BUSINESS PLAN · INDIA

Background-Verification Agency

Employment, education, identity & criminal checks for employers

HR-TECH

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Background-Verification (BGV) Agency** in India — a business that verifies job candidates and employees for employers: employment history, education, identity/address, criminal-record and court checks, credit/financial (where permitted), reference and database checks. Delivered on a per-check/per-package model with fast, accurate, compliant turnaround.

As hiring volumes and trust/compliance requirements rise, employers increasingly mandate background verification to reduce hiring risk, fraud and safety concerns. BGV is a high-volume, recurring, technology-and-process-driven service tied directly to hiring activity — with sticky client relationships and per-check economics that scale.

The promoter — a verification/operations professional — seeks total funding of **₹5.5 lakh** (₹2.0 lakh promoter + ₹3.5 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹28 lakh** revenue in Year 1 and **₹72 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: A fast, accurate, compliant BGV partner that helps employers hire with confidence — verifying candidates thoroughly and reporting clearly.

Vision: To be a trusted background-verification partner for employers in the region and beyond.

Mission: Deliver accurate, timely, compliant verifications that reduce hiring risk — with integrity and confidentiality.

Legal structure options

- **Private Limited / LLP** — recommended for credibility, data-liability and scale.
- **Proprietorship** — acceptable for a small start.

> **Compliance note:** BGV handles sensitive personal data and requires candidate consent, lawful verification methods, accuracy, and confidentiality. DPDP-aligned data handling and clear consent/authorisation are foundational; certain checks (criminal, credit) have specific legal/consent requirements.

3. Promoter & Ownership

Led by a promoter with BGV, operations or HR-verification experience. Delivery uses verification executives, field agents/partners, and a QA lead on a case-management platform. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

Background verification is now standard for organised hiring across IT, BFSI, retail, gig, healthcare and more, and volumes rise with hiring and gig-economy growth. Employers value accuracy, turnaround and compliance. The market spans high-volume commodity checks and higher-value comprehensive verifications, with room for reliable, tech-enabled providers.

Demand drivers

- **Hiring-risk & fraud reduction.**
- **Mandated BGV** in many sectors.

- **Gig-economy & volume hiring** growth.
- **Safety & trust** (customer-facing, in-home roles).
- **Compliance & audit** requirements.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Employment verifications in India	Very large
SAM	Reachable employers/checks in region/sectors	Large
SOM (Yr 1–3)	Checks/cases per year	6,000 → 18,000

Target segments

- IT/BPO and corporate employers.
- BFSI, retail and gig platforms (volume).
- Healthcare, education and staffing firms.
- SMEs needing selective verification.

5. Competition & Competitive Advantage

Landscape: large BGV firms, HR-tech verification platforms, and smaller agencies. The firm competes on turnaround, accuracy, compliance, coverage and service, with technology-enabled efficiency.

The firm's edge

- **Fast, accurate turnaround.**
- **Comprehensive check coverage** and reach.
- **Compliance & consent rigour.**
- **Technology-enabled workflow** and client portal.
- **Confidentiality & data security.**

6. Services & Pricing (per-check/package)

Check	Model	Indicative fee
Identity & address verification	Per check	Per-check
Employment verification	Per check	Per-check
Education verification	Per check	Per-check
Criminal / court record	Per check	Per-check
Comprehensive package	Per candidate	Bundle
Volume/enterprise contract	Volume rate + retainer	Negotiated

> Per-check volume drives revenue; comprehensive packages raise value per candidate; enterprise/volume contracts add recurring, predictable income.

7. Go-to-Market — Marketing & Sales

- **Employer & HR outreach** — direct and via HR networks.
- **Staffing/gig-platform partnerships** for volume.
- **Referrals & reputation** for turnaround/accuracy.
- **Digital presence** for "background verification / employee verification".
- **Enterprise BD** for large-volume contracts.

Sales approach

Win pilots → prove turnaround & accuracy → secure volume/enterprise contracts and retainers. Land-and-expand across a client's hiring; volume compounds.

8. Operations Plan

- **Location:** a secure office; verification is workflow- and partner-driven (field agents/databases).
- **Process:** case intake & consent → checks (employment, education, criminal, address) → verification via sources/field → QA → report → client delivery via portal.
- **Technology:** a BGV case-management platform, database integrations, field-agent network, and a client portal.
- **Quality & compliance:** QA, consent management, accuracy standards, TAT tracking, and secure data handling.
- **Capacity:** executives + field/partner network handle volume; scale by adding capacity and automation.

Check turnaround

Check	Source	Typical TAT
Identity/address	Databases/field	1–5 days
Employment	Employer/records	2–7 days
Education	Institution/records	3–10 days
Criminal/court	Court/records	3–10 days
Package	Combined	5–12 days

9. Regulatory, Licences & Compliance (India)

- **Business registration:** Pvt Ltd/LLP (preferred) or proprietorship; PAN/TAN; GST (fees attract GST); professional tax and Shops & Establishments as applicable.
- **Consent & lawful checks:** candidate consent/authorisation; lawful verification methods; specific requirements for criminal/credit checks.
- **Data protection:** DPDP-aligned handling; strong security; confidentiality; access controls; retention policies.
- **Accuracy & conduct:** factual, unbiased reporting; dispute-handling process.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3

Promoter / Operations Head	1	1	1
Verification Executive	2	5	8
QA / Compliance	1	2	3
Sales / Admin	1	2	2
Total (in-house)	**5**	**10**	**14**
Field agents / partners	(network)	(network)	(network)

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Entity, platform, field network, first clients
Launch	Month 1–3	First checks; TAT & QA proven
Traction	Month 4–9	Volume & enterprise contracts; break-even nears
Scale	Year 2	Automation; more sectors/geographies
Growth	Year 3	18,000 checks; recurring volume book

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results.

12.1 Project cost & means of finance

Capital requirement	₹
Office & fit-out	90,000
Computers & secure IT (5)	1,80,000
BGV platform & database access	1,10,000
Branding, website & marketing	50,000
Deposits & pre-operative	40,000
Working-capital buffer	80,000
Total project cost	**5,50,000**
Promoter contribution	2,00,000
Term loan (Mudra / CGTMSE)	3,50,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Per-check & package fees	22,00,000	42,00,000	56,00,000

Enterprise/volume contracts	4,00,000	10,00,000	13,00,000
Value-add (comprehensive/rush)	2,00,000	4,00,000	3,00,000
Total revenue	**28,00,000**	**56,00,000**	**72,00,000**
Salaries & wages	13,20,000	26,00,000	34,00,000
Field/partner & check costs	4,40,000	8,40,000	11,00,000
Platform, database & IT	2,40,000	3,60,000	4,60,000
Rent, marketing & admin	3,60,000	5,00,000	6,20,000
Interest on term loan	38,000	28,000	16,000
Total expenses	**23,98,000**	**43,28,000**	**55,96,000**
Net profit (before tax)	**4,02,000**	**12,72,000**	**16,04,000**
Net margin	14.4%	22.7%	22.3%

12.3 Unit economics & break-even

- **Per check:** fee above field/database cost; comprehensive packages and rush add margin.
- **Volume & automation** drive economics; enterprise contracts add predictability.
- **Break-even:** a threshold of monthly check volume — reached around month 8–10.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	80,000	60,000	90,000	1,55,000
Collections	4,80,000	6,60,000	7,90,000	8,70,000
Operating outflows	4,80,000	6,10,000	7,05,000	7,80,000
Loan EMI	20,000	20,000	20,000	20,000
Closing balance	**60,000**	**90,000**	**1,55,000**	**2,25,000**

> Check volume drives steady inflows as clients onboard; enterprise contracts add predictability. The buffer covers the ramp and check-cost outlays.

12.5 Key Performance Indicators to Monitor

- **Volume:** checks/month; clients; enterprise contracts.
- **Quality:** TAT; accuracy; dispute/insufficiency rate.
- **Economics:** margin per check; automation ratio; % recurring.
- **Compliance:** consent coverage; data-security incidents (zero).

13. Funding Requirement & Bankability

Total ask: **₹3.5 lakh term loan** against ₹2.0 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹4.02 lakh against annual debt service of ~₹1.2 lakh gives a **DSCR above 2.8**, improving with volume and enterprise contracts.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, BGV platform & database access	2,90,000	53%
Office setup & deposits	1,30,000	24%
Branding & marketing	50,000	9%
Working-capital buffer	80,000	15%
Total	**5,50,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Data breach / privacy	Strong security; DPDP alignment; access controls; consent
Inaccuracy / disputes	QA; verified sources; dispute-handling process; PI cover
Client concentration	Diversify employers & sectors; enterprise + SME mix
TAT pressure (volume)	Automation; capacity planning; field network
Source/database access	Multiple sources; partnerships; database subscriptions

15. SWOT Analysis

Strengths High-volume recurring; hiring-linked demand; scalable; sticky contracts.	**Weaknesses** Data-liability; TAT pressure; check-cost outlays; thin per-check margin.
Opportunities Mandated BGV; gig & volume hiring; automation; sector expansion.	**Threats** Large BGV firms; platform competition; privacy-regulation changes.

16. Recommended AiSevak Tools for This Business

This agency would use AiSevak's HR-Tech vertical tools in delivery:

- **Verification & hiring:** background-verification, candidate-consent and hiring-checklist tools; report templates.
- **Compliance:** data-consent and DPDP-aligned handling tools (Legal vertical).
- **Practice:** Business Plan, Break-even and Unit-Economics tools to model the agency.

17. Key Assumptions & Notes

- ~6,000 checks in Year 1 growing to ~18,000 by Year 3 across check types.

- Per-check fee above field/database cost; comprehensive packages add value.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Consent, accuracy and data security are foundational; figures exclude GST where applicable.

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Every tool referenced in this plan is available on **aisevak.in**. Open the **HR-Tech toolkit** to browse and use them all at **https://aisevak.in/verticals/hrtech** — or go straight to any specific tool at **https://aisevak.in/service/<tool-name>**. No signup needed to explore; each tool guides you step by step.