BUSINESS PLAN · INDIA

Loan / Credit Advisory (DSA)

Loan facilitation, DPRs, lender matching & scheme-linked credit

FINANCE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Loan / Credit Advisory (DSA) Business** in India — a Direct Selling Agent and credit-advisory firm that helps businesses and individuals secure the right financing: working-capital and term loans, business and MSME loans, home and loan-against-property, personal and vehicle loans, and government-scheme-linked credit (Mudra, CGTMSE, Stand-Up India). The firm sources borrowers, prepares bankable proposals and DPRs, matches them to the right lenders, and earns commission from lenders plus advisory fees.

India's credit gap — especially for MSMEs — is enormous, and borrowers struggle to navigate lender products, documentation and eligibility. A professional DSA/advisory bridges borrowers and lenders, earning payouts on disbursed loans while adding value through preparation and matching. It is a low-capital, high-scalability business with strong recurring-referral dynamics.

The promoter seeks total funding of **₹5.0 lakh** (₹1.75 lakh promoter + ₹3.25 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹30 lakh** revenue in Year 1 and **₹78 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: A credit-advisory and loan-facilitation firm that gets borrowers the right loan on the right terms — and gets lenders well-prepared, credit-worthy applicants.

Vision: To be the region's most trusted loan-advisory partner for MSMEs and individuals.

Mission: Match every client to the best-fit lender, maximise approval odds through strong preparation, and never mis-sell.

Legal structure options

- **Proprietorship** — simplest for a solo DSA start.
- **LLP** — recommended as the team and lender empanelments grow.
- **Private Limited** — for scaling into a multi-lender loan-distribution business.

> **Conduct note:** DSAs operate under lender agreements and RBI's outsourcing/fair-practices norms. Transparent disclosure of charges, no mis-selling, and lawful handling of borrower data are essential — reputation is the core asset in credit facilitation.

3. Promoter & Ownership

Led by a promoter with banking, lending or financial-services experience and lender relationships. Delivery combines borrower sourcing, proposal/DPR preparation and lender coordination. Year-one ownership rests with the promoter; relationship managers (sales) and a credit/documentation associate are added as volume grows. Ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's lending market is vast and growing, with a persistent MSME credit gap running into lakhs of crores. Borrowers face a confusing array of lenders and products, while banks and NBFCs rely on DSAs and advisors to source and prepare quality applicants. Digital lending and co-lending are expanding the channels a DSA can serve, widening the opportunity.

Demand drivers

- **MSME credit gap:** huge unmet demand for working-capital and term loans.
- **Product complexity:** borrowers need help choosing and qualifying across lenders.
- **Lender reliance on DSAs:** banks/NBFCs pay for sourced, well-prepared applicants.
- **Government schemes:** Mudra, CGTMSE, Stand-Up India create scheme-linked demand.
- **Digital & co-lending:** more products and faster disbursal expand the channel.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Credit-seeking MSMEs & individuals in India	Very large
SAM	Reachable borrowers in the firm's region/segments	Large & growing
SOM (Yr 1–3)	Loans facilitated / disbursed per year	120 → 350 cases

Target segments

- MSMEs needing working-capital and term loans.
- Businesses seeking loan-against-property or equipment finance.
- Individuals needing home, personal or vehicle loans.
- Scheme-eligible borrowers (Mudra/CGTMSE/Stand-Up India).

5. Competition & Competitive Advantage

Landscape: other DSAs and loan agents, online loan marketplaces, and bank branches. Many agents are transactional and opaque; the firm differentiates on preparation quality, honest advice and approval success.

The firm's edge

- **Bankable preparation** — strong proposals, DPRs and documentation that lift approval odds.
- **Multi-lender empanelment** — best-fit matching, not a single product push.
- **CIBIL & eligibility guidance** to improve borrower readiness.
- **Transparency & no mis-selling** — a reputation that drives referrals.
- **Scheme expertise** for subsidised/credit-guaranteed loans.

6. Services & Pricing

Service	Model	Indicative commercials
Loan sourcing & facilitation (DSA payout)	% of disbursed	0.5–2% of loan
Business-loan advisory & preparation	Advisory fee	5,000–50,000
Project report / DPR for loan	Per report	5,000–25,000
Working-capital assessment & limit setup	Project	10,000–60,000
CIBIL improvement & readiness	Per case	3,000–20,000
Loan restructuring / balance-transfer advisory	Per case	5,000–40,000

> Lender DSA payouts on disbursed loans are the core income; advisory, DPR and readiness fees add value and steadier revenue between disbursals.

7. Go-to-Market — Marketing & Sales

- **Referrals:** CAs, business networks, trade associations and satisfied borrowers — the primary channel.
- **Local presence & digital:** Google Business Profile and SEO for "business loan / MSME loan / loan against property near me".
- **Lender empanelment** across banks and NBFCs for product breadth.
- **Market & cluster outreach** to MSME and trade hubs.
- **Scheme camps** (Mudra/CGTMSE) with associations.

Sales funnel

Lead → eligibility & needs assessment → lender match & preparation → application & follow-up → disbursal & payout. Target a steady flow of disbursals per month, weighted to higher-ticket business loans.

8. Operations Plan

- **Location:** an accessible office near business/trade areas; much work is field and follow-up.
- **Process:** borrower profiling → document & CIBIL check → lender selection → proposal/DPR preparation → submission → lender liaison & follow-up → sanction & disbursal → payout reconciliation.
- **Technology:** lead/loan CRM, document tracker, and lender-product database.
- **Quality & compliance:** transparent disclosures; accurate documentation; lawful data handling; no mis-selling.
- **Capacity:** a relationship manager handles many concurrent cases; scale by adding RMs and expanding empanelments.

Loan products facilitated

Product	Borrower	Typical ticket
Working-capital / CC / OD	MSMEs	₹5L–5Cr
Business term loan	MSMEs	₹5L–2Cr
Loan against property	Business/individual	₹10L–5Cr
Mudra / scheme loans	Micro units	Up to ₹10L
Home / personal / vehicle	Individuals	Varies

9. Regulatory, Licences & Compliance (India)

- **Business registration:** proprietorship (via GST/Udyam) or LLP/Pvt Ltd.
- **DSA agreements** with banks/NBFCs; adherence to RBI outsourcing and fair-practices norms.
- **Udyam (MSME)**, PAN/TAN, **GST registration** (fees/commission attract GST), professional tax and Shops & Establishments as applicable.
- **Conduct & data:** transparent charge disclosure; no mis-selling; DPDP-aligned handling of borrower KYC and financial data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Principal Advisor	1	1	1
Relationship Manager (sales)	1	3	5
Credit / Documentation Associate	1	2	2
Admin / Tele-support	0	1	2
Total	**3**	**7**	**10**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Entity, DSA empanelments, CRM, lender database
Launch	Month 1–3	First disbursals; referral network active
Traction	Month 4–9	Steady monthly disbursals; RMs added; break-even nears
Scale	Year 2	Wider empanelments; higher-ticket book; digital leads
Growth	Year 3	350 cases/yr; multi-product distribution

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	1,00,000
Computers & peripherals (3)	1,40,000
CRM & lender database	55,000
Branding, website & lead generation	70,000
Deposits & pre-operative	45,000
Working-capital buffer	90,000
Total project cost	**5,00,000**
Promoter contribution	1,75,000
Term loan (Mudra / CGTMSE)	3,25,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
DSA payouts (disbursal commission)	21,00,000	42,00,000	56,00,000
Advisory & DPR fees	6,00,000	11,00,000	15,00,000
Readiness / restructuring fees	3,00,000	5,00,000	7,00,000
Total revenue	**30,00,000**	**58,00,000**	**78,00,000**
Salaries & incentives	14,40,000	27,00,000	36,00,000
Rent & utilities	2,20,000	2,80,000	3,40,000
CRM, database & IT	1,40,000	2,20,000	2,80,000
Marketing & lead generation	3,00,000	4,40,000	5,40,000
Admin, travel & misc	2,80,000	3,80,000	4,80,000
Interest on term loan	36,000	26,000	15,000
Total expenses	**24,16,000**	**40,46,000**	**52,55,000**
Net profit (before tax)	**5,84,000**	**17,54,000**	**25,45,000**
Net margin	19.5%	30.2%	32.6%

12.3 Unit economics & break-even

- **Per disbursal:** at ~1% payout, a ₹25 lakh loan yields ~₹25,000; higher-ticket loans drive economics.
- **Break-even:** a steady monthly disbursal volume plus advisory fees — reached around month 8–10.
- **Referral flywheel:** good outcomes generate referrals, lowering acquisition cost over time.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	90,000	70,000	1,15,000	2,15,000
Collections (payouts + fees)	4,50,000	7,00,000	8,80,000	9,70,000
Operating outflows	4,40,000	6,25,000	7,50,000	8,20,000
Loan EMI	30,000	30,000	30,000	30,000
Closing balance	**70,000**	**1,15,000**	**2,15,000**	**3,35,000**

> Payout timing follows disbursals; advisory and DPR fees provide steadier interim cash while the referral pipeline builds.

12.5 Key Performance Indicators to Monitor

- **Volume:** applications sourced; disbursals/month; total disbursed value.
- **Quality:** sanction/approval rate; average ticket size; rejection reasons.
- **Economics:** revenue per disbursal; blended payout %; cost per lead.
- **Referrals:** referral share; repeat-borrower rate.

13. Funding Requirement & Bankability

Total ask: **₹3.25 lakh term loan** against ₹1.75 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹5.84 lakh against annual debt service of ~₹1.1 lakh gives a **DSCR above 2.5** — bankable, improving strongly as disbursal volume scales.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, CRM & lender database	1,95,000	39%
Office setup & deposits	1,45,000	29%
Branding & lead generation	70,000	14%
Working-capital buffer	90,000	18%
Total	**5,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Payout dependence on disbursals	Advisory/DPR fees; multi-lender empanelment; strong preparation to lift approval rates
Lender policy / payout changes	Diversify across banks/NBFCs; deepen relationships
Mis-selling / reputational risk	Transparent disclosures; ethical advice; complaint-free focus
Credit-cycle downturns	Product diversity; scheme-linked and secured lending focus
Data security (borrower KYC)	Secure handling; access controls; DPDP alignment

15. SWOT Analysis

Strengths Low capital; scalable; huge credit demand; referral-driven; multiple income lines.	**Weaknesses** Payout timing depends on disbursals; lender-policy dependence; reputation-sensitive.
Opportunities MSME credit gap; digital & co-lending; scheme-linked loans; multi-product distribution.	**Threats** Online marketplaces; payout-rate cuts; credit-cycle downturns.

16. Recommended AiSevak Tools for This Business

This firm would use AiSevak's Finance vertical financing tools in delivery:

- **Financing:** Loan-Readiness, Loan-Matcher, WC-Limit, DPR Builder, Loan-Doc-Checklist, CIBIL-Improvement, EMI Modeller, Subsidy Finder, Loan-Restructuring, Invoice-Discounting.
- **Support:** Business Plan, Break-even and Unit-Economics tools to build client proposals and model the firm.

17. Key Assumptions & Notes

- ~120 disbursals in Year 1 growing to ~350 by Year 3, weighted toward business loans.
- Blended payout ~1% of disbursed value plus advisory/DPR fees — adjust to lender terms and ticket mix.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Figures exclude GST on fees/commission (pass-through) and promoter remuneration (editable input).

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