kredX

Simple | Fast | Reliable

India’s leading Supply Chain Finance Platform

01 | Business Overview

Problem

India has grown at an average 6% plus GDP growth in the last decade but MSMEs stare at a working capital financing gap of around $300B.

On the other hand, billions of dollars lie in low yielding deposits - liquid mutual funds, corporate treasuries, current accounts, etc. looking for above average yield.

Solution

To build a credible and trusted technology bridge between the supply and demand to help MSMEs improve access to capital.

To improve the capital velocity for MSMEs reducing the need for more funds.

A Bill Discounting platform was born - KredX!

Our Company

KredX is an online platform, started in 2015, providing working capital funding solutions for MSMEs through investors and financiers.

We are a technology focused startup aiming to bridge the gap between capital and credit demand from MSMEs who constitute the lifeline of our country.

Pioneer in democratizing Bill discounting space in India through its patented technology platform.

Rich Experience of more than 6.5 years of stable operations through “thick and thin” - Demonetisation, NBFC crisis, GST rollout, COVID, etc.

02 | Our Product Offerings

KredX Suite Of Products

- **Invoice Discounting Receivables**
  for working capital needs of MSMEs
- **Invoice Discounting Payables**
  for working capital needs of mid corporates
- **CAPVEL**
  Cloud based solutions for Accounts Receivables, Accounts Payables & Treasury
- **MANDII (MSME Atma Nirbhar and Development Initiative of India)**
  Technology platform to help MSMEs access credit
- **Revenue Based Financing**
  for SaaS and D2C brands

Global Trade Entity - We are in process of setting up a Global Trade entity in Singapore and have already signed partnerships with large global companies and investors.

Why KredX?

- ## $3B

  Transaction volumes in excess of $3B have been processed through KredX platform

- ## 20,000 Investors

  More than 20,000 investors deployed their capital through our platform

- ## Technology Integration

  Technology Integration with ERP of large Corporates enabling us to provide real time updates

- ## 1 Million

  More than 1 Mn transactions processed till date

- ## 6.5 Years

  More than 6.5 years of successful business with rapid scalability across major sectors.

Why KredX?

- **The Pioneer**

  KredX is the pioneer in democratising invoice discounting in India through its proprietary technology platform

- **Comprehensive Product Suite**

  Comprehensive Product Suite encompassing both technology as well as financing solutions across the entire chain - from Payables to Receivables

- **Well capitalised**

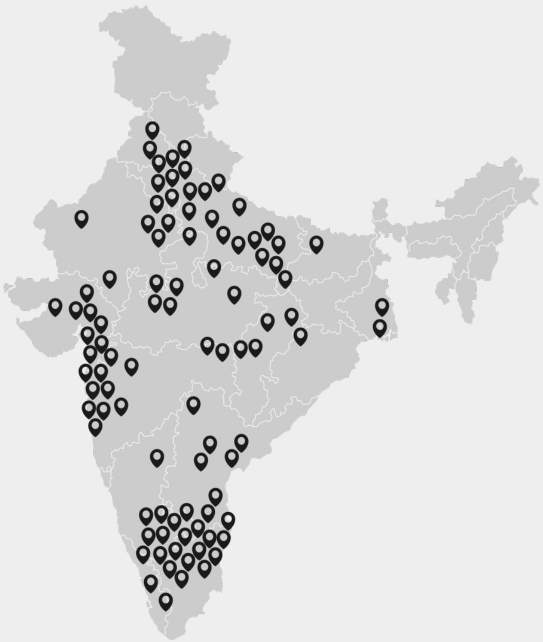
  Well capitalised with backing from global investors, hedge funds and private equity funds.

- **Full Stack Technology**

  KredX's full stack technology marketplace is a key differentiator as it provides digital, paperless and transparent financial solutions

- **Funds Within A Few Hours**

  Access to funds within a few hours for MSMEs.
  The fastest transaction was completed in 12 secs!



Numbers speak for us

KredX has witnessed robust transaction flows via its platform:

- Transaction volumes in excess of $3 Bn
- More than 10 lakh invoices have been processed till date
- Enabled credit access to businesses across 100 cities in India
- Client coverage across 20 states
- 23,000 + businesses increased their capital velocity 25-30 times in a year on an average
- More than 100 corporates improved liquidity in their supply chain through KredX offerings
- More than 20,000 investors across India got access to a new investment asset class called “invoice discounting”

TReDS Ecosystem

Corporate

1. Complete recourse on the corporate.
2. “Push” product
3. No integration with the ERP systems

MSME

1. No recourse to the MSMEs
2. Underwriting done by banks so conversion rates low.
3. Funds do not flow through the TReDS platform. It goes directly from financiers to the MSMEs.

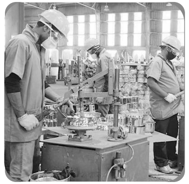
Financier

1. Have to do the entire due diligence themselves
2. Primarily used to achieve PSL targets.
3. Relatively lower level of pricing.

TReDS Ecosystem

Corporate

1. Corporates are an important stakeholders in the ecosystem.
2. Complete integration with their ERP systems
3. Relationships with more than 100+ corporates that can be leveraged for ITFS platform



MSME

1. With recourse to the MSMEs to limit the delinquencies.
2. Disbursal within a matter of few hours.
3. All the funds flow through the KredX platform enabling transparency across the entire ecosystem.

Financier

1. KredX undertakes enhanced due diligence which augments the due diligence of the financiers.
2. Transparent price discovery done on the platform.
3. Broader set of investor base and businesses - MSMEs and non-MSMEs.

TReDs

- It is an “auctioning platform”
- “Little or no role” in decision making.
- Payment instructions are provided toparties for movement of funds.
- No recourse to MSME.
- Limited supply/demand side:
  - Only banks and NBFC factors
  - Only MSMEs
- Vendor Onboarding - only through Corporates

KredX

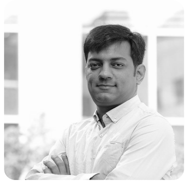
- It “owns” the customer experience.
- Funds “flow through” KredX’s escrow infrastructure end to end.
- “With recourse” to MSME - more accountability.
- Diversified supply/demand Side:
  - Banks, NBFC, Family Offices, HNIs, etc on the investor side
  - MSMEs and non MSMEs on the borrower side
- Onboarding through Corporates and direct as well giving opportunity to MSMEs to sell their receivables.
- “Ready Ecosystem” - partnerships with Global Insurance companies like Euler Hermes, Atradius, etc. and global cargo logistics leaders like DP World, etc.

02 | Management

Our Team

Manish Kumar

B.Tech. IIT Kanpur Veteran Banker with 18 years of experience across Citi, HSBC and CapitalOne



Anurag Jain

B.Tech. IIT Kanpur Veteran Banker with 18 years of experience across Citi, HSBC and CapitalOne

Devang Mundhra

Stanford & BITS Pilani Alumni Chief Technologist & Product Guy. Deep Technology Exp with Oracle & D-Link

Key Management Personnel

Sachin Nigam
Director - Global Trade

- **MBA (Finance)**
  MBA (Finance) from Jamnalal Bajaj Institute of Management Studies

- **Specialises in**
  Specialises in Global Trade Finance, Receivable Finance, Factoring, Corporate Banking, Secured and Unsecured lending.

- **23 years of Experience**
  23 years of Extensive Experience in Banking and Financial Services.

- **An expert in**
  An expert in the SME sector - Integral part of several committees formed by Ministry of MSME to address the core issue of Credit to the SME sector

- **Rich experience in multinational companies:**
  Country Head, Trade Finance, A P Moeller Maersk | CEO, First Capital Bank, Zambia | President, SME Ratings, CRISIL | Senior Vice President & National Head - Factoring & Receivable FInance, HSBC

..... together with 180+ member strong team spread across India

02 | Technological Capabilities

Security and Privacy

KredX Platform is built using the best practices to ensure security and integrity of the platform:

- All accesses to the platform authenticated, authorized and auditable
- Data encrypted at rest and in transit
- Intrusion Prevention and Detection
- Continuous Vulnerability Protection

Regular Certifications and Third-Party Audits

KredX undergoes regular certifications from third-party auditors to ensure information security, data privacy and vulnerability protection of the platform. KredX is ISO 27001-2013 certified, is undergoing SOC 2 Type 2 Audit and has built modules for ERP systems which are certified by SAP GmbH.

Cloud Native

KredX platform is built on cloud using cloud-native technologies and practices to ensure high availability and scalability while ensuring a safe and secure development platform

Analytical and Predictive

KredX platform continuously monitors the data flowing through its platform in real-time and provides MIS and dashboards to track all transactions on the platform. In addition, it also runs predictive analytics to flag suspicious transactions, early warning systems when there is a divergence from expected outcome.

Interoperability

The KredX platform integrates with the larger ecosystem of data sources, financial and non-financial institutions and payment systems through various modes of integrations and also provides its customers many choices to easily inter-operate with the platform using their preferred mode of integration.

Our Operational Infrastructure Partners

Deep integration with ICICI Bank for Escrow Services & other transaction processing services

Virtual Account Facility for our transactions along with being a lender on the platform

Open Banking APIs and Nodal Account facility provided by Yes Bank

KredX Partnerships

KredX has entered into strategic partnerships with other counterparties involved in Global Trade such as :

- Shipping Companies
- Logistics Companies
- Digital platforms which are disrupting the logistics business
- Insurance companies for credit protection

Some of the key partnerships already signed are:

- DP World - A Govt of Dubai owned integrated logistics company operating in 103 countries
- Digital platforms such as Transpost, Odex etc.

02 | Process Flow

Process Flow:

Exporter delivers the goods or renders the services along with an invoice / BOE.

Exporter creates a ‘ Financing Unit’ on the platform with relevant details.

Standard trade documents are uploaded by the exporter on the platform.

The counterparty i.e the importer accepts the "financing unit". The bank details of the importer is captured. Importer’s bank is notified of the details.

The financing unit is made available to the onboarded financiers who notify the pricing to the exporter. Credit insurance is obtained.

Exporter accepts the best available pricing.

On acceptance, financing unit status changes to "financed" and notification is sent to the exporter and importer's banks.

The funds are disbursed by the financiers in T + 2 days.

Before the due date, notification will be sent to importer and their bank that the due date is approaching.

On due date, financiers receives funds from the importer.

Regulatory Perspective

- KredX has applied for a Treds licence this year with RBI. Why now ?
- The Overseas Direct Investment (ODI) framework allows for investment under automatic route in a wholly owned subsidiary (WOS) abroad under the following conditions:
  - the Indian entity being a registered entity with a regulatory authority for conducting financial services activities;
  - the Indian entity should have earned net profit during the preceding 3 financial years from such activity; and
  - the Indian should have fulfilled prudential norms relating to capital adequacy as prescribed by the concerned regulatory in India.
- As a result, even treds platforms today will not be able to set up a subsidiary under the ODI norms by RBI as:
  - their work does not fall under “financial services activities”
  - they are not profitable for the last three years.

Suggested Structure to set up in IFSC

- Roll out a “separate category” for technology companies (non-financial entities) to set up shop in IFSC under which platforms/exchanges will be able to setup their entity in IFSC.

- Benefits:

  - This will help them comply with ODI regulations in India.
  - Will motivate other technology companies to set up shop in IFSC.
  - IFSC will be able to invite new age startups which are creating a tectonic shift in the Indian ecosystem without worrying about being under “financial services”

Technology/Data Partners

SAP

aws

Azure

ATLASSIAN

Adobe

Metabase

TensorFlow

zapier

CRIF Together to the next level

experian

CIBIL CREDIT INFORMATION BUREAU (INDIA) LIMITED

India's Largest Supply Chain Finance Company

Our Investors

SEQUOIA

PRIME VENTURE PARTNERS

TIGERGLOBAL

Advisory Board

DR. R B Barman

Chairman of Research Advisory Committee of IDRBT,
Advisor to NPCI, Former Executive Director of RBI

Awards And Recognitions

Superstartups Asia 2019 - Silver Winner

Best Liquidity and investment solution (KredX and DBS)

Leading Global Fintech Innovators

Leading Global Fintech Innovators

Smart CEO

Top 100 Startups to Watch

Featured in Entrepreneur India

Startup of the Year - Discounting Platform

Thanks

Do you have any questions?

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