

DEBTORS WATCH

24x7 Virtual Credit Manager

It was reported that in spite of having a great business model, 10 out of 100 startups die due to delayed recoveries or non-recoveries from their customers. On review of Financial Statements of listed companies across various industries, it was identified that the bad debts expense accounts for 6-8% of their net profit.

Debtors Watch ('DW') is India's first web-based interactive portal that helps businesses of any form and size to report trade defaults, perform

credit checks and monitor their customer's creditworthiness real time. On CIBIL only Banks, NBFC's, Credit Card Companies report the defaults of their borrowers; and other lending institutions use the data for doing credit checks. Whereas DW is being used by businesses to report trade defaults against any Company, Partnership Firm, Sole Proprietor or any Body Corporate to recover money and alert others.

Using DW one could register (for free) and report



Startup Name: Debtors Watch
Domain: Finance
Founder: Deepanjan Periwal
Investment: Bootstarpped
URL: www.debtorswatch.com

their bad debts giving one last chance to their Debtors to pay their dues. DW sends email and text reminders to Debtors on reporting of default against them to pay their dues. Through its uniquely designed features like mandatory uploading of documents in support of the claim, PAN validation of all Users, DW ensures no false defaults are reported on its platform. It also provides an opportunity to the Debtor to defend the claim made by the reporter by documenting his/her response against the claim on DW platform.

Failure to meet the dues in stipulated time by the Debtor would lead to the facts of the above default being registered on DW portal which could be accessed by other users performing a credit check on this Debtor.

Apart from the user generated content, DW also gives access to its subscribers of the data aggregated by it from Ministry of Company Affairs (MCA) and courts and tribunals judgments. A subscriber can add a list of their customers to their watch list to monitor the creditworthiness of their customer on an ongoing basis.

Deepanjan Periwal founded Debtors Watch, he is a Chartered Accountant by profession and has over 9 years of working experience in Ernst & Young (EY), India and 3 years in the self-advisory role. Deepanjan says, "My 3 years into self-advisory role have given me enough flavor of bad debts. Bad Debts not only wipes away the revenues but also a part of your business profits. On experiencing it myself, I always wanted to know the recourse I could take against my debtors. Could I have done some background check before engaging with them? Could I do something which helped me recover my dues? But unfortunately, no answer existed

to these questions. These questions inspired me to start Debtors Watch."

DEBTORS WATCH FEATURES

- **Report a default for free** - Debtors Watch provides basic details of all Companies & LLP's in India, for ease of reporting a default. For Proprietor / Partnership Firm, a new business can be added to report a Default
- **Check Credit Worthiness** - Subscriber can check credit the worthiness of a customer before engaging with them
- **Email and Text Alerts** - Alerts are sent to Debtors to settle its dues within prescribed period to avoid the claim being reported as default
- **Monitor on a real-time basis** - Add a customer to Watch List and receive alerts for details of default, cross-directorship defaults or court judgments reported by others against your watchlisted customers.





- **Debtors Watch Logo on Invoices** - Subscribers can use Debtors Watch logo on the invoice which alerts the clients that non-payment could result in being reported on Debtors Watch.
- **Cross Directorship Defaults** - Debtors Watch looks into the directorships of the defaulted companies and alerts you for the cross-directorships.
- **Personal Dashboard** - A user-friendly informative dashboard summarizes the actions taken by you and action against your business by other members.
- **Cost Effective** - Report a default for free. The creditworthiness of a customer is available on payment of small subscription fee. Free Trial period of 30 days is available for all the features.

How does Debtors Watch work?

- **Registration**
Register/Login by filling in basic details like name, email, mobile, business PAN and nature. Free Trial of premium services is available for 30 days.
- **Report a default**
On reporting a default against a business, an email and text alert is sent to the Debtor with an opportunity to defend or make payment within 21 days with 2 subsequent reminders.
- **Check Credit Worthiness**
After subscribing to Debtors Watch, a member can check the credit worthiness of any business. Subscribed member can also add its customers/vendors to its watch list, to get alerted of any adverse reporting against them.
- **Access to Debt Collection Tools**
Upon Subscription, members are provided with Debtors Watch logo to use in the invoice. Members will also have access to payment reminder letters and facilitation in serving legal notices to the customers for non-payment.

The Cofounder crew had a discussion with Deepanjan and here is the summary of the discussion.

The Journey so far (When you launched, how far is the traction so far?)

We have got an overwhelming response since the launch of our platform. This is just the beginning! Nothing is left behind in the race for money. Our vision of helping businesses prevent bad debts and improve their cash flows will always keep us ahead.

What are your future plans with your startup?

Debtors Watch would continuously work on providing innovative tools to its customers. Our new service offerings may include (but will not be limited to) synchronization with accounting packages helping in automated reporting of defaults.

What is the biggest challenge you faced as an entrepreneur while establishing your startup? How did you overcome it?

It took us 6 months with a lot of research, industry inputs and at least 4 brains, storming with each other at any point in time to conceptualize the thoughts to this platform.

The determination to make Trade defaults reporting into a Business as Usual (BAU) to weed out the defaulters from the business community, kept us motivated to overcome any challenge.

What's your funding status?

Currently, we are a bootstrapped startup and will look for raising funds at an appropriate time in coming days.

Who are your competitors?

Debtors Watch is a first of its kind, user-friendly and affordable platform for all types of businesses across industries. It gives real time access to its users to a pool of factual data in the form of defaults registered on its platform.

With GST stepping in, India would become one market and interstate trades would require platform like DW to allow businesses to verify creditworthiness of a party before offering any credit period.

Debtors Watch would continuously work on providing innovative tools and new service offerings to be on top of any competition. ●

WHAT'S YOUR REVENUE MODEL?

Reporting of bad debts, access to debt collection tools is completely free, and monitoring of customers is based on the subscription plan. The subscription plan is depending on the number of clients you wish to add to your Watch List to monitor their creditworthiness.