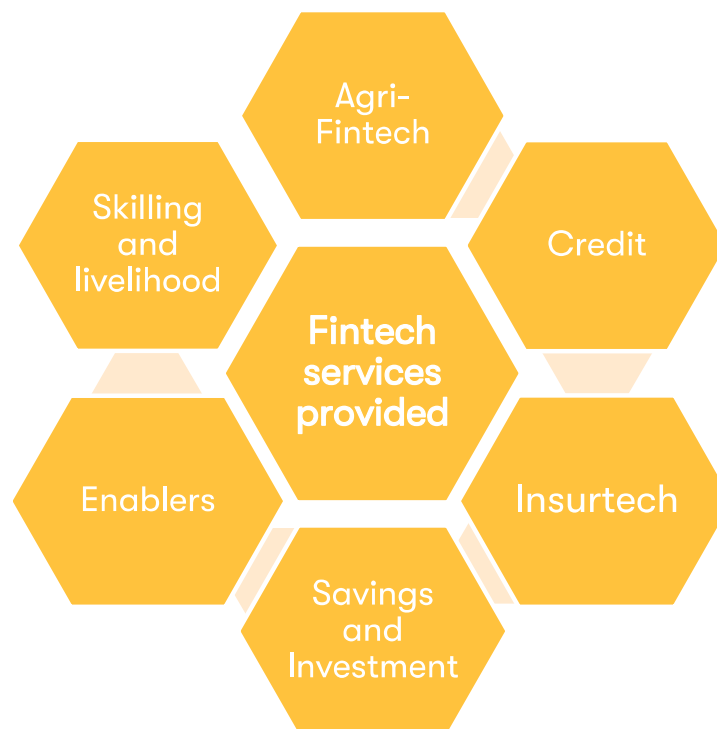
Facilitating access to funding for start-ups and early-stage companies working on financial inclusion solutions.

Capacity Building

Building the capacity of start-ups and entrepreneurs to develop and scale financial inclusion solutions.

About the program (2/2)

The Financial Inclusion Lab (FIL) program supports start-ups that develop innovative fintech solutions catering to low-middle income communities, focusing on the following key themes:



02 Approach and methodology

Our approach

Adapted from the OECD DAC*, most widely accepted evaluation framework for social development programs, GT's APICS evaluation framework considers the most essential KPIs for a social program

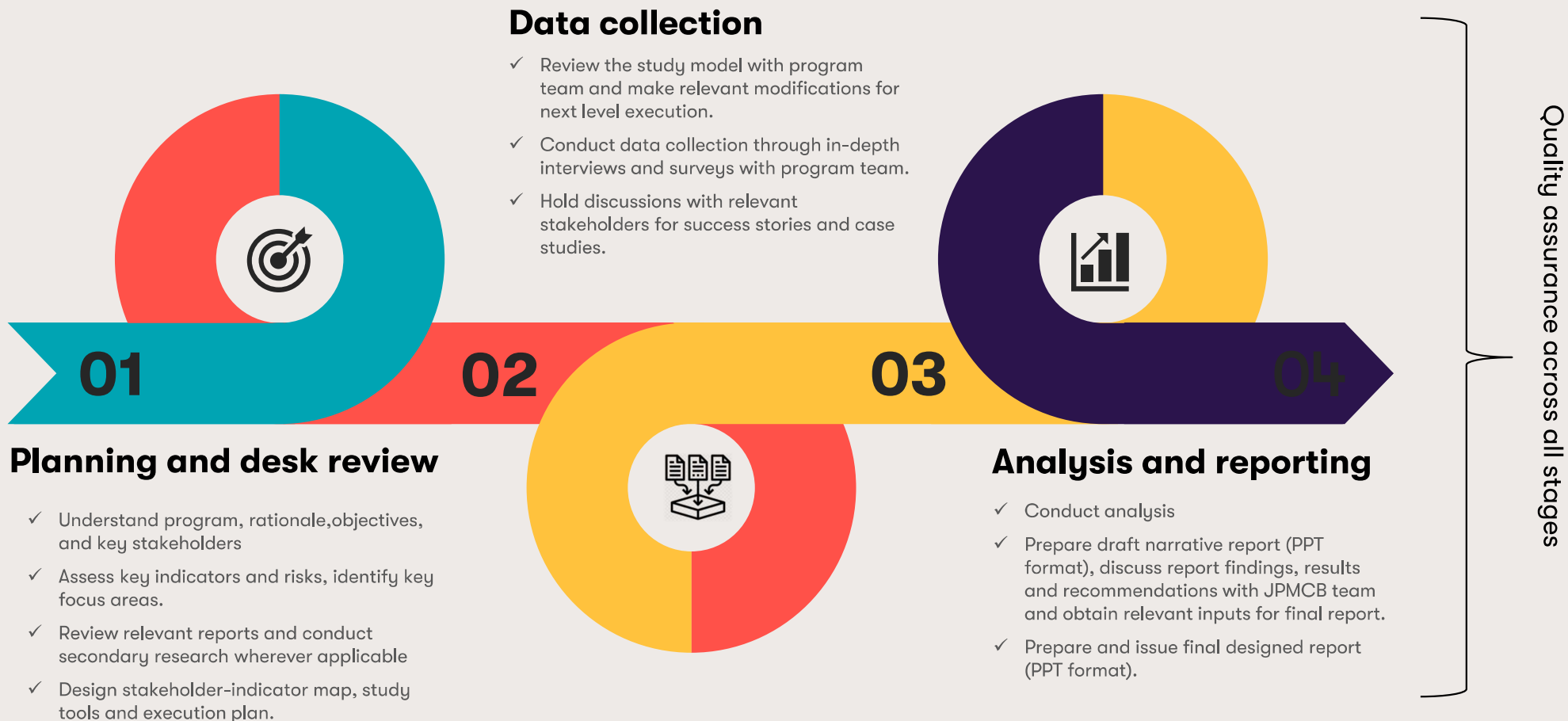
The evaluation will be concluded with a rating against each of the five parameters basis different aspects



*Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC)

[^] Coherence is reported for the FIL program and not for the beneficiary evaluation parameters

Our methodology



Coverage

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A mixed methodology was incorporated to conduct the assessment consisting of surveys and interviews with start-ups and end users (beneficiaries).

Start-ups	Target	Achieved*
Cohort 5	4	3
Cohort 6	4	3
Total	8	6

**Note: GT team conducted a minimum of two follow-ups before considering non-responsive cases.*

40-50 end-users from 8 active start-ups, comprising the 5th and 6th cohorts, were targeted for coverage in the present study. However, due to proprietary restrictions start-ups were restrictive in sharing beneficiary data. 3 startups shared data of 11 beneficiaries and 7 responses were received

Start-ups	Beneficiary data received	Beneficiaries who responded / survey completed*
Qonect	3	1
Anniyam	4	4
Grey Matter	4	2

Note: The analysis is based on data shared by participating start-ups and availability of stakeholders. GT team made minimum of two attempts to contact each beneficiary. Additionally lack of beneficiary data limited the scope of the study.

03 Key findings

Key highlights of the assessment

Financial Inclusion Lab (FIL) provides comprehensive support to startups, enabling them to develop robust systems and operations that cater to the financial needs of the underserved populations.



Startups supported by the FIL program have a nationwide presence, catering to low-middle income beneficiaries across multiple Indian states.



6 out of 7 respondents found fintech services "Extremely Helpful" or "Very Helpful", positively impacting their financial lives.



4 out of 7 beneficiaries reported being "Very Satisfied" with customer support, indicating high satisfaction.



All the beneficiaries reported improved living conditions after using fintech services, enhancing their overall well-being.



5 out of 7 respondents rated fintech services as "Excellent", with an additional 3 rating them as "Good", indicating high quality services.

Accessibility

The extent to which a program or initiative is easily available and reachable to its intended beneficiaries. It encompasses factors such as physical accessibility, financial accessibility, and social accessibility.

The Financial Inclusion Lab program has significantly enhanced accessibility to fintech solutions for underprivileged individuals, bridging the financial gap and promoting inclusive economic growth.

- **Diverse Beneficiaries:** LMI beneficiaries from varied backgrounds, **including homemakers, agricultural laborers, street vendors, and house help, were catered to through this program.**
- **Ease of Access:** A significant **6 out of 7 beneficiaries reported finding it very easy** or **easy** to access the fintech solution application's customer support indicating its effectiveness.
- **Multi-State Presence:** The presence of fintech startups under Financial Inclusion Lab program by JPMCB in multiple states in India (Madhya Pradesh, Tamil Nadu, Odisha and all the Northeastern states) demonstrates a deliberate effort to cater to the financial needs of LMI beneficiaries across different regions.

“At Qonect, we are bridging the financial gap for underserved individuals in the North-East region.

Our innovative fintech solutions provide access to credit-building loans and financial assistance for medical emergencies.

We empower individuals earning ₹15,000-₹25,000/month, often overlooked by traditional institutions. Our support extends to those aged 25-45, unlocking financial resources and stability.

Lian Thangvung
Founder & CEO at Qonect

Performance

The effectiveness and efficiency with which a program or initiative achieves its intended objectives and outcomes. It involves measuring the extent to which goals are met, targets are achieved, and desired results are realised.

The FIL program has demonstrated exceptional effectiveness, with respondents finding the fintech services "Extremely Helpful" or "Very Helpful."

- **Extent of helpfulness of the services:** 6 out of 7 respondents found the fintech services to be either "Extremely Helpful" or "Very Helpful", indicating a high level of perceived usefulness and positive impact on their financial lives.
- **Beneficiary satisfaction with customer support:** 4 out of 7 beneficiaries reported being "Very Satisfied" with the fintech services, indicating a high level of satisfaction
- **Quality of services:** 5 out of 7 of respondents rated fintech services as "Excellent", while 3 out of 7 rated them as "Good", indicating overwhelmingly positive perceptions of service quality
- **Effect on financial stability and or credit score:** 4 out of 7 of respondents reported a "somewhat" positive impact of fintech services on their financial stability and/or credit score, while 1 out of 7 experienced a "significant" improvement.
- **Willingness to recommend the application to family and friends:** 6 out of 7 beneficiaries expressed strong willingness to recommend the fintech applications to family and friends, indicating high satisfaction and confidence in the app's value.
- **Impact on productivity:** Beneficiaries of Agri-fintech application mentioned that they experienced in increased productivity.

Performance

The effectiveness and efficiency with which a program or initiative achieves its intended objectives and outcomes. It involves measuring the extent to which goals are met, targets are achieved, and desired results are realised.

The fintech application has had a profound social impact, with beneficiaries reporting improved social status and enhanced living conditions, increased financial awareness, empowering a diverse range of users to improve their overall well-being.

- **Effect on social status:** 6 out of 7 respondents reported an improvement in their social status within their community after using the Agri fintech app services. Users attributed this to the app's user-friendly interface, suggesting that increased financial inclusion.
- **Standard of living:** 7 out of 7 of beneficiaries reported improved living conditions after using fintech services. By accessing these services, beneficiaries allocated funds to household expenses (instead of agricultural inputs, medical expenses etc.), ultimately leading to a better standard of living and enhanced overall well-being.
- **Awareness:** The Agri fintech app significantly enhanced beneficiaries' understanding of financial regulations and policies, with reporting increased awareness.

Personalized hand-holding support and accessible guidance enabled diverse users, including those with limited financial experience, to navigate the app confidently and effectively.

The application's accessibility and effectiveness transcended occupational and socio-economic boundaries, empowering diverse users - including house helps, homemakers, agricultural laborers, street vendors, and farmers - to successfully utilize the platform through start-up's support.

Importance

The significance, impact, and value of a program. It involves assessing the degree to which the initiative addresses critical needs, priorities and changes it brings to a community or society.

The program tackles a pressing issue, as respondents face significant financial instability challenges. By delivering tailored financial services and support, this initiative is crucial in bolstering financial resilience and stability for vulnerable groups.

- **Assessing financial capacities:**

Respondents evaluated their financial capacities by selecting from a 5-point scale:

1. Unable to make manage day-to day expenses
2. Managing, but with difficulty
3. Stable, but with limited savings
4. Comfortable, with some savings
5. Very secure, with significant savings and investments

Notably, **4 out of 7 respondents reported their current financial capacity as 'Managing, but with difficulty'** (Option 2). This indicates prevalent financial insecurity and limited financial resilience.

- **Assessing financial situation over the past 6 months:**

Respondents evaluated their financial situation over past 6 months by selecting from a 5-point scale:

1. Frequently struggled to pay bills on time
2. Occasionally struggled to pay bills on time
3. Had enough money for expenses, but no savings
4. Had enough money for expenses, but no savings
5. Had more than enough money for expenses and savings

Notably, **5 out of 7 respondents reported their financial situation as occasionally struggling to pay bills on time, highlighting ongoing financial stability challenges.**

Importance

The significance, impact, and value of a program. It involves assessing the degree to which the initiative addresses critical needs, priorities and changes it brings to a community or society.

FIL program's support has been instrumental in bridging the credit gap for low- and middle-income individuals, empowering them through innovative fintech solutions.

- **Relevance:** 6 out of 7 beneficiaries **rated the fintech services provided through the application as 'Very Relevant' or 'Relevant'**. This indicates a high level of alignment between the services offered and the beneficiaries' financial needs.

*“At Fineques, we recognized the staggering reality that **85% of Indians lack access to loans**. This vast credit gap inspired us to bridge the divide between fintech lenders and underserved individuals. Our journey began with a simple yet powerful question: **how can we connect those who need loans with those who can provide them?** Leveraging the power of fintech and mobile apps, we created a platform that enables credit access for the underserved.*

*Today, we are proud to empower low- and middle-income individuals, who despite having a steady income and credit eligibility, were previously excluded from formal credit channels. **We are grateful for the Financial Inclusion Lab incubator's support**, which has helped us understand the Low-Middle Income population's needs through valuable market research insights, enabling us to create more effective solutions.”*

**- Krishnan Vaidyanathan
Founder & CEO at Fineques**

Sustainability

The extent to which development programs provide lasting benefits, ensuring they support economic, social, and environmental goals over time, contributing to sustainable development outcomes.

The FIL program shows high sustainability potential, with most respondents satisfied with the fintech services, enabling them to plan for long-term investments and fostering a lasting impact.

- Overall satisfaction with Fintech applications services and features:** The survey shows high satisfaction among Fintech application users, with **6 out of 7 respondents satisfied**. **Effective customer support, provision of financial solutions, and increased awareness about emergency funds likely contribute to this satisfaction.** The Fintech applications seem to be bridging the financial inclusion gap for Low-Middle Income individuals, providing accessible financial services.
- Future plans to invest in assets:** The survey results indicate that the fintech application services have positively impacted beneficiaries' financial prospects. **A significant majority (5 out of 7) of beneficiaries anticipate being able to invest in assets such as homes, businesses, or education soon.** This suggests that the application's services have **enhanced their financial stability and confidence**, enabling them to consider long-term investments and plan for a more secure future. This outcome also underscores the potential for sustainable impact, as beneficiaries improved financial well-being can have long-lasting effects on their livelihoods and communities.

Analysis of FIL (Startup perspective)

Start-ups praised the Financial Inclusion Lab program for its valuable resources and mentorship. The program's support empowered start-ups to drive social change, uplift underserved communities, and achieve key milestones.

- Start-ups expressed **high satisfaction** with the FIL's support, citing valuable resources such as workshops, briefing materials, and expert mentorship. Key successes include:-
- Mentorship and guidance for MaksPay, YesPoho!, and Anniyam.
- Qonect securing major investment from the Marcel Smith Foundation through FIL's support.
- Anniyam empowering rural women with financial services and instant loans further enhanced through FIL's market research.
- FIL team facilitating connections to non-banking financial institutions (NBFCs) for Grey Matter.

Overall, the FIL 's comprehensive support has enabled start-ups to achieve significant milestones and create positive social impact.

Name of Startups	Name of founder	Launch year	Category
MarksPay Private Limited	Shiva Prasad	2020	Credit
Qonect	Liam	2022	Insurtech
Anniyam	Balaji	2001	Credit
Finequs	Krishnan Vaidyanathan	2019	Credit
Grey Matter	Neetesh	2021	Agri-fintech
YesPoho	Raghu and Meenakshi	2015	Enablers

Accessibility

The extent to which the interventions under the FIL were accessible to the start-ups during their engagement with the program

Financial Inclusion Lab (FIL) provides support to startups through mentorship and exposure to market research and insights into the startup ecosystem

The start-ups mentioned that their experience with JPMC supported initiative was one of a kind and the program was instrumental providing advisory and access to customized mentorship.

All startups expressed that they would have never had as much exposure if they had as being part of the program. The program provided them access to market research and helped corporate to enhance their understanding of existing market requirements

Workshops conducted by IIM Ventures provided valuable insights into the startup ecosystem.

FIL helped us in undertaking the right steps and introducing us to new technologies to enhance our solutions.

Whatever we have developed was basis the market research findings and user case studies we accessed during our engagement with IIM-A ventures

**- Sarahana
Co-founder Anniyam**

Performance

It involves measuring the extent to which goals are met, targets are achieved, and desired results are realised.

Startups were grateful for the opportunities and exposure provided under the Financial Inclusion Lab (FIL) for enhancing their services for better outreach

FIL has been able to provide mentorship, advisory and mentorship to all start-ups to help them to enhance their services.

Startup founders were satisfied with the FIL program. Access to market research, inputs for improving operations, access to potential investors and building connections with other startups were recurring mention during all interviews.

All the start-up that was part of the assessment were operational and have initiated provided services to the target customers.

Name of startups	Outreach
MarksPay Private Limited	299
Qonect	24,000
Anniyam	48,133
Finequs	7,500
Grey Matter	10,000
Yes!Poho	7,000

Importance

The significance, impact, and value of a program. It involves assessing the degree to which the initiative addresses critical needs, priorities and changes it brings to a community or society.

The handholding and mentorship program under FIL were crucial aspects of the program. Partnership with Microsave consulting was beneficial for startups.

FIL helped startups to overcome practical operational issues and ensuring smooth scale-up. The incubator programs were essential to develop insights and deeper understanding of the startup ecosystem

The program helped the startups in identifying gaps to improve their design. The program also focused on identifying the target customers and understanding their requirement to enhance the services provided

The Financial Inclusion Lab has been instrumental in our growth.

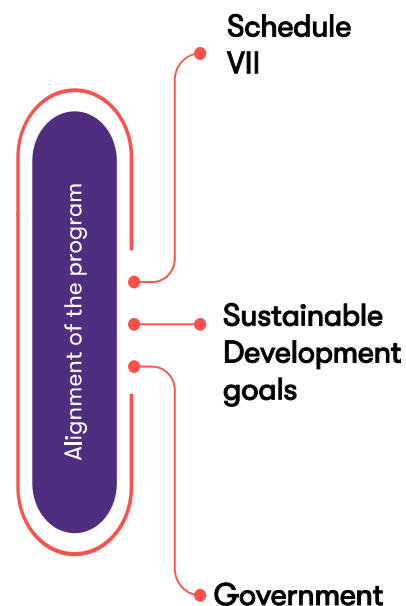
*The **program introduced us to industry experts like YesPoho!** and facilitated valuable market research.*

*The connections we made, and the **investment secured from the Marcel Foundation have been pivotal in our journey.** We are grateful for the Lab's support and look forward to continuing our mission of financial inclusion."*

**- Lian Thangvung
Founder & CEO at Qonect**

Coherence

The alignment and integration of various components, activities, and strategies within a program or initiative. It involves ensuring that all aspects of the initiative are interconnected and contribute to the overarching goals and objectives.



The Financial Inclusion Lab aligns with national and international frameworks, including SDGs and government initiatives. This coherence enables the Lab to promote financial inclusion, eradicate poverty, and foster inclusive economic growth.

The program is in alignment with provision in the Schedule VII of the Companies Act, 2013 and one SDG:

Eradicating poverty through financial inclusion, Providing education and capacity-building programs, Empowering women and marginalized groups

SDG 1, 8 & 10 : They aim to eradicate poverty, promote inclusive economic growth that is inclusive, sustainable, and respectful of the environment. Provide decent work and reduce income and social inequalities.

The Financial Inclusion Lab aligns with government initiatives like **Pradhan Mantri Jan Dhan Yojana (PMJDY, 2014)**: Promoting universal access to banking services and financial inclusion, **Digital India (2015)**: Leveraging technology to increase access to financial services and promote digital literacy. Additionally, **RBI's financial inclusion initiatives**: Supporting mobile banking, digital payments, and innovative solutions.

Sustainability

The extent to which development programs provide lasting benefits, ensuring they support economic, social, and environmental goals over time, contributing to sustainable development outcomes.

All the startups have been able to contribute towards financial inclusion in the country with varying intensity. They are in their initiation stages and a comprehensive analysis of their sustainability can be assessed at a later stage.

The FIL program has been instrumental in facilitating start-ups in India to grow their potential.

The program has facilitated development of customised financial services as per the needs of people in India, especially the LMI .

The start-up have been able to develop sustainable models for improving access to financial awareness, inclusion and sustainable financial management among LMI users.

Name of Startups	Rating of overall satisfaction
MarksPay Private Limited	4 out of 5
Qonect	4 out of 5
Anniyam	5 out of 5
Finequs	5 out of 5
Grey Matter	4 out of 5
YesPoho	4 out of 5

Feedback from startups

Name of Startups	Suggestions
MarksPay Private Limited	The incubator program should focus on helping startups address practical operational challenges, ensuring a smooth scaling process for their products
Qonect	IIM's support has been crucial to Qonect's growth, further NBFC connections would be valuable for its future expansion, especially considering the successful connections and investment secured from the Marcel Foundation
Anniyam	Startups need more financial support for scaling, beyond just technical assistance. While programs offer funding, it often falls short of expectations. Periodic funding is essential to sustain growth and help startups reach the next level
Finequs	Monthly meetings to review progress and explore connections could provide more consistent support, instead of just quarterly check-ins
Grey Matter	The Microsave consulting provided was more macro-level, whereas experienced founders need sector-specific, detailed guidance. Consultancy could be more tailored to the specific needs of startups to help them differentiate themselves
YesPoho	More support in raising equity funds and connecting with investors, as there was limited networking opportunity, would be beneficial

04 Suggestions

Suggestions

The Financial Inclusion Lab program has played a vital role in empowering start-ups that serve the financial needs of low- to middle-income individuals.

Strategic initiatives can be explored to strengthen its support ecosystem, accelerate startup growth, and amplify its influence.

- There is a need to align the objective of the project with the intent of the program, especially with reference to providing access to financial services for LMs with the startup and the implementing organisation. Focus on impact funding than traditional funding investors can be explored.
- Fintech institutions also rely on data and have access to customers' personal data. There is a need to create awareness among startups to increase their knowledge on balancing data transparency while maintaining data security and privacy.
- The startup ecosystem is dynamic and calls for attention to risk management. Training of potential risks specific to the startups can be considered for ensuring sustainability.



05

Testimonials



Beneficiary and stakeholder feedback

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“Qonect fintech service has been a game-changer for me. As a teacher from Manipur, I struggled to get a debt due to my salary constraints. But Qonect made it possible. I have been using their medical insurance and small debt services for 6 months now, and it has helped me improve my CIBIL score. I was able to buy insurance for my daughter and benefited from it! I am thankful to Qonect, for making financial services accessible to people like me.”

-Georgina, LMI beneficiary, Manipur

“

“I am a homemaker and managing household finances was a challenge. But with ANNIYAM's payment solutions, I can access SHG services, deposit and withdraw cash without visiting the bank. It has saved me 90% of my travel costs. I am very satisfied with the convenience and reliability it offers. I discovered ANNIYAM through family and friends, and I am grateful for the recommendation. It has made managing my finances so much easier!”.

-P. Naithya, Homemaker, Tamil Nadu

Thank You



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