

CreditMantri

Accion Venture Lab – Achieving Financial Inclusion



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Enabling people access to quality financial services globally – that is what financial inclusion is striving for.

Venture Lab is an investment initiative that provides patient seed capital and support to innovative financial inclusion start-ups, fostering experimentation and promoting business models that improve financial access for people living in poverty worldwide.

Since these start-ups traditionally lack access to capital and assistance, Venture Lab provides flexible financial and non-financial support to suit the needs of each investee enterprise, as follows:

- **Investment:** Venture Lab typically invests U.S. \$100,000 to \$500,000 in equity or quasi-equity instruments. Venture Lab welcomes opportunities to co-invest with like-minded investors and bring others to the table.
- **Support:** Venture Lab prefers to be an active investor and bring to bear the people and resources of the global Accion network to maximize the chance of success. In addition to day-to-day support from the Venture Lab team, investee companies may be connected to Accion's in-house technical experts (technology, risk management, etc.), microfinance teams and customers from partner institutions around the world, and the global banking and investing community.

Company Profile

- Name: CreditMantri
- Based in: Chennai, India
- Year founded: 2012
- Funds raised: \$ 2.5 million
- Geographical focus: India
- Number of employees: 11-50

Former bankers Ranjit Punja, Gowri Mukherjee, and R. Sudarshan founded CreditMantri in order to improve access to financial services for Indian's low-income population.

The Opportunity

A bad credit score, or thin file credit, can exclude someone from accessing credit services such as loans or credit cards. In order to improve a credit score, an understanding of the factors which determine it is essential. CreditMantri helps Indians take charge of their credit health and make better borrowing decisions. Once people know understand their creditworthiness, they can take steps to improve it, and access financial opportunities previously closed off to them.

Business Model and Strategy

CreditMantri accesses a customer's 36-month credit history to build a solid financial impression of the client's creditworthiness. CreditMantri has partnerships in place with Equifax, a US-based credit reporting agency, and Indian financial institutions, such as the ICICI Bank and DCB Bank. CreditMantri then helps the customer take steps to improve their credit score, suggesting loans and credit cards suited to their profile, and reducing borrowing costs.

Innovation

The company's online portal allows improved credit decisions for both borrowers and lenders. The revenue model relies on financial institutions, which pay a commission to CreditMantri when a loan is granted to a CreditMantri customer.

Challenges

The company's major challenge is acquiring new customers. Moreover, shifting the power of influencing credit scores from credit bureaus to customers requires education of people at the base of the pyramid.

Social Impact and Financial Inclusion

Through raising awareness of credit scores, financially excluded Indians are able to access credit, opening up opportunities previously closed to them.

Venture Lab

Accion's Venture Lab is supporting this entrepreneurial activity by providing managerial advice on their strategy of using alternative data to improve credit scores.

For more information, visit CreditMantri's website at:

www.creditmantri.com

