



BUSINESS PLAN · INDIA

Wealth-Management and Advisory Firm

Portfolio and financial planning for HNI clients

BFSI

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Wealth-Management & Advisory Firm** in India — a SEBI/AMFI-regulated firm that advises HNI, affluent & emerging-affluent clients on financial planning, portfolio construction & investment allocation, and distributes/manages investment products (mutual funds, PMS, AIF referrals, bonds, insurance) for a mix of **advisory fees + AUM/trail commissions**. Unlike a lender, this is an **asset-light** business — it carries no balance-sheet credit risk; its economics rest on **Assets Under Advice/Management (AUM), trail-income compounding, relationship-manager (RM) productivity & client retention**. It monetises India's rising financial wealth & the shift from physical to financial assets.

India's affluent & HNI population & financial-asset pool are growing fast, and investors increasingly want professional, holistic wealth advice beyond product-selling. A wealth-management firm is a **trust, advice & AUM business**: little capital, driven by RM talent, AUM-per-RM, product breadth, advice quality & — crucially — the **compounding trail-income annuity** that recurs on AUM year after year. Revenue blends **advisory/planning fees + AUM-based fees + trail commissions**; success rests on AUM growth & retention, RM productivity, advice quality/trust, product platform & compliance — it is AUM-, trail-, talent- & market-linked, asset-light (no credit/balance-sheet risk).

This is an asset-light, regulated advisory/distribution business — funded largely by promoter equity (low capex), with a modest working-capital line (services eligible). This plan models a wealth-management firm requiring **₹60 lakh** (₹42 lakh promoter + ₹18 lakh bank/WC finance), building toward **₹250 crore AUM** by Year 1 and **₹750 crore** by Year 3, with revenue as shown. *(Wealth management; AUM/trail/fee-driven, RM-productivity-led, asset-light, SEBI/AMFI-regulated — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A wealth-management & advisory firm - financial planning, portfolio advice & investment-product distribution/management for HNI/affluent clients, earning advisory + AUM + trail income, asset-light.

Vision: To grow & protect clients' wealth through trusted, holistic advice.

Mission: Put clients first - goal-based planning, suitable allocation, transparent advice & long-term relationships.

Legal structure & registrations

- **Company/LLP + AMFI ARN** (MF distribution), **SEBI RIA** (if fee-only advice), and/or tie-ups for PMS/AIF/insurance (IRDAI corporate agent/broker).
- **Note:** SEBI separates fee-only advice (RIA) from distribution (commission) — the firm structures its model accordingly (advice vs. distribution, or via segregation).

Regulatory anchor: wealth management is SEBI/AMFI/IRDAI-regulated (AMFI ARN for MF distribution, SEBI RIA for fee advice, PMS/AIF & insurance tie-up norms, suitability, disclosure, no mis-selling). It is asset-light — no lending/credit or capital-adequacy exposure — so economics rest on AUM, trail income, RM productivity & retention, not on a loan book. AUM growth/retention, RM productivity, advice quality/trust & compliance determine success; it is AUM-, trail-, talent- & market-linked.

3. Promoter & Ownership

Led by a promoter with wealth-management, private-banking, financial-planning or advisory expertise & HNI relationships. The team is RM-centric: relationship managers (client-facing/AUM), a research/advisory desk, product & operations, compliance & support. AUM-per-RM, advice quality, product platform & retention are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's affluent/HNI population, financial wealth & financialisation of savings are rising strongly, with investors seeking holistic, professional wealth advice & a shift from physical to financial assets (MFs, equities, PMS, AIFs, bonds). Demand is wealth-/financialisation-driven & market-linked. The market rewards AUM growth/retention, RM productivity, advice quality/trust, product breadth & compliance; it is AUM-, market-, talent- & trust-sensitive, met with advice quality, RM talent, platform & retention.

Demand drivers

- **Rising affluent/HNI wealth.**
- **Financialisation of savings** (physical → financial).
- **Demand for holistic advice** (beyond products).
- **MF/equity/PMS/AIF** growth & SIP culture.
- **Under-penetrated advisory** market.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Wealth/advisory in India	Large & fast-growing
SAM	Segment/geography & wealth-tier	Substantial
SOM (Yr 1–3)	AUM / clients	Scaling

Target segments

- HNI & UHNI clients.
- Affluent & emerging-affluent professionals.
- Business owners & families.
- NRIs (as permitted).

5. Competition & Competitive Advantage

Landscape: bank wealth/private-banking arms, large wealth firms & brokerages, IFAs/MFDs, RIAs & fintech wealth platforms. The firm competes on advice quality/trust, RM relationships, product breadth, service, transparency & performance/suitability.

The business's edge

- **Advice quality & holistic planning.**
- **RM talent & relationships (trust).**

- **Product breadth & open architecture.**
- **Retention & trail-book compounding.**
- **Transparency & suitability (no mis-selling).**

6. Products & Revenue Model

Stream	Model	Basis
MF distribution (trail)	Trail commission on AUM	Core recurring annuity
Advisory / planning fees	Fee (RIA/AUA-based)	Fee income
PMS / AIF (referral/distribution)	Commission/fee	HNI margin
Insurance & bonds/FDs	Commission	Cross-sell
Other (structured/estate/tax advice)	Fee	Value-added

The core is the **trail-income annuity on AUM** — it recurs & compounds as AUM grows & persists (a powerful book effect); advisory/planning fees, PMS/AIF & insurance/bonds add income & HNI margin. Economics = AUM × yield (trail + fees) – RM/opex; AUM growth/retention, RM productivity, product mix & trust drive it — the decisive wealth levers (asset-light, book-compounding).

7. Go-to-Market — Client Acquisition & Growth

- **RM-led acquisition** & referrals (HNI networks).
- **Thought leadership & events** (wealth insights).
- **Existing-client deepening & family** (wallet share).
- **Digital & content** (emerging-affluent).
- **Retention & service** (trail persistence).

Growth approach

Acquire clients via RMs, referrals & content → onboard with goal-based planning & suitable allocation → grow AUM & wallet share → retain via service & performance → compound the trail book & add RMs. AUM growth, RM productivity, advice quality & retention build a compounding, asset-light annuity book.

8. Operations Plan (advice + platform)

- **Advisory & RM model:** RMs manage client relationships & AUM, backed by a research/advisory desk (allocation, product selection, planning).
- **Process:** onboarding/KYC/risk-profiling → financial plan → allocation/product selection → execution/distribution → monitoring/rebalancing/reviews → retention/deepening.
- **Platform:** open-architecture products (MF/PMS/AIF/insurance/bonds), transaction & reporting platform, portfolio analytics.
- **Compliance:** AMFI/SEBI/IRDAI, suitability, disclosure, KYC/AML, no mis-selling; RIA/distribution segregation.
- **Tech:** CRM, portfolio-management/reporting, client portal, planning tools.

Client workflow

Stage	Activity	Metric
Acquire	RM/referral	New AUM
Plan	Goals/risk/allocation	Suitability
Invest	Product/execution	AUM/mix
Monitor	Review/rebalance	Retention
Deepen	Wallet share/family	AUM-per-client

9. Regulatory, Licences & Compliance (India)

- **AMFI ARN** (MF distribution — trail/commission).
- **SEBI RIA** (if fee-only advice; segregation from distribution).
- **PMS/AIF** distribution/referral norms; **IRDAI** (insurance corporate agent/broker).
- **Conduct:** suitability, disclosure, KYC/AML, no mis-selling; GST on fees.

10. Organisation & Manpower Plan (RM-centric)

Role	Yr 1	Yr 2	Yr 3
Promoter / leadership	1	2	3
Relationship managers (RMs)	6	13	24
Research / advisory desk	2	4	6
Product, operations & compliance	3	6	10
Support & admin	2	3	5
Total	14	28	48

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-3	Entity, ARN/RIA/tie-ups, platform, RM team, first clients
Ramp	Month 3-9	AUM build, advisory, trail book, retention
Traction	Month 9-12	AUM & clients; ₹250cr AUM
Expand	Year 2	More RMs, products, geographies, wallet share
Scale	Year 3	₹750cr AUM; compounding trail 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. Wealth management is asset-light (no balance-sheet credit risk); revenue is $AUM \times \text{blended yield (trail + fees)}$; trail income compounds with AUM & persistence; market movements affect AUM & income.

12.1 Project cost & means of finance

Capital requirement	₹
Office setup, fit-out & IT/platform	18,00,000
Working capital (RM salaries + build-up runway)	30,00,000
Platform, tools, licences & onboarding	8,00,000
Brand, BD & pre-operative	4,00,000
Total project cost	60,00,000
Promoter contribution	42,00,000
Bank / WC finance (services)	18,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Average AUM (assets under advice)	150,00,00,000	400,00,00,000	600,00,00,000
Trail + AUM-fee income (~0.9% blended)	1,35,00,000	3,60,00,000	5,40,00,000
Advisory fees, PMS/AIF & insurance/other	45,00,000	1,00,00,000	1,40,00,000
Total revenue	1,80,00,000	4,60,00,000	6,80,00,000
RM & advisory salaries	1,10,00,000	2,60,00,000	3,70,00,000
Platform, research & tools	25,00,000	45,00,000	60,00,000
Office, BD & overheads	30,00,000	55,00,000	75,00,000
Interest & other	5,00,000	7,00,000	8,00,000
Total expenses	1,70,00,000	3,67,00,000	5,13,00,000
Net profit (before tax)	10,00,000	93,00,000	1,67,00,000
Net margin	5.6%	20.2%	24.6%

12.3 Unit economics & key ratios

- **AUM × blended yield:** trail (~0.5–1% on MFs) + AUM/advisory fees + PMS/AIF/insurance income; the trail is a recurring annuity that **compounds as AUM grows & persists** — new AUM stacks on the existing book.
- **RM productivity & retention:** AUM-per-RM & client retention/persistence are the make-or-break levers; RMs are the cost & the growth engine; margins expand strongly as the trail book compounds over RM cost.

- **Market linkage:** AUM (and income) move with markets; diversification, SIPs & advice-led retention reduce volatility; no credit/balance-sheet risk (asset-light).

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	4,00,000	3,60,000	3,70,000	4,00,000
Trail, fee & commission collections	30,00,000	42,00,000	50,00,000	58,00,000
RM salaries, platform & operating	30,40,000	41,90,000	49,70,000	57,20,000
Closing balance	3,60,000	3,70,000	4,00,000	4,80,000

Asset-light & no credit risk, but RM-salary-led with a build-up period before the trail book covers cost — the early-stage cash gap is the main risk. RM productivity, retention, the compounding trail annuity & a modest WC line manage cash; the key risks are AUM-build-up lag, market downturns (AUM/income dip), RM attrition (AUM walks) & mis-selling/compliance — met with productivity, retention, diversification & conduct.

12.5 Key Performance Indicators to Monitor

- **AUM:** total AUM; net new AUM; AUM-per-RM; retention/persistence.
- **Income:** blended yield; trail vs. fee mix; recurring share.
- **Productivity:** RM productivity; clients/RM; wallet share.
- **Finance:** revenue/RM; net margin; cost-to-income.

13. Funding Requirement & Bankability

Total ask: **₹18 lakh bank/WC finance** against ₹42 lakh promoter contribution — a modest working-capital line for RM salaries & the AUM build-up runway on a low-capex, asset-light base. Unlike a lender, there is **no lending capital, no NOF/CRAR & no credit risk** — the value is the compounding trail-book annuity. Bankability/fundability rests on AUM growth, RM productivity, retention & the recurring trail book; margins expand strongly as AUM compounds over fixed RM cost. Year-1 profit is thin (build-up) growing to ₹1.67 crore as the book compounds. AUM growth/retention, RM productivity, advice quality & compliance underpin the model.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (RM salaries + build-up runway)	30,00,000	50%
Office setup, fit-out & IT/platform	18,00,000	30%
Platform, tools, licences & onboarding	8,00,000	13.3%
Brand, BD & pre-operative	4,00,000	6.7%
Total	60,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
AUM build-up lag / early cash gap	RM productivity, referrals, WC runway, cost discipline
Market downturn (AUM/income dip)	Diversification, SIPs, advice-led retention, fee mix
RM attrition (AUM walks with RM)	Retention, client-firm relationships, incentives, service
Mis-selling / suitability / compliance	Suitability, disclosure, RIA/distribution segregation, conduct
Competition / fee compression	Advice quality, product breadth, service, HNI focus

15. SWOT Analysis

Strengths Asset-light, no credit risk; compounding trail annuity; rising wealth market; high-margin at scale; scalable via RMs.	Weaknesses AUM-build-up lag; market-linked income; RM-dependent (attrition); trust/compliance-critical.
Opportunities Rising HNI/affluent wealth; financialisation; holistic advice; PMS/AIF; digital; NRI; wallet-share deepening.	Threats Market downturns; fee compression; bank/fintech competition; RM poaching; regulatory (RIA/distribution) shifts.

16. Recommended AiSevak Tools for This Business

This wealth-management firm would use AiSevak's BFSI vertical tools in delivery:

- **Advisory ops:** financial-planning/risk-profiling & portfolio-allocation, AUM/trail-book & retention/persistence, RM-productivity & CRM tools.
- **Products & compliance:** MF/PMS/AIF/insurance-platform & suitability/disclosure, AMFI/SEBI/IRDAI-compliance & reporting tools (with Legal & Finance verticals).
- **Practice:** Business Plan, AUM/trail-yield and Break-even tools to model the firm — and planning/portfolio analytics clients value.

17. Key Assumptions & Notes

- Wealth management is ASSET-LIGHT & regulated (SEBI/AMFI/IRDAI) — NO lending/credit/capital-adequacy risk; economics rest on AUM, trail-income compounding, RM productivity & retention, not a loan book.
- Revenue = AUM × blended yield (trail + advisory/AUM fees + PMS/AIF/insurance); the trail is a recurring, compounding annuity; margins expand as AUM stacks over fixed RM cost.
- Largely equity-funded (low capex) + modest WC for RM salaries/build-up; ARN/RIA/PMS/insurance registrations; suitability & no mis-selling.
- AUM growth/retention, RM productivity, product mix & market conditions drive economics; figures illustrative; regulated, not investment advice.

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