



IIT GUWAHATI'S
STRATEGY STORM 2025



Leveraging Alternative Data

RURAL CREDIT & INCLUSION

INNOVATIVE PATHWAYS TO CREDIT ASSESSMENT AND FINANCIAL ACCESS



Team Number - 17



Executive SUMMARY

The challenge of financial exclusion in rural areas stems from a lack of formal credit histories, economic vulnerability, digital divides, and social inequalities. Traditional lending systems fail to meet the needs of underserved rural communities, leaving over 400 million individuals reliant on informal lenders with exploitative interest rates.

This proposal outlines an innovative, scalable solution designed to revolutionize rural credit access by leveraging alternative data and creating a mobile-first, user-centric platform. With features like vernacular language support, gamified financial literacy, and AI-powered credit scoring, the platform aims to address core challenges while maintaining transparency through blockchain-backed data management.

KEY INSIGHTS

Economic Context: 70% of rural households lack formal credit access, with seasonal incomes and monsoon-dependent agriculture limiting their eligibility for traditional loans.

Technological Challenges: Only 37% of rural households have reliable internet access, while 68% of rural populations are digitally illiterate, impeding digital lending adoption.

Behavioral Gaps: Cash-based transactions dominate (85%), and awareness of financial schemes like PMJDY is limited to 35%.

REVENUE MODEL & ROADMAP

The app ensures sustainability through diversified revenue streams, including loan processing fees, vendor commissions, and partnerships with banks. The long-term vision involves expanding from regional pilots to a national rollout and global market penetration.

IMPACT & GOALS

By combining innovative technology with community-driven engagement, the platform aspires to empower rural borrowers, reduce dependence on informal lending, and create an ecosystem of financial inclusion and growth for underserved communities. This initiative aligns with broader goals of digital inclusion and rural economic development, paving the way for transformative societal impact.

PROPOSED SOLUTION HIGHLIGHTS

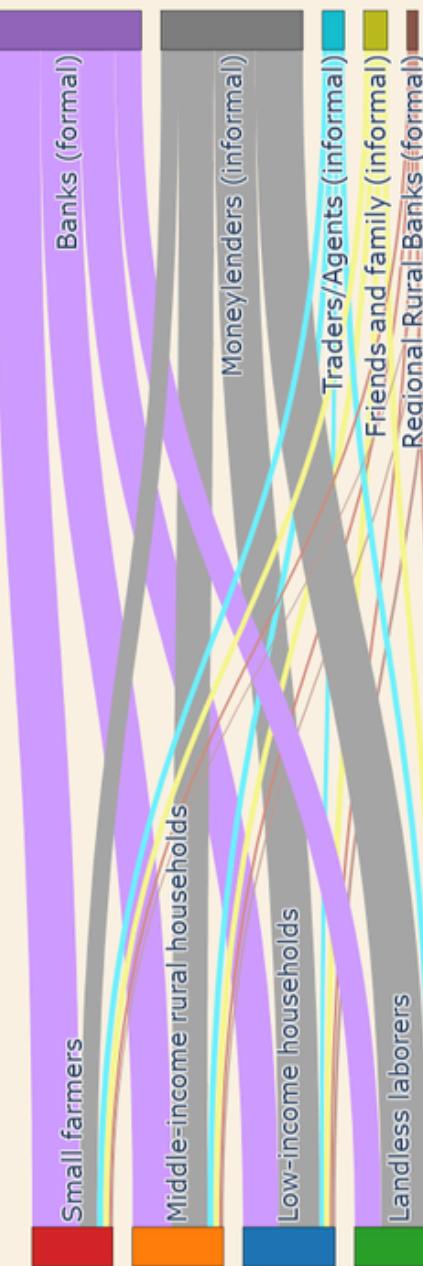
Dynamic Loan Workflow: A step-by-step process tailored for diverse rural incomes, supported by visual tools for repayment planning.

Alternative Credit Scoring: AI-driven models utilizing telecom data, farm outputs, and spending patterns to evaluate creditworthiness.

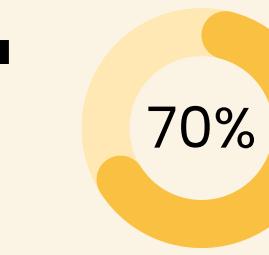
Financial Literacy Modules: Interactive courses and rewards to improve financial behaviors and increase app engagement.

Offline Functionality: USSD and SMS-based applications to ensure accessibility in low-connectivity regions.

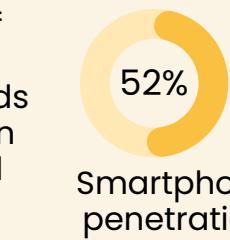
Partnership Ecosystem: Collaboration with banks, NGOs, and local vendors to provide seamless credit, education, and vendor support.



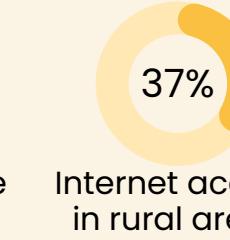
PROBLEM STATEMENT



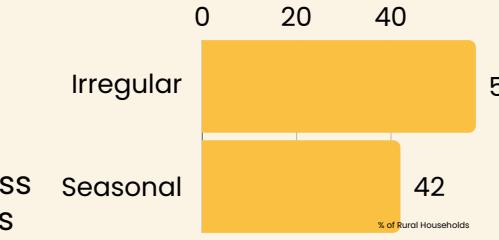
Share of rural households relying on informal lending



52%



37%



CORE PROBLEM	DATA INSIGHTS	IMPACT
Lack of Formal Credit Histories	70% of rural households lack formal credit access (2023). 86% of rural debt comes from informal lenders with high interest rates.	Dependence on informal lenders leads to exploitation. Exclusion of 400M+ rural individuals.
Economic Vulnerability	42% of agricultural households access institutional loans. 60% of farmers depend on monsoon irrigation, increasing income risks.	Seasonal incomes limit eligibility for loans. Volatile earnings discourage long-term investments.
Digital Divide	Only 37% of rural households have reliable internet (2023). 52% smartphone penetration but low digital literacy (~30%).	Limited adoption of digital lending platforms. Low digital literacy impedes mobile-first models.
Behavioral Barriers	85% of rural households still transact in cash. Only 35% know of credit schemes like PMJDY/KCC.	Low trust in financial institutions. Misalignment of services with local needs.
Occupational Challenges	40% in manual labor, 15% in micro-businesses, and 20% in domestic work lack stable incomes.	Irregular income patterns disqualify borrowers from traditional systems.

MECE
approach

Core
Challenges

Impact

Solution
Approach

FINANCIAL BARRIERS

- Absence of formal credit histories due to informal income sources.
- Seasonal or irregular income patterns restricting eligibility.

Over 70% of rural households rely on informal lending with exorbitant interest rates, trapping them in debt cycles.

- Implement alternative credit scoring models using non-traditional data (e.g., mobile usage, repayment patterns).
- Tailor repayment structures to seasonal incomes, improving loan accessibility.

TECHNOLOGICAL CONSTRAINTS

- Digital illiteracy among 68% of rural populations.
- Limited smartphone penetration (52%) & low internet reliability in rural areas (37% access).

- Exclusion from digital lending platforms.
- Slow adoption of mobile-first financial systems.

- Offer USSD-based offline functionalities for non-smartphone users.
- Build vernacular, voice-based interfaces to assist low-literacy users.

SOCIAL INEQUALITIES

- Marginalized groups like women, part-time workers, & manual laborers face additional barriers.
- Lack of awareness regarding financial products (e.g., only 35% are aware of schemes like PMJDY).

Women, despite being primary income contributors in many households, account for only 10-15% of rural loan beneficiaries.

- Introduce community-based lending models leveraging joint liability groups.
- Conduct financial literacy drives with a focus on gender inclusivity.

POLICY AND INFRASTRUCTURE GAPS

- Misalignment of urban-centric financial policies with rural realities.
- Inadequate banking and digital infrastructure in last-mile regions.

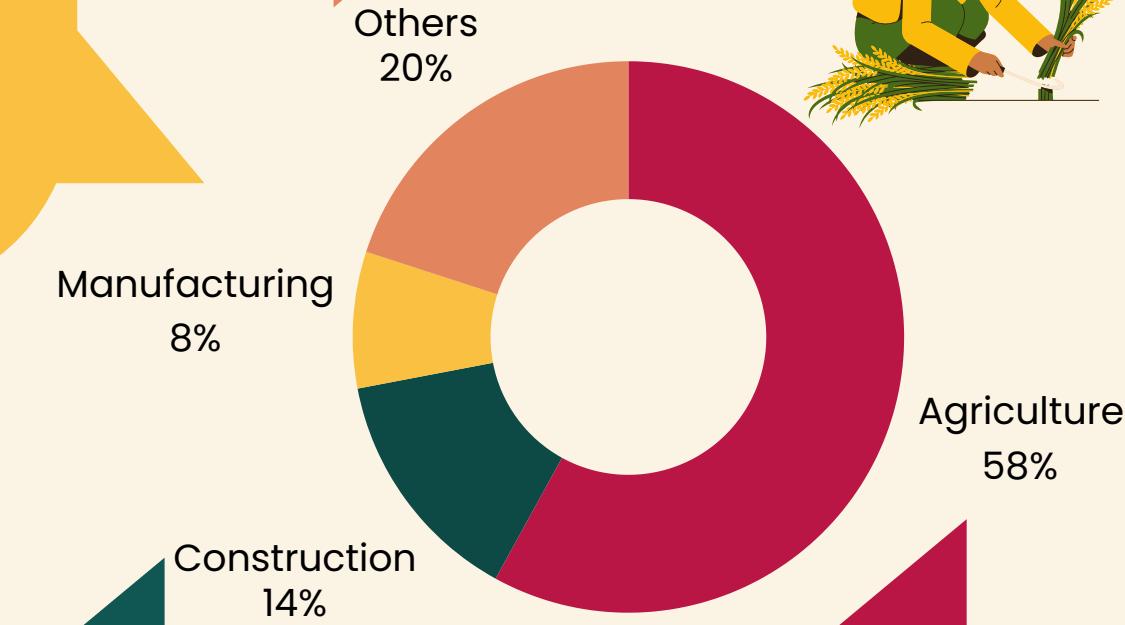
Rural populations excluded from formal financial systems due to logistical and regulatory disconnects.

- Collaborate with local self-help groups (SHGs) and microfinance institutions to co-develop region-specific policies.
- Enhance last-mile delivery by scaling the rural banking agent network.

Rampur CASE STUDY

Rampur is also home to a few small-scale industries—pottery, basket weaving, and jaggery production. Skilled artisans work tirelessly, but they often find themselves stuck in a loop due to limited access to affordable credit, making growth feel like a distant goal.

OCCUPATION DISTRIBUTION



Many of Rampur's residents work as daily wage laborers in construction. These villagers travel to nearby towns for work, earning just enough to scrape by—like a survival game, but with fewer power-ups.

The backbone of Rampur is its hardworking farmers, who grow paddy, wheat, and maize. These farmers face constant challenges like unpredictable monsoons and limited access to modern farming tools.

The rest of the population keeps busy with various jobs—small trade, transport services, teaching, and even healthcare. It's a vibrant, hustling ecosystem, each person adding to the village's pulse.

CHALLENGES FACED BY RAMPUR'S RESIDENTS

Limited Access to Credit

Here's the twist: despite working hard day in and day out, many villagers can't access formal loans. The lack of a credit history means they turn to local moneylenders who charge interest rates as high as 30-40%. It's like a trap—struggling to break even, yet drowning in debt.

Unpredictable Weather

Agriculture, the lifeblood of Rampur, is perpetually at the mercy of unpredictable weather. Floods, failed crops, and erratic monsoons create a constant financial roller coaster. It's like playing a game with no reset button.

Financial Literacy

While 70% of the villagers own mobile phones, only 20% are comfortable using them for anything beyond the basics. Non-vernacular interfaces and lack of awareness make digital finance seem like a far-off land that's just too complicated to visit.

VISION

Rampur isn't just a place of struggle; it's a **canvas for transformation**. Picture this: Suresh, the farmer, secures a **low-interest loan** for better seeds, leading to a prosperous harvest. Meena, the potter, expands her business with **affordable credit** for tools. Ravi, the manufacturing worker, upgrades machinery for **higher production and income**. Rampur's journey from struggle to success is just beginning. **Let's see where it leads next!**

User PERSONAS



SURESH - THE FARMER

AGE

42

OCCUPATION

Farmer (Paddy+Maize, Mustard+Wheat)

LOCATION

Rampur, Bihar

FAMILY

Married with 3 children

TECH SAVVINESS

High (Owns a mobile phone and uses it for basic online transactions)

PAIN POINTS

- Struggling to make ends meet due to unpredictable weather and limited access to credit
- Difficulty in obtaining formal loans due to lack of credit history
- Heavy reliance on local moneylenders with high-interest rates
- Facing crop failures due to erratic monsoons and floods

GOALS

- Secure a low-interest loan for better seeds and farming tools
- Achieve a good harvest to improve his family's financial stability
- Provide better education for his children

BEHAVIOR

- Hardworking, resilient, and hopeful for a better future
- Interested in using technology if it's simple and easy to understand

MOTIVATIONS

- Wants to escape the cycle of debt and improve his family's living conditions
- Sees technology as a potential tool for change but needs guidance



MEENA - THE POTTER

AGE

34

OCCUPATION

Pottery Artisan

LOCATION

Rampur, Bihar

FAMILY

Married with 2 children

TECH SAVVINESS

Low (Owns a phone but uses it for basic functions like calling and messaging)

PAIN POINTS

- Struggles to expand her pottery business due to lack of affordable credit
- No access to affordable loans to purchase better raw materials or upgrade tools
- Limited ability to expand her business due to financial constraints
- High interest rates from local moneylenders

- Access affordable credit to buy new tools and expand her business
- Improve the quality of her products to increase sales
- Achieve financial stability and provide better opportunities for her children

- Creative, hardworking, and resourceful
- Seeks growth but is cautious about taking risks due to financial limitations

- Desires financial independence and a better future for her family
- Wants to be recognized for her craft and contribute to the local economy



RAVI - MANUFACTURING WORKER

AGE

28

OCCUPATION

Daily wage worker in a small manufacturing industry

LOCATION

Rampur, Bihar

FAMILY

Single, supports his elderly parents

TECH SAVVINESS

Low to Moderate (Has a basic mobile phone, not very familiar with digital transactions)

PAIN POINTS

- Dependent on daily wages, struggles to save money or invest in business growth
- Although he owns a mobile phone, he struggles to understand digital payment or access credit facilities.
- Seasonal income fluctuations make financial planning difficult
- Ravi often borrows from moneylenders at high-interest rates to cover unexpected expenses.

GOALS

- Achieve financial stability and save for the future
- Provide better living conditions for his elderly parents
- Breaking free from the cycle of debt by finding more stable work or learning new skills

BEHAVIOR

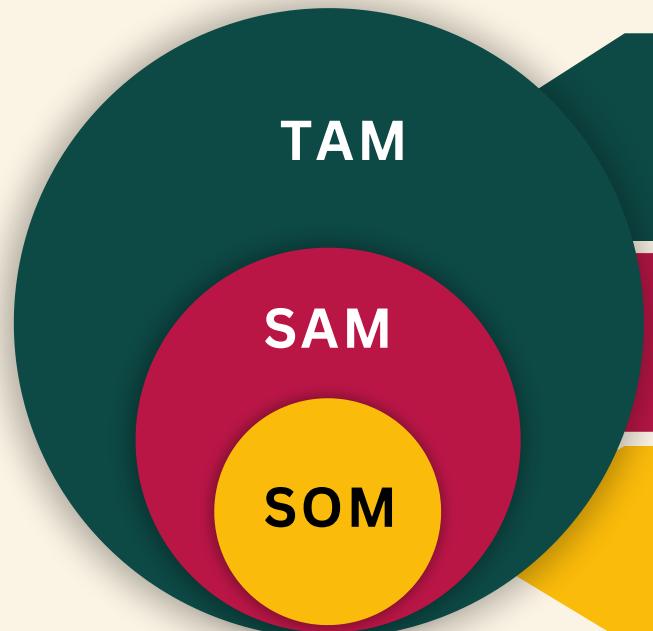
- Ambitious, but cautious about taking on debt due to previous bad experiences
- Hardworking and dedicated to improving his skills and livelihood

MOTIVATIONS

- Aims for financial security and long-term growth
- Wants to provide a better life for his family by improving his business

5 C's FRAMEWORK & pestel analysis

CUSTOMERS



- Scope: All rural residents in India without access to formal credit systems.
- Size: 70% of India's population (~900 million).

- Scope: Rural individuals with smartphones and internet access.
- Size: 70% smartphone penetration in rural areas (2024).

- Scope: Rural smartphone users open to alternative credit scoring.
- Size: Includes those with no formal credit history but assessable through non-traditional data.

- Customer Segments (SOM):
- Smallholder Farmers: Seasonal loans for agriculture, assessed via produce sales and land records.
- Micro-entrepreneurs: Loans for business expansion, assessed via transactions and sales data.
- Daily Wage Earners: Short-term credit, assessed via mobile usage and utility payments.

COLLABORATORS

Key Collaborators for Digital Lending in Rural India:

1. FINANCIAL INSTITUTIONS:

- **MFIs:** Partner with entities like Satin Creditcare for rural outreach.
- **Banks & NBFCs:** Collaborate with Federal Bank, Avanti Finance, etc., for co-lending.

2. TECHNOLOGY PROVIDERS:

- **Fintechs:** Use platforms like Sarvatra Technologies for digital payment infrastructure.
- **Payment Systems:** Leverage UPI for seamless transactions.

3. GOVERNMENT & REGULATORS:

- **Regulatory Support:** Collaborate with RBI initiatives like Unified Lending Interface (ULI).
- **Govt Programs:** Engage with schemes like Pradhan Mantri Jan Dhan Yojana & Digital India.

4. NGOs:

- **Financial Literacy:** Partner with NGOs for digital education and awareness campaigns (e.g., Accion programs).

CAPABILITIES

Capabilities for Digital Lending in Rural India

1. **Alternative Credit Scoring:** Leverage non-traditional data (e.g., mobile usage, utility payments) for credit assessment.
2. **Scalable Digital Infrastructure:** Use cloud-based platforms for real-time credit evaluation.
3. **Multilingual Interfaces:** Offer vernacular app support for rural users.
4. **Mobile-First Approach:** Build lightweight apps for low bandwidth and basic smartphones.
5. **Local Partnerships:** Collaborate with NGOs, MFIs, and government agencies for outreach.

CONTEXT

- P
- **Financial Inclusion:** Government schemes like PM Jan Dhan Yojana support rural access to banking.
 - **Regulations:** Data privacy, digital lending laws influence alternative data usage.

- E
- **Rural Credit Gap:** Huge market of underserved farmers and entrepreneurs.
 - **Digital Growth:** Increasing smartphone and mobile banking adoption in rural areas.

- S
- **Financial Literacy:** Low awareness creates a need for education and trust-building.
 - **Language Barriers:** Vernacular support ensures inclusivity and adoption.

- T
- **Alternative Data:** Mobile and utility data redefine credit scoring.
 - **AI/ML:** Advanced analytics enable personalized credit recommendations.

- E
- **Climate Risk:** Tailored credit for climate-sensitive regions like farms.
 - **Sustainability:** Credit for eco-friendly practices supports global goals.

- L
- **Privacy Laws:** Compliance with data security builds trust.
 - **Digital Lending:** Partnerships help navigate legal complexities.

H

H

M

H

M

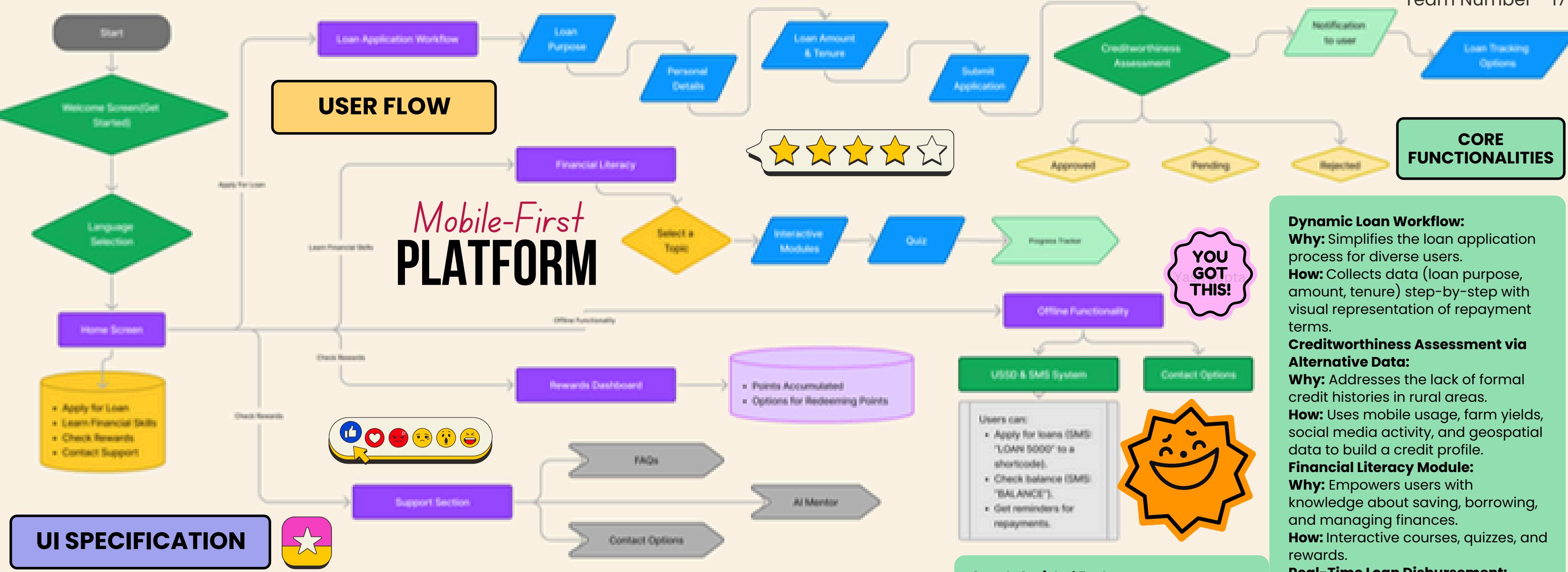
H

H: High Impact; M: Moderate Impact; L: Low Impact

Competitor ANALYSIS

"India's rural lending landscape is rapidly evolving, with fintech platforms leveraging technology, alternative data, and mobile-first solutions to bridge the financial gap in underserved areas. Our competitor analysis evaluates key players addressing rural credit challenges and highlights opportunities for differentiation."

COMPETITOR	KEY FEATURES	MARKET FOCUS	STRENGTHS	WEAKNESSES
Lending Kart	Digital loans for small businesses and entrepreneurs	Rural and semi-urban entrepreneurs	Fully digital process, uses alternative data for credit scoring, fast disbursement	Not specifically focused on farmers or daily wage workers
Jai Kisan	Provides loans to farmers and rural entrepreneurs via its mobile platform	Farmers and rural businesses	Tailored for rural borrowers, vernacular-friendly app, uses farm output as creditworthiness	Limited presence in some states
SarvaGram	Financial services tailored to rural households, including loans	Rural households and entrepreneurs	Offers multiple financial products, vernacular-friendly and deeply localized	Still expanding, limited pan-India coverage
MoneyTap	Instant personal loans via a mobile app	Individuals in rural and urban areas	Quick access to personal credit lines, fully digital	Limited focus on deeply rural areas
Vamaan Financial	Digital financial inclusion platform for underserved rural populations	Rural individuals and businesses	Focuses on financial literacy and low-interest digital loans	Smaller outreach compared to large fintech firms



Minimalistic UI Design:

Why: Simplifies navigation for users with low digital literacy.
How: One question or task at a time with large, clear fonts and intuitive icons.

Multilingual Support (Vernacular):

Why: Ensures accessibility to diverse rural populations.
How: Regional language options with text-to-speech functionality.

Accessibility Features:

Why: Makes the app inclusive for users with disabilities.
How: Adjustable text sizes, color contrast, and screen readers.

Voice-Based Navigation:

Why: Helps users with limited literacy navigate without text input.
How: Integrated voice commands and audio prompts in regional languages.

Offline Functionality:

Why: To support areas with poor internet connectivity.
How: USSD codes or SMS-based interactions for core functionalities like loan applications or balance checks.

Interactive Visuals:

Why: Explains complex financial concepts to users easily.
How: Pictorial guides, animations, and video tutorials.

Gamification Elements:

Why: Increases engagement and incentivizes good financial behavior.
How: Rewards for completing quizzes or timely repayments.

Real-Time Feedback:

Why: Keeps users informed of their progress in processes like credit scoring or loan applications.
How: Progress bars and instant notifications.

Agent-Assisted Features:

Why: Supports users unfamiliar with mobile apps or facing technical issues.
How: Local agents equipped with tablets for loan applications and queries.

Push Notifications & Reminders:

Why: Ensures users don't miss repayments or educational content.
How: Automated SMS, app notifications, and audio alerts.

Trust Ratings and Community Backed Loans:

Why: Enables trust-based lending without physical collateral.
How: Peer recommendations and blockchain-backed trust ratings.

Weather & Market Integration:

Why: Supports informed financial decisions for farmers and rural entrepreneurs.
How: Displays localized weather forecasts and market trends.

Dynamic Loan Workflow:
Why: Simplifies the loan application process for diverse users.

How: Collects data (loan purpose, amount, tenure) step-by-step with visual representation of repayment terms.

Creditworthiness Assessment via Alternative Data:

Why: Addresses the lack of formal credit histories in rural areas.
How: Uses mobile usage, farm yields, social media activity, and geospatial data to build a credit profile.

Financial Literacy Module:

Why: Empowers users with knowledge about saving, borrowing, and managing finances.
How: Interactive courses, quizzes, and rewards.

Real-Time Loan Disbursement:

Why: Provides quick access to funds in emergencies.
How: Direct deposit to bank accounts or mobile wallets.

Rewards and Incentives:

Why: Encourages timely repayments and app usage.
How: Points system redeemable for farming supplies, mobile recharges, or local discounts.

Data Security and Privacy:

Why: Builds trust among users and ensures compliance with regulations.

How: Robust encryption, consent-based data collection, and secure storage.

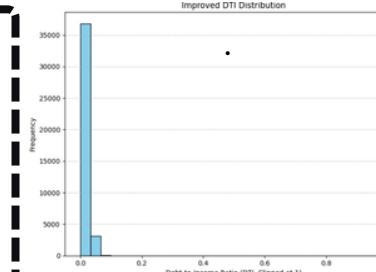
Predicting Creditworthiness USING ML MODEL

Feature extraction Used to Calculate Creditworthiness

1. Debt-to-Income Ratio (DTI):

$$DTI = \frac{\text{Annual Loan Installments}}{\text{Annual Income}}$$

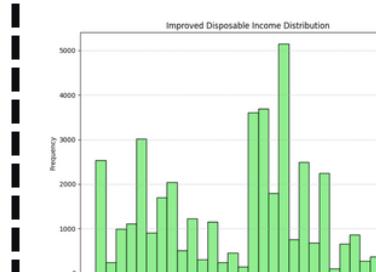
Interpretation: DTI represents the percentage of income used to repay loans. A lower DTI (< 0.4) indicates better financial health.



2. Disposable Income:

$$\text{Disposable Income} = \text{Annual Income} - (\text{Monthly Expenses} \times 12)$$

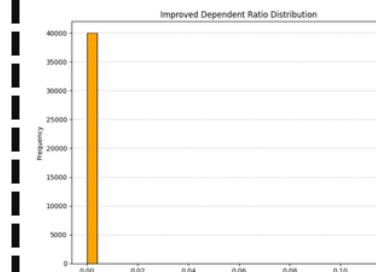
Interpretation: Disposable income reflects the worker's financial flexibility. Positive disposable income ensures they can repay loans after covering living expenses.



3. Dependent Ratio:

$$\text{Dependent Ratio} = \frac{\text{Number of Dependents}}{\text{Annual Income}}$$

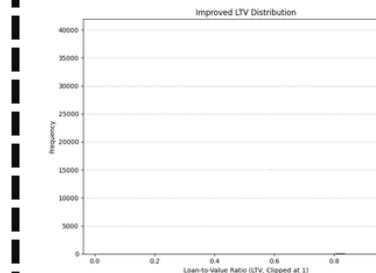
Interpretation: A lower dependent ratio (< 0.5) indicates fewer financial responsibilities relative to income.



4. Loan-to-Value Ratio (LTV):

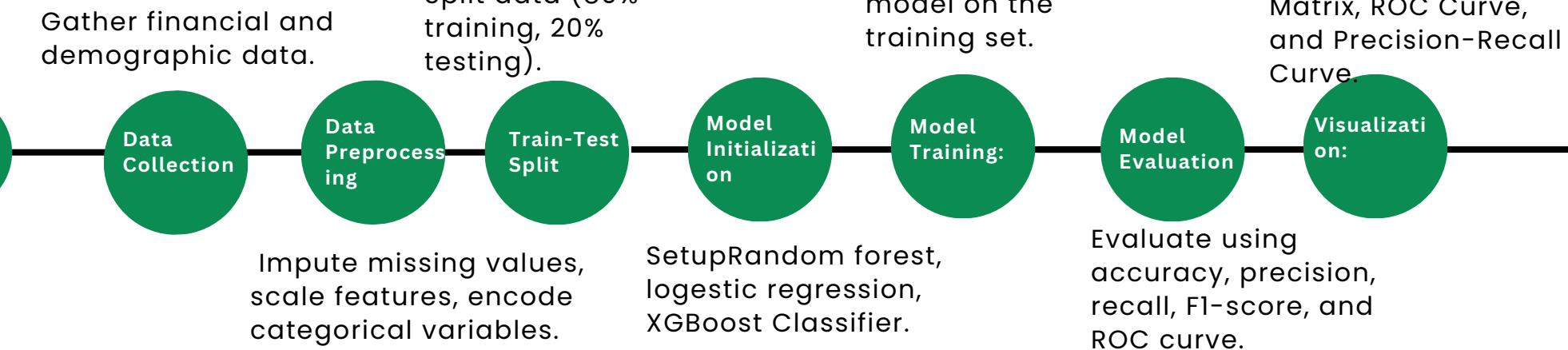
$$LTV = \frac{\text{Loan Amount}}{\text{House Area}}$$

Interpretation: LTV reflects the loan amount relative to the property value (or area in rural contexts). A lower LTV (< 0.8) indicates better financial stability.



Additional Features:

- Loan Tenure: Shorter loan terms (e.g., ≤ 24 months) are less risky.
- Sanitary & Water Availability: Access to basic utilities increases stability.
- Social Class: Workers from higher social classes (e.g., 'A') are considered more stable.



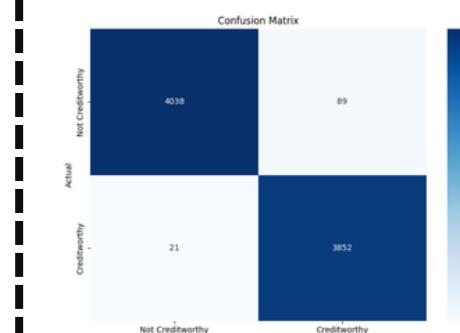
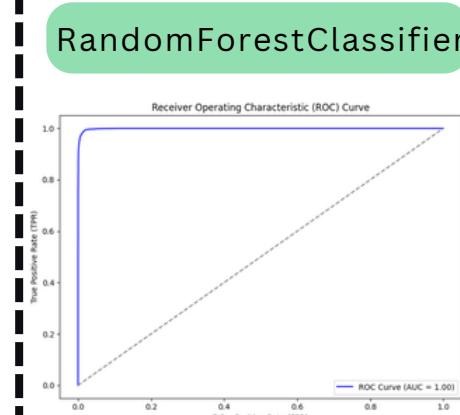
Why This Formula Works

1. Simplicity and Interpretability:
 - The formula is easy to understand and implement.
 - Each rule is backed by financial logic and benchmarks.
2. Adaptability:
 - The weights (criteria thresholds) can be adjusted based on the target population or policy requirements.
3. Fairness:
 - Combines multiple factors (financial, social, and resource access) to assess creditworthiness comprehensively.

$$\text{Creditworthiness Score} = \begin{cases} +1 & \text{if } DTI < 0.4 \\ +1 & \text{if } \text{Disposable Income} > \text{Loan Amount} \text{ and positive} \\ +1 & \text{if } \text{Dependent Ratio} < 0.5 \\ +1 & \text{if } LTV < 0.8 \\ +1 & \text{if } \text{Loan Tenure} \leq 24 \text{ months} \\ +1 & \text{if } \text{Sanitary and Water Access} = \text{Yes} \\ +1 & \text{if } \text{Social Class} = \text{A} \end{cases}$$

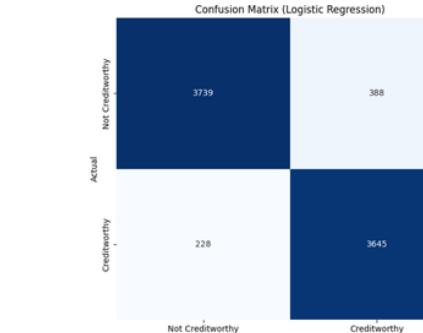
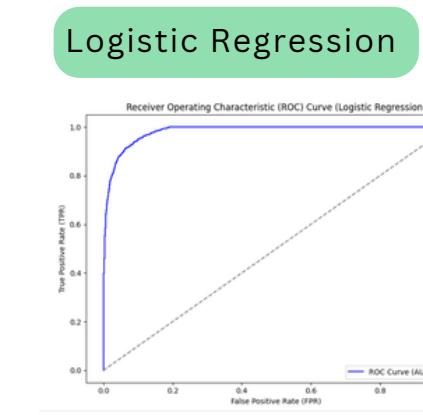
Key Inferences

1. Creditworthy Split: 57.73% creditworthy; 42.26% not creditworthy.
2. Model Accuracy: XGBoost achieved good accuracy, with balanced precision and recall.
3. Feature Importance: Key drivers are DTI, Disposable_Income, and LTV.
4. Model Errors: Some false positives/negatives observed, highlighting refinement areas.



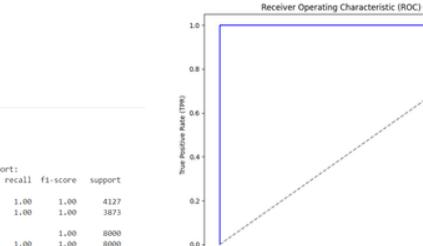
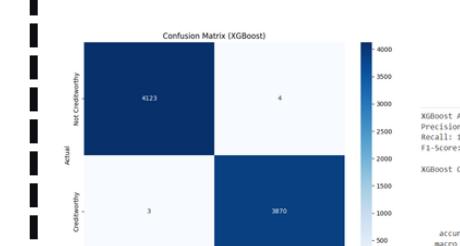
	precision	recall	f1-score	support
0	0.99	0.98	0.99	4127
1	0.98	0.99	0.99	3873
accuracy				8000
macro avg	0.99	0.99	0.99	8000
weighted avg	0.99	0.99	0.99	8000

Classification Report:
precision: 0.94
recall: 0.94
f1-score: 0.92
accuracy: 0.94



	precision	recall	f1-score	support
0	0.94	0.91	0.92	4127
1	0.90	0.94	0.92	3873
accuracy				8000
macro avg	0.92	0.92	0.92	8000
weighted avg	0.92	0.92	0.92	8000

Classification Report:
precision: 0.94
recall: 0.94
f1-score: 0.92
accuracy: 0.94



UDHAAR'S REVENUE MODEL

Building a Sustainable Revenue Model: Core Streams Driving Growth

- Dynamic Fee Structure:**
 - Small loans (<₹20,000): ₹250 (20% of applicants or 4,000 users).
 - Medium loans (₹20,000–₹50,000): ₹500 (50% of applicants or 10,000 users).
 - Large loans (>₹50,000): ₹1,000 (30% of applicants or 6,000 users).
- Annual Revenue: ₹1.2 Crores from loan processing fees.
- Unique Offering: Simplified and fair processing fees based on loan complexity, reducing barriers for smaller borrowers.

LOAN PROCESSING FEES

Strategic Partnerships:

- Collaborate with agricultural equipment suppliers, sanitation product vendors, FMCG companies, and local artisans.
- 30% of users (12,000) spend an average of ₹5,000 annually.

Annual Revenue: ₹60 Lakhs (10% commission per transaction).

Innovation:

- "Vendor Loyalty Program" for discounted products.
- Promote local artisans for rural entrepreneurship.

VENDOR COLLABORATIONS

- Revenue from Anonymized Data:**
 - 10% of users (4,000) contribute anonymized data annually.
- Pricing Tiers:**
 - Basic insights: ₹1,000.
 - Advanced models: ₹2,500.
 - Predictive analytics: ₹5,000.
- Average dataset revenue: ₹2,000.
- Annual Revenue: ₹80 Lakhs.
- Highlight: Monetizing data ethically to provide actionable insights for NGOs and banks.

DATA MONETIZATION



- Late Fee Model:**
 - 10% of loan applicants (2,000 users) miss payments.
 - Fee: ₹250 per delay.
- Annual Revenue: ₹5 Lakhs.
- User Incentive:
- "Penalty Cashback Scheme": ₹100 cashback for dues cleared within 15 days to encourage repayment.

LATE PAYMENT FEES

Targeted Schemes:

- Collaborate to disburse loans for education, sanitation, and renewable energy.
- ₹1,000 incentive per user benefiting from schemes (10% of users or 4,000 annually).

Annual Revenue: ₹40 Lakhs.

Innovation: Impact dashboards to encourage recurring partnerships.



GOVERNMENT AND NGO COLLABORATIONS

Referral Model:

- Partner banks pay ₹200 for new accounts or loans originating from Udhaar.
- 25% of loan applicants (5,000 users) referred annually.

Annual Revenue: ₹10 Lakhs.

Value Addition:

- "Udhaar Plus Accounts": Exclusive bundled benefits for users.

BANK PARTNERSHIPS

Year	Users	Revenue (₹ Crores)	Costs (₹ Crores)	Net Profit (₹ Crores)
Year 1	40,000	3.4	2.5	0.9
Year 2	60,000	5.1	3.5	1.6
Year 3	1,00,000	10.2	6.5	3.7
Year 4	2,50,000	30.5	12.0	18.5
Year 5	5,00,000	51.0	20.0	31.0

Enhancing User Engagement with Add-On Revenue Streams

Gamified Financial Literacy:

- Interactive Education:**
 - Premium modules on financial literacy priced at ₹50.
 - 25% of users (10,000) opt for these annually.
- Annual Revenue: ₹5 Lakhs.
- Gamification:** Engage users with quizzes, simulations, and certificates.

Premium Memberships:

- Exclusive Benefits:**
 - ₹500 annual fee for better interest rates and personalized financial advice.
 - 10% of users (4,000) subscribe annually.

Annual Revenue: ₹20 Lakhs.

Risk Mitigation

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Risk Category	Competitor Failures	Impact on Competitor	Udhaar's Mitigation Strategy
Data Privacy Concerns	Cashbean & others misused sensitive borrower data, leading to government bans and legal action.	Loss of user trust, regulatory scrutiny, and app shutdowns.	- Blockchain Integration: Immutable, tamper-proof storage of borrower data.- Decentralized Data Storage: Ensure data remains secure and encrypted.- Real-Time Alerts: Notify users immediately of suspicious activity or data changes.
Predatory Lending Practices	Dhani, KreditBee, and others charged high interest rates with unethical recovery practices.	Borrower distress, negative press, and legal restrictions on lending.	- Transparent Loan Terms: Display interest rates clearly in local languages.- Capped Interest Rates: Keep rates affordable and predictable.- Positive Recovery Mechanisms: Use trust-building methods instead of harassment to recover loans.
Low Digital Literacy	Mobikwik struggled to engage low-literacy rural users due to text-heavy interfaces.	Low adoption rates and high churn in rural markets.	- Multilingual Vernacular Support: Text, audio, and video guidance in regional languages.- Pictorial Navigation: Simplify app flows for first-time users.- Agent Network: Employ local agents with tablets to assist users with onboarding and usage.
Regulatory Non-Compliance	Apps like OKCredit and Cashbean failed to adhere to evolving fintech regulations, leading to bans.	App removal from stores, heavy fines, and loss of market credibility.	- Regulatory Sandboxes: Pilot new features within controlled environments to ensure compliance.- Legal Experts on Board: Work with fintech policy advisors.- Real-Time Compliance Monitoring: Use AI tools to ensure adherence to guidelines like RBI norms.
Fraudulent User Behavior	Fake borrower profiles and fraudulent loans plagued companies like RupeeRedee.	High default rates, loss of capital, and erosion of investor confidence.	- AI/ML for Fraud Detection: Identify patterns like multiple accounts or inconsistencies.- Biometric Verification: Use voice and facial recognition for authentication.- Document Validation: Employ OCR (Optical Character Recognition) to verify ID and account details.
Overdependence on Urban Models	BankBazaar and others failed to address seasonal incomes and rural borrowing needs.	Poor adoption in rural areas and wasted marketing resources.	- Seasonal Loan Repayment Options: Align loan cycles with crop seasons and festival expenses.- Flexible Loan Tenures: Adjust repayment schedules based on the borrower's income type (e.g., monthly, seasonal).
Scalability Challenges	Platforms like JioMoney expanded rapidly without sufficient technical infrastructure.	Frequent crashes, user frustration, and bad reviews in rural regions.	- Cloud-Based Infrastructure: Ensure scalable operations without downtime.- Regional Pilot Testing: Test the app in smaller regions to fix issues before full-scale rollouts.- Offline Capabilities: Use USSD and SMS for areas with poor internet.
Cultural Disconnect	Companies ignored local traditions, causing mistrust and disengagement (e.g., multiple failed apps).	Distrust among rural users, low app adoption, and poor word-of-mouth referrals.	- Festival Rewards: Offer festival-specific loan incentives (e.g., Diwali, Pongal).- Localized Success Stories: Share user testimonials in regional languages.- Cultural Storytelling: Use animations or stories in financial literacy modules to connect emotionally with users.
Lack of Local Partnerships	Lendingkart struggled to scale due to limited partnerships with local organizations.	High customer acquisition costs, poor outreach in rural areas.	- NGO and SHG Partnerships: Collaborate with self-help groups and local organizations to increase reach.- Government Collaborations: Align the platform with national financial inclusion initiatives.- Community Ambassadors: Employ village-level representatives for outreach.



IIT GUWAHATI'S STRATEGY STORM 2025

APPENDIX

[5C Analysis – Learn How to Perform a 5C Marketing Analysis](#)

[Figma file : User Flow & Mobile Application Details](#)

[Kaggle File : EDA & MODEL & Feature Engineering](#)

[Google Doc: Research](#)

[Output CSV](#)

THANK YOU!



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