



GAURAVCHOPRA

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CATEGORY: 3-7YEARS

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IndiaLends.com





# FOCUSED ON UNSECURED CREDIT FOR CONSUMERS

**M**EET GAURAV CHOPRA, young, enterprising and the winner of this year's BW Businessworld Young Entrepreneur Award. "The best business advice that I have received from my mentor so far was when I had asked him what it takes to build

a successful company," says the Founder of IndiaLends. "His reply was that it takes three things to build a successful business - the economics of the business (Profitability), the people you decide to work with (Capabilities), and a sense of collaboration and commitment towards the vision that you instill (Culture). I along with my Co-founder Mayank, have witnessed near misses and hiccups in the last two years (and) we have witnessed many unforgettable moments," recalls Chopra. We engaged him in a conversation about his award winning startup and what makes it stand out in a crowd.

## The idea behind the startup

The idea for IndiaLends stemmed from the void in the unsecured lending industry. Credit was available in the market, but it was not readily accessible to everyone. Our idea was to make credit affordable and available to

every person in need of finance. Previously, Mayank and I had worked in Capital One, London, for about ten years. That is when the idea of helping borrowers secure cheaper and quicker loans and help lenders make better credit-risk decisions was conceived. After that, there was no looking back.

## The USP

ALL OUR SERVICES ARE  
FREE OF COST TO OUR  
BORROWERS. INDIALENDS  
USES PROPRIETARY  
ALGORITHMS TO CONNECT  
BORROWERS WITH  
THE RIGHT FINANCIAL  
INSTITUTIONS

We are India's only lending platform focused on unsecured credit for consumers. We have unsecured credit products for all consumer segments – for people looking to borrow as low as Rs 10,000 to as high as Rs 30 lakh without the need for any collateral. All our services are free of cost to our borrowers. IndiaLends uses proprietary algorithms to connect borrowers with the right financial institutions, and helps borrowers and lenders make better credit decisions.

## Business model

We have partnered with over 50 lenders that include the country's leading banks and NBFC's. These institutions use IndiaLends' platform and technology to lend to the masses. These lenders in turn pay us for providing them with our services.

Given the huge opportunity in the lending space, multiple companies that help provide credit have popped up and they are all doing good work. We hope to win the trust and support of our customers by providing the best

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services to our customers, and thus becoming the best in the industry.

### The way forward

The digital lending space is here to stay. The demand for personal loans and credit cards continues to increase and is following trends seen in the developed markets. As a company focused on unsecured credit, we see IndiaLends becoming a market leader in the unsecured consumer loan market over the next few years. We are uniquely positioned to tap the huge opportunity available in the market, specifically by reducing loan origination cost, better risk assessment capabilities by using alternate data captured during the customer's digital journey, low customer servicing cost, and faster loan processing through a completely digital process. Our differentiated solution gives us a competitive advantage. We will continue to focus on and develop technological innovations to expand our reach.

### Overseas foray

IndiaLends' focus remains on India.

### Social touch and paradigm shift

There was a lack of credit and financial literacy when we started IndiaLends. We have constantly worked towards changing that and we can say that our customers are now financially more aware and are taking better financial decisions. IndiaLends continues to bring the following impact:

IndiaLends provides a free credit report and education for all. Even though credit in India has been growing at close to 10 per cent CAGR for the past 20 years, credit report awareness remains abysmally low. Getting a credit report has traditionally been an expensive and elaborate affair. Credit bureaus used to (and still do) charge users for accessing their credit reports and occasionally even insist on physical KYC proofs. We felt this was a big hurdle in promoting credit report adoption, which in turn was impacting responsible credit behaviour.

**Access to loans for all:** The total retail credit to households in India accounts for 11 per cent of GDP, whereas the emerging market average stands at 34 per cent of GDP. The approval rates for unsecured credit stand in the 10-12 per cent range. It is evident that the Indian retail lending market is underserved and there exists enormous scope to develop it further.

Among the major reasons for the under-penetration of retail lending is the reluctance of financial institutions to serve a large section of the working class; where it is extremely difficult to collect data for accurate risk assessment. It is largely

due to this reason that credit opportunities are denied to a large segment of the population, even though they might be perfect candidates for lending. IndiaLends, with its digital loan products ranging from Rs 10,000 to Rs 30 lakh, is helping these deserving borrowers get access to capital.

### Tech disruptions

The lending industry in general is continuously evolving. We are constantly working towards better algorithms and processes to make the borrowing experience seamless for our users. At the same time, technology is helping us make the credit assessment and customer verification process better.

### Idea of wealth generation

New-age ideas are going to revolutionise the lending space by reducing the time and costs involved in getting an unsecured loan. For example, smart contracts may soon replace the physical loan agreements, making the borrowing process not only more efficient but also safer. The unsecured consumer lending industry in India currently stands at over \$50 billion. However, there still remains a big gap between demand and the supply. With the emergence of new technologies and underwriting tools, we expect this industry to grow by at least 20 per cent year-on-year.

### Self realisation

We realised that we were on the right track when we started receiving amazing reviews from our customers. In the next ten years, we see IndiaLends as the go-to place for anyone looking for credit.

### Message to entrepreneurs

Keep your vision clear from the beginning and believe in it throughout – especially during the lows. The only limitations you face will be in your mind; the rest are mere hurdles along the way. Keep going, and you will make it.

### Dare to dream moment

Leaving a well-paying banking job in London to move back to Delhi to become an entrepreneur. **BW**

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BETTER ALGORITHMS  
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USERS