

Flexiloans: Fintech start-up offers working capital, lines of credit, loans against invoices and more without collateral

By: [Banasree Purkayastha](#) | Updated: May 30, 2018 2:35 AM



Founding team of Flexiloans.com. (Lto R) Manish Lunia, Abhishek Kothari, Ritesh Jain, Deepak Jain

Neerja, an online vendor from Agra, was selling kurtis on two e-commerce platforms. She wanted to expand her business to more platforms and stock more inventory. That required money she did not have. She did not want to borrow from friends or family members. And a bank loan was a remote possibility. That's when she approached FlexiLoans, a digital lending platform

that catered to SME entrepreneurs like herself. Within 48 hours, she got her loan and without the hassles of filling up countless forms or having to put up collateral.

For every SME that is able to manage a loan from a bank, there are hundreds more that are unable to fulfill the stringent rules enforced by banks and financial institutions for loan disbursement. It is here that online lending platforms such as FlexiLoans come to the rescue, offering working capital, lines of credit, loans against invoices or POS transactions without requiring any collateral.

As Manish Lunia, co-founder, Flexiloans.com, says, the startup uses algorithmic lending and new-age technology to provide quick, fast and transparent funding access to millions of deserving small businesses, who are currently underserved and rely on informal sources of funding. “We are solving the problem of ‘Jaan-Pehchaan’ based social borrowing in the SME segment which is time-consuming, expensive and not transparent,” he says.

The fintech platform uses several traditional and non-traditional sources of data to score an applicant, which means that each applicant’s score is unique in keeping with the loan amount and profile of the applicant. The company has developed machine learning based risk models that score customers based on a digital footprint and other non-financial surrogate data.

This proprietary credit engine, clubbed with the simple application form and ability to make the loan decision within 48 hours is what distinguishes FlexiLoans from traditional credit scoring methods used by other financial institutions. Last year it acquired Mumbai-based supply chain financing platform, CreditPeriod. The acquisition forms a crucial part of the company’s exercise to digitise end-to-end supply chain finance vertical for SMEs.

Growing at 250% month-on-month, the startup serves two million customers. “We have seen 25X growth in terms of revenue since the last three quarters,” says Lunia. FlexiLoans has 65 national partnerships and has partnered with e-commerce websites such as [Flipkart](#) and ShopClues, along with Point of Sale (PoS) payment system providers such as PineLabs, lending to their merchant base. “We partner with banks and NBFCs on multiple fronts – debt, co-lending and acquisition,” says Lunia. “We have

a number of active and successful partnerships in order to make an ecosystem that collaborates and makes a difference in the life of an SME.”

According to company officials, FlexiLoans gets more than 4,000 loan applications per month, largely from tier II, III and IV cities in India and disburses around Rs20 crore every month. While 30% of loan disbursals are to borrowers without a credit score, 25% of e-commerce loans are to female business owners. “In July 2017 we were servicing around 100 cities. As of March 2018 we are processing applications pan-India,” says Lunia, adding that digital distribution has helped it give loans in cities where it has no physical presence.

Flexiloans.com was started in April 2016 by a team of IIT and ISB alumni comprising Abhishek Kothari, Deepak Jain, Manish Lunia and Ritesh Jain. In September 2016 it raised \$15 million (around Rs 100 crore) from a group of marquee banking heavyweights in India that included Sanjay Nayar, CEO, KKR India; Vikram Sud, former COO, Citibank Asia Pacific and former COO, Kotak [Mahindra](#) Bank; Anil Jaggia, former COO, Avendus Capital and former CIO, HDFC Bank; and Narayan Seshadri, former MD, KPMG. Recently, FlexiLoans raised Rs 45 crore venture debt fund from financial institutions to expand its proprietor loans and supply chain financing segment for MSMEs across India.

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