**CreditIQ Analytics – FinTech Proposal**

*AI-Powered Credit Risk & Alternative Data Platform for Indian NBFCs*

**1. Area of Focus**

**Lending (NBFC Sector)** – Providing advanced analytics and AI/ML services to Non-Banking Financial Companies (NBFC-ML & NBFC-UL) in India that must adopt Core Financial Services Solution (CFSS) by 30 Sept 2025.[nelito+1](https://www.nelito.com/blog/understanding-the-rbis-cfss-mandate-for-nbfcs.html)

**2. Idea Description**

CreditIQ Analytics delivers:

* Real-time credit-risk scoring that fuses traditional bureau metrics with alternative data (UPI, GST, utility payments, mobile usage) to underwrite “credit-invisible” borrowers.[bankingfinance+2](https://www.bankingfinance.in/the-role-of-credit-scoring-and-alternative-lending-in-indias-financial-inclusion.html)
* Early-warning default signals and portfolio stress testing for NBFC risk teams.
* Automated compliance dashboards and MIS reporting aligned to RBI CFSS guidelines.[newgensoft+1](https://newgensoft.com/in/blog/simplifying-rbis-mandate-for-nbfcs-to-implement-core-financial-services-solution-cfss/)

Quantified value:

* Up to 25% lower default rates via richer data signals.[faceofindia+1](https://faceofindia.org/wp-content/uploads/2025/04/State-of-Alternative-Data-in-India-A-Lending-Use-Case.pdf)
* 60% faster loan approval cycles (hours → minutes) and 40% lower credit-ops cost.[linkedin+1](https://www.linkedin.com/pulse/12-powerful-insights-alternative-credit-scoring-india-driving-oa5bc)
* 15% uplift in addressable borrower base among thin-file segments.[finezza+1](https://finezza.in/blog/alternative-credit-scoring-in-india/)

**3. Domain Understanding**

**Current Lending Value Chain**

Borrower onboarding → KYC → Credit appraisal → Sanction & disbursement → Servicing → Collections → Reporting. Pain points: thin-file borrowers, manual underwriting, siloed data, RBI compliance overhead.

**CreditIQ Fit & Disruption**

* Inserts after KYC to generate composite CreditIQ Score.
* Feeds sanction engine with probability-of-default (PD), loss-given-default (LGD).
* Monitors loans post-disbursement; flags anomalies for collections.  
  Result: data-driven decisions, lower NPAs, smoother regulatory reporting.

**4. Geography & Regulation**

* **Geography:** India.
* **Regulators & URLs:**  
  – Reserve Bank of India (RBI) – rbi.org.in[rbi](https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12247&Mode=0)  
  – Ministry of Electronics & IT (for DPDP Act) – meity.gov.in  
  – Goods & Services Tax Network (GSTN) – gst.gov.in
* Key regulations:  
  – RBI Scale-Based Regulation & CFSS circular Feb 23 2022 (mandatory by 30 Sept 2025).[fidcindia+1](https://fidcindia.org.in/wp-content/uploads/2022/02/RBI-CORE-FIN-SERV-SOLUTIONS-23-02-22.pdf)  
  – RBI Digital Lending Guidelines 2022 (data, consent, FLDG caps).  
  – Digital Personal Data Protection Act 2023 (storage, consent).  
  Regulatory enablers: RBI Regulatory Sandbox, Account Aggregator (AA) framework, OCEN open-lending APIs.

**5. Technology**

Architecture (microservices on cloud):

1. **Data Ingestion Layer** – APIs for credit bureaus, AA, UPI/IMPS rails, GSTN, utility billers.
2. **Feature Store** – scalable vector DB for 500+ engineered features.
3. **ML Model Hub** – ensemble Gradient Boosting + Deep Neural Nets, retrained monthly; bias & drift monitoring.
4. **Decision Engine** – real-time PD/LGD, policy rules, explainability module.
5. **Compliance & MIS** – automated RBI reporting, audit trails.

Data sources: CBS/CFSS core, bureau pulls, GST returns, phone-metadata, social & location metrics.

Sample data (attached CSVs) and generation guidelines supplied (see sample\_\* files and data\_generation\_guidelines.txt). A Colab notebook demonstrates model training and validation on this data (to be submitted).

**6. Customer & User Behaviour**

* **Users:** NBFC credit risk analysts, underwriting teams, CROs.
* **Payers:** NBFCs (SaaS licence), co-lending fintechs (API calls).
* **Pricing:**  
  – Platform fee ₹12 lakh/yr +  
  – ₹20 per scored application (vol-tiered) +  
  – Optional portfolio monitoring module ₹3 lakh/yr.  
  ROI: saves ~₹40 lakh/yr in manual credit-ops and reduces credit cost by 30 bps on AUM.

**7. Market & Strategic Analysis**

| Metric | 2024 | 2025F | 2026F | 2027F | Sources |  
| NBFC Credit Stock (₹ tn) | 52 | 60 | 70 | 82 | [economictimes+1](https://economictimes.com/industry/banking/finance/banking/nbfcs-credit-growth-to-moderate-to-13-15-in-fy25-and-fy26-from-17-witnessed-in-last-two-fiscals-icra/articleshow/120578816.cms) |  
| Digital lending share | 60% | 68% | 75% | 80% | [gnani](https://www.gnani.ai/resources/blogs/digital-lending-in-nbfcs-projected-to-grow-at-a-cagr-of-25-through-2025/) |  
| TAM for credit-analytics SaaS (₹ cr) | 650 | 850 | 1 100 | 1 400 | derived |

Market share capture goal: 0.9% (₹8 cr) 2025 → 2% (₹22 cr) 2026 → 4% (₹56 cr) 2027.

**Competitors**

* Perfios (analytics), Finezza, Credolabs, Experian Alternative Data. CreditIQ differentiates with India-stack integration and NBFC-first compliance.

**Porter’s Five Forces – 2025 vs 2027**

| Force | 2025 Intensity | 2027 Intensity | Trend |  
| Threat of new entrants | Medium (tech barriers) | High (API commoditisation) | ↑ |  
| Supplier power (data providers) | High | Medium | ↓ (AA opens access) |  
| Buyer power (NBFCs) | Medium | Medium-High | ↑ |  
| Substitute risk (in-house models) | Low | Medium | ↑ |  
| Rivalry | Medium-High | High | ↑ |

**SWOT (2025)**

Strengths: proprietary alt-data models, CFSS-ready, fast deployment.  
Weaknesses: reliance on external data licences.  
Opportunities: RBI ECL transition, rural NBFC growth.[linkedin+1](https://www.linkedin.com/pulse/indias-nbfc-sector-strategic-positioning-sustained-ram-rastogi--uw2ef)  
Threats: data-privacy breaches, rising fintech competition.

**8. Funding & Risks (Optional)**

* Seed ₹6 cr to build v1 & secure 3 pilot NBFCs (12 months).
* Series A ₹30 cr in 2026 for scaling to 40 NBFCs, regional expansion.  
  Key partners: GSTN, NPCI, AA TSPs, cloud providers.  
  Pilot customers: mid-layer NBFCs focused on MSME lending—motivated by CFSS compliance timeline.

**Appendix A – LLM Usage**

ChatGPT (Aug 12 2025) prompts used: strategic option evaluation, data-generation scripts, regulatory summarisation (see data\_generation\_guidelines.txt).

**Appendix B – References**

Inline citations correspond to numbered web sources - and RBI circulars.[economictimes+1](https://economictimes.com/industry/banking/finance/banking/nbfcs-credit-growth-to-moderate-to-13-15-in-fy25-and-fy26-from-17-witnessed-in-last-two-fiscals-icra/articleshow/120578816.cms)

**Submission Checklist**  
✔ Proposal document (this file)  
✔ Sample data CSVs (borrower, alt-data, loan)  
✔ Data-generation guidelines TXT  
✔ Colab notebook (model build & validation)

1. <https://www.nelito.com/blog/understanding-the-rbis-cfss-mandate-for-nbfcs.html>
2. <https://fidcindia.org.in/wp-content/uploads/2022/02/RBI-CORE-FIN-SERV-SOLUTIONS-23-02-22.pdf>
3. <https://www.bankingfinance.in/the-role-of-credit-scoring-and-alternative-lending-in-indias-financial-inclusion.html>
4. <https://precisa.in/alternative-credit-scoring-using-bank-statement-analysis/>
5. <https://finezza.in/blog/alternative-credit-scoring-in-india/>
6. <https://newgensoft.com/in/blog/simplifying-rbis-mandate-for-nbfcs-to-implement-core-financial-services-solution-cfss/>
7. <https://rvks.in/blogs/implementation-of-core-financial-services-solution-by-non-banking-financial-companies-nbfcs/>
8. <https://faceofindia.org/wp-content/uploads/2025/04/State-of-Alternative-Data-in-India-A-Lending-Use-Case.pdf>
9. <https://www.linkedin.com/pulse/12-powerful-insights-alternative-credit-scoring-india-driving-oa5bc>
10. <https://www.gnani.ai/resources/blogs/digital-lending-in-nbfcs-projected-to-grow-at-a-cagr-of-25-through-2025/>
11. <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=12247&Mode=0>
12. <https://economictimes.com/industry/banking/finance/banking/nbfcs-credit-growth-to-moderate-to-13-15-in-fy25-and-fy26-from-17-witnessed-in-last-two-fiscals-icra/articleshow/120578816.cms>
13. <https://www.northernarc.com/assets/uploads/pdf/Industry-Report.pdf>
14. <https://www.linkedin.com/pulse/indias-nbfc-sector-strategic-positioning-sustained-ram-rastogi--uw2ef>
15. <https://www.grantthornton.in/insights/articles/indias-shift-to-ecl-framework-a-game-changer-for-credit-risk-management/>
16. <https://ppl-ai-file-upload.s3.amazonaws.com/web/direct-files/attachments/17411107/c5b3afb6-956f-402d-ad27-fafe8dde51a8/Project-Briefing.pdf>
17. <https://www.azbpartners.com/bank/implementation-of-core-financial-services-solution-by-non-banking-financial-companies/>
18. <https://www.indiratrade.com/blog/why-nbfcs-are-stealing-the-show-in-indias-financial-markets/9595>
19. <https://www.manbafinance.com/wp-content/uploads/2024/09/Industry-report-DRHP.pdf>
20. <https://www.bcg.com/india-non-banking-financial>
21. <https://www.pwc.in/consulting/technology/data-and-analytics/beyond-traditional-data-leveraging-alternative-data-banking.html>
22. <https://www.chaitanyaindia.in/understanding-the-rbis-cfss-mandate-for-nbfcs/>
23. [http://bfsicreditrisksummit.com](http://bfsicreditrisksummit.com/)
24. <https://precisa.in/fintech-startups-swot-analysis-of-rbi-regulations-regarding-consumer-borrowing/>
25. <https://www.linkedin.com/posts/deeksha-sinha-b89a26278_applying-porters-five-forces-analysis-of-activity-7211612257393209344-TfiT>
26. <https://grm.institute/blog/credit-risk-management-in-the-indian-banking-sector/>
27. <https://www.scribd.com/document/732431132/The-SWOT-analysis-of-UPI>
28. <https://pdfcoffee.com/porter-five-forces-analysis-of-nbfc-sector-pdf-free.html>
29. <https://www.jetir.org/papers/JETIR2405691.pdf>
30. <https://www.scribd.com/document/480996270/Porter-Five-Forces-Analysis-of-NBFC-Sector>
31. <https://www.oracle.com/a/ocom/docs/risk-tech100-2025.pdf>
32. <https://www.caluniv.ac.in/dj/BS-Journal/V-45-I/JS-BS.pdf>
33. <https://www.investopedia.com/terms/p/porter.asp>
34. <https://www.imarcgroup.com/india-risk-management-market>
35. <https://iide.co/case-studies/swot-analysis-of-financepeer/>
36. <https://dcfmodeling.com/products/ltfns-porters-five-forces-analysis>
37. <https://www.spglobal.com/market-intelligence/en/news-insights/research/2025/08/indias-credit-risk-landscape-insights-from-consumer-products-blog>
38. <https://dergipark.org.tr/en/download/article-file/2362261>
39. <https://www.slideshare.net/slideshow/industry-analysis-of-indian-banking-sector-a-study-through-porters-five-forces-model/254326835>
40. <https://risk.lexisnexis.com/insights-resources/infographic/credit-trends>
41. <https://www.sciencedirect.com/science/article/abs/pii/S0301420724003957>

https://www.perplexity.ai/search/i-am-pursuing-mtech-in-ai-ml-f-jfmeI6jdSzS8UctU75hjwg?1=d#1