

Executive Summary

NavDhan is Kubar's flagship embedded finance marketplace designed to solve India's ₹25 lakh crore MSME credit gap. We're building intelligent credit infrastructure that lives inside the platforms where small businesses already work—ONDC marketplaces, IndiaMart, Government e-Marketplace (GeM), and ERP systems like Tally and SAP.

The Big Idea: Credit should be invisible infrastructure, not a separate hassle. When a textile merchant on ONDC receives a bulk order but lacks inventory capital, NavDhan automatically offers pre-approved financing within the order confirmation screen. No separate apps, no paperwork, no waiting—just instant access to growth capital.

The Problem We're Solving

The Market Reality

India has 64 million micro, small, and medium enterprises (MSMEs). They contribute 30% of our GDP and employ over 110 million people. Yet only 14% can access formal credit from banks.

Why? Three systemic failures:

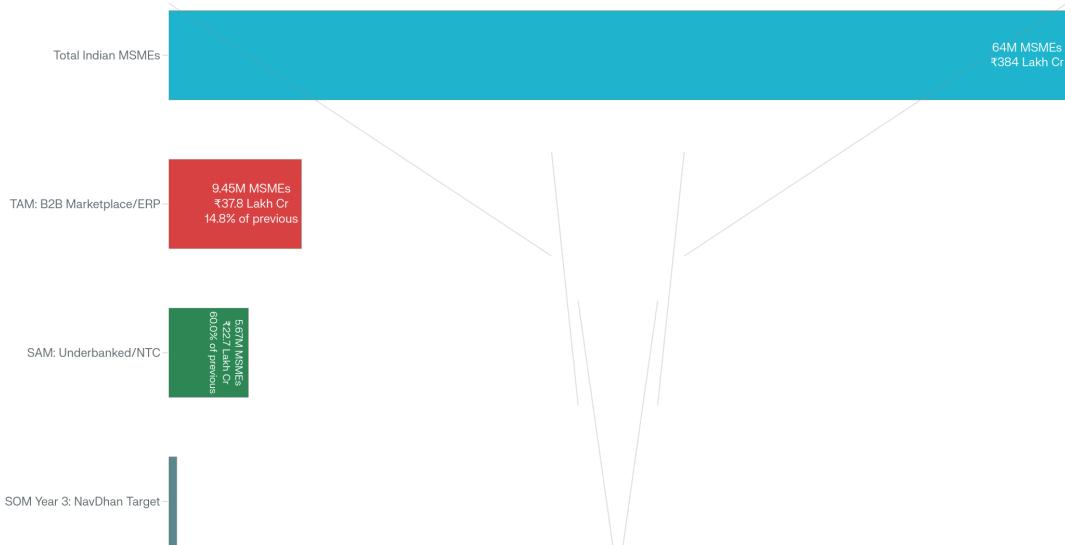
1. **Data Fragmentation:** MSMEs leave digital footprints across GST portals, UPI payments, marketplace transactions, and bank accounts—but these data sources don't talk to each other. Lenders can't see the full picture.
2. **Broken Economics:** Traditional banks spend ₹3,000-5,000 to manually underwrite each loan (field visits, document verification, credit committees). With typical MSME needs of ₹3-5 lakh and 10-12% lending spreads, banks

lose money on every small loan. That's why they set ₹10 lakh minimums that exclude micro and small businesses.

3. **No Industry Intelligence:** A textile business in Surat has completely different cash flow patterns than a manufacturing unit in Pune or an FMCG distributor in Coimbatore. Generic credit scoring treats them all the same and gets it wrong.

The Human Impact: 80% of MSMEs rely on informal lending—local moneylenders charging 24-36% annual interest. This crushes their ability to grow, invest, or even survive cash flow crunches.

Market Opportunity Funnel: From 64M MSMEs to 567K Target



Our Solution: NavDhan

What We're Building

NavDhan is a **two-sided marketplace** connecting:

- **Supply Side:** Millions of MSMEs operating on digital B2B platforms
- **Demand Side:** NBFCs, banks, and MFIs looking for high-quality MSME borrowers

But we're not just a marketplace—we're the **complete credit infrastructure layer** that makes embedded lending possible.

The Three Core Innovations

1. Sector-Specific AI Credit Models

Unlike competitors using generic scoring, we build separate AI models for each industry vertical:

- **Textiles Model:** Understands seasonal inventory cycles, festival demand spikes, raw material procurement lead times, and inventory turnover patterns for cotton versus silk
- **Manufacturing Model:** Factors in machinery depreciation, component procurement timing, work-in-progress inventory values, and order book strength
- **FMCG Distribution Model:** Incorporates fast-moving inventory velocity, distributor margin structures, brand credit terms, and geographic market dynamics
- **Heavy Machinery Model:** Accounts for project-based cash flows, equipment financing needs, long sales cycles, and payment milestone patterns

Each model trains on 150+ alternative data points (versus 8-12 in traditional bureau scoring) including:

- GST invoice patterns and filing consistency
- UPI transaction frequency, amounts, and counterparty diversity
- Marketplace seller ratings, order volumes, and fulfillment rates
- ERP-derived inventory turnover, supplier payment behaviors, and customer concentration
- Seasonal patterns and growth trajectories

Tech Team Note: These are gradient boosting and neural network models that continuously learn from repayment patterns. Each new loan makes the sector model smarter in ways generic horizontal models can't replicate.

2. Embedded Distribution

Credit assessments trigger automatically within business workflows where MSMEs operate:

- **ONDC Integration:** When a seller receives an order exceeding their inventory capacity, our widget detects the capital gap and generates instant pre-approved offers within the order confirmation screen
- **IndiaMart Integration:** Suppliers browsing purchase requests see contextual financing offers tied to specific opportunities
- **GeM Integration:** Vendors awarded government contracts receive automatic invoice financing offers to fulfill orders
- **ERP Integration (Tally/SAP):** Users recording large sales invoices get embedded receivables financing offers

Product Team Note: This contextual triggering eliminates the entire "loan discovery and application" journey. Credit becomes infrastructure that activates when needed, not a product users have to seek out.

Creative Team Note: The UX challenge is making credit offers feel helpful, not intrusive. The widget needs to feel native to each platform while maintaining NavDhan branding that builds trust.

3. Full Lifecycle Automation

Most competitors stop at credit scoring. We own the entire journey:

Origination (Under 5 Minutes):

- Real-time data fetch from Account Aggregator, GST portal, UPI rails
- Instant ML risk scoring via sector-specific model
- Automated offer generation with dynamic pricing based on risk tier
- Digital KYC via Aadhaar eSign and video verification

Disbursement (Under 1 Hour):

- Automated lender approval workflow via API
- UPI-based instant fund transfer to business account
- Automated agreement generation and digital signing
- Real-time notification via SMS, WhatsApp, and in-platform alerts

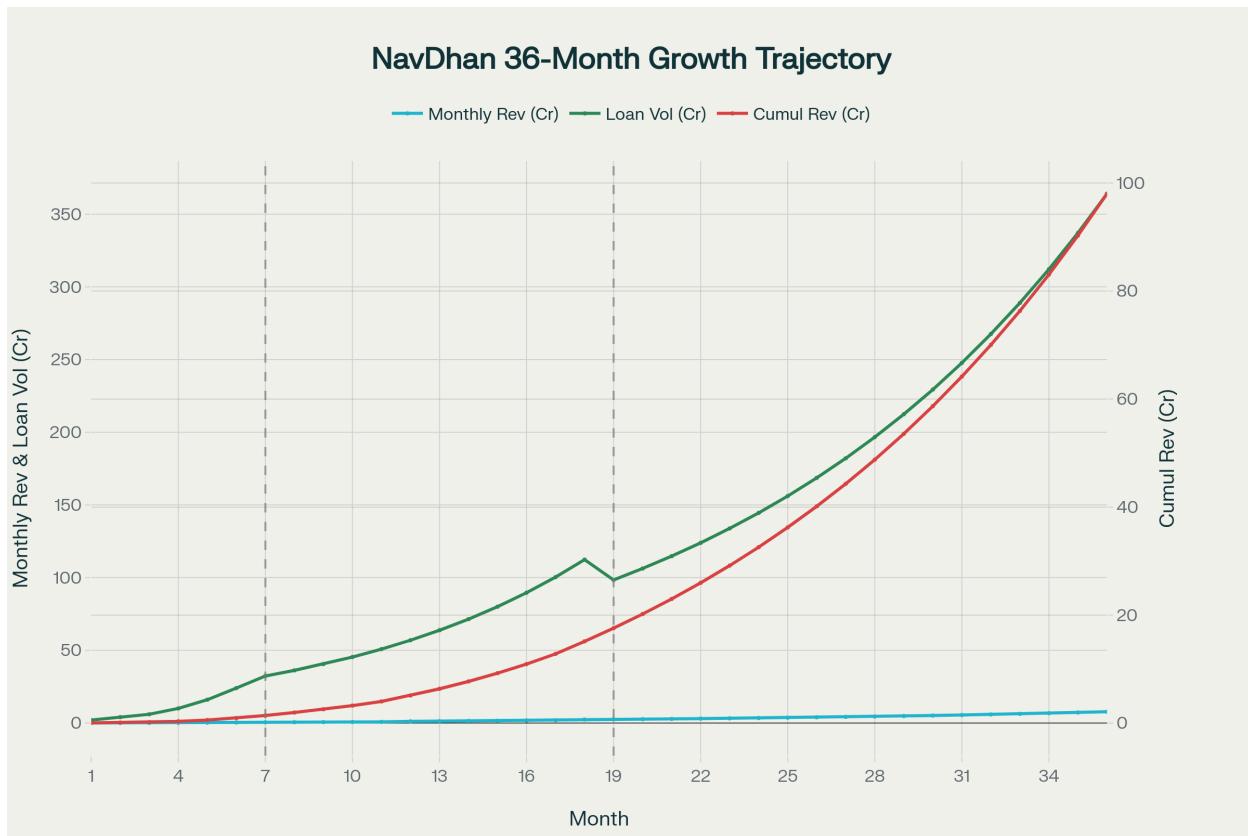
Servicing (Ongoing):

- Intelligent repayment schedules aligned with industry cash flow patterns (e.g., textile businesses repay after seasonal peaks, not fixed monthly EMIs)
- Automated collections through UPI auto-debit and e-NACH mandates
- Real-time portfolio monitoring tracking business performance from integrated data sources
- Predictive early warning systems using ML to flag potential defaults 30-45 days in advance based on declining transaction volumes or delayed supplier payments

Recovery (If Needed):

- Automated progressive collection strategies
- Restructuring and settlement workflows
- Integration with recovery partners for stressed accounts
- End-to-end reconciliation and reporting for lenders

Tech Team Note: The entire stack is API-first microservices architecture. Each component scales independently. We're not building a monolith—we're building infrastructure that other platforms plug into.



The Economics That Make It Work

Revolutionary Unit Economics

Our Variable Cost Per Loan: ₹74

- ₹40: Account Aggregator data fetches (2 pulls)
- ₹10: Credit bureau soft pull
- ₹15: eKYC verification
- ₹5: Payment gateway fees
- ₹4: ML inference costs

Industry Standard: ₹3,000-5,000 per loan

This 40x cost advantage changes everything:

- We achieve 98.8% gross margins versus 60-70% for traditional lenders
- We're profitable on ₹3 lakh ticket sizes where banks need ₹10 lakh minimum to break even
- We can serve the long tail of MSMEs that the financial system currently ignores

Why This Works

Zero Customer Acquisition Cost:

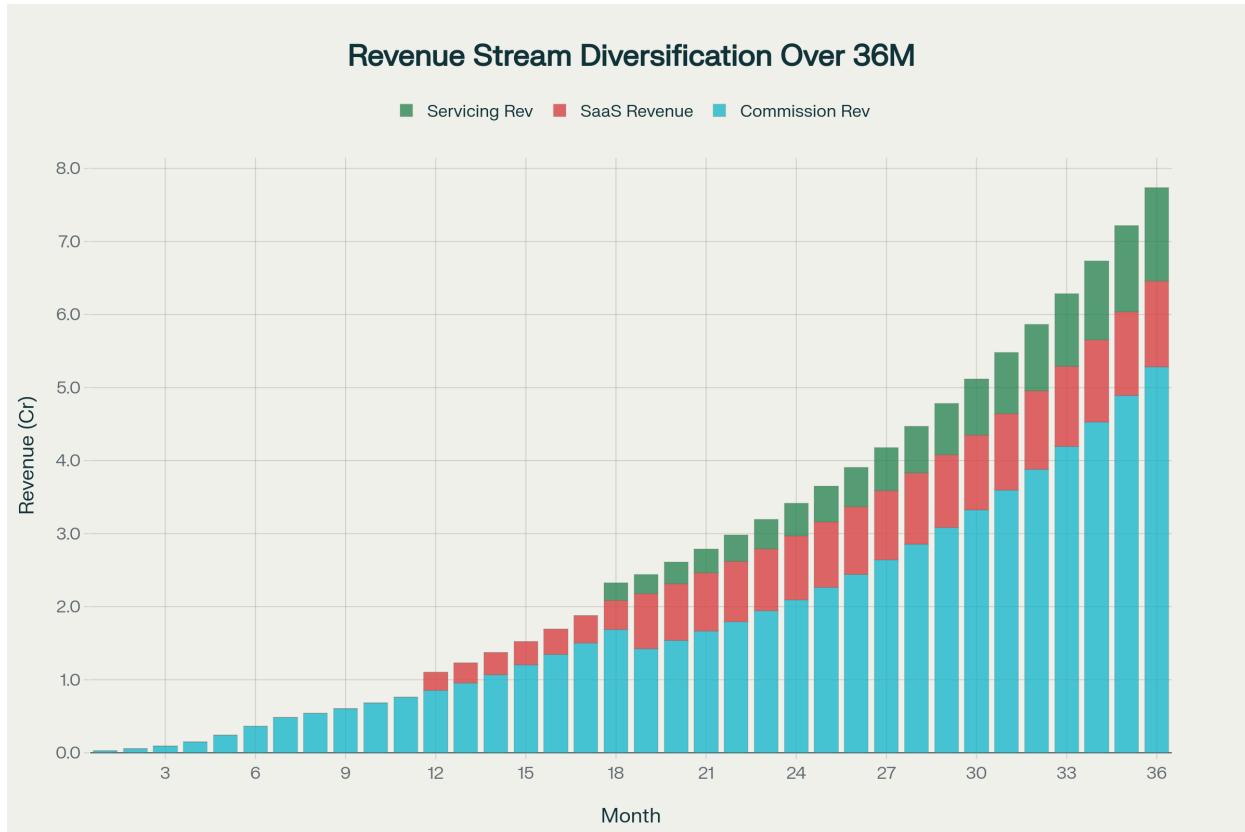
Embedded distribution means MSMEs discover credit within their existing workflows. No Google ads, no DSA commissions, no field agent salaries—just API integrations that deliver leads 15-20x cheaper than traditional channels.

Asset-Light Model:

We don't hold loans on our balance sheet initially. We connect MSMEs to lenders, earn transaction commission, and maintain high margins with minimal capital requirements.

Network Effects:

More MSMEs attract more lenders. More lenders mean better rates for MSMEs. Better rates attract more MSMEs. Each sector model improves with volume, creating a defensible data moat.



Market Positioning

Who We Serve

Primary Customers (B2B):

NBFCs, banks, and MFIs seeking MSME lending distribution

Initial Target:

- Mid-sized NBFCs (₹500-2,000 Cr AUM) struggling with expensive DSA networks
- Private sector banks expanding MSME books but lacking tier 2-4 city reach
- Fintech-enabled lenders with digital infrastructure but no embedded customer touchpoints

End Beneficiaries (B2B2C):

Micro and small enterprises (₹50L-₹10Cr annual turnover) on digital platforms

Priority Sectors (Year 1):

1. **Textiles:** Surat, Tiruppur, Ludhiana (1.2M addressable MSMEs)
2. **Manufacturing:** Pune, Coimbatore, Faridabad (2.5M MSMEs)
3. **FMCG Distribution:** Tier 2-3 cities (800K MSMEs)
4. **Heavy Machinery:** Industrial clusters nationwide (350K MSMEs)

Geographic Focus:

Tier 2-4 cities where credit access is most constrained and competition is lowest

The Market Opportunity

Total Addressable Market (TAM): ₹15 lakh crore

9.45M MSMEs across digital B2B platforms and ERPs

Serviceable Addressable Market (SAM): ₹9 lakh crore

5.67M digitally-active, underbanked/thin-file MSMEs

Serviceable Obtainable Market (SOM - 3 Years): ₹28,000 crore

567K MSMEs served across 30+ cities, 20+ FI partners, 10+ sectors

How We're Different

Versus Perfiios PCG:

They provide horizontal credit underwriting APIs. We build deep vertical models + embedded distribution + full servicing. They charge 0.5-1% for data aggregation.

We justify 1.5% through superior lead quality and lifecycle automation.

Versus FinBox Prism:

They offer generic alternative data scoring as point solution. We deliver complete embedded lending infrastructure from customer acquisition through recovery with industry-specific intelligence.

Versus M2P Fintech:

They position as horizontal middleware for lenders to build products. We own the end-to-end embedded experience including MSME-facing interfaces. Their customers still solve distribution; we deliver distribution as core value.

Versus Vayana Network:

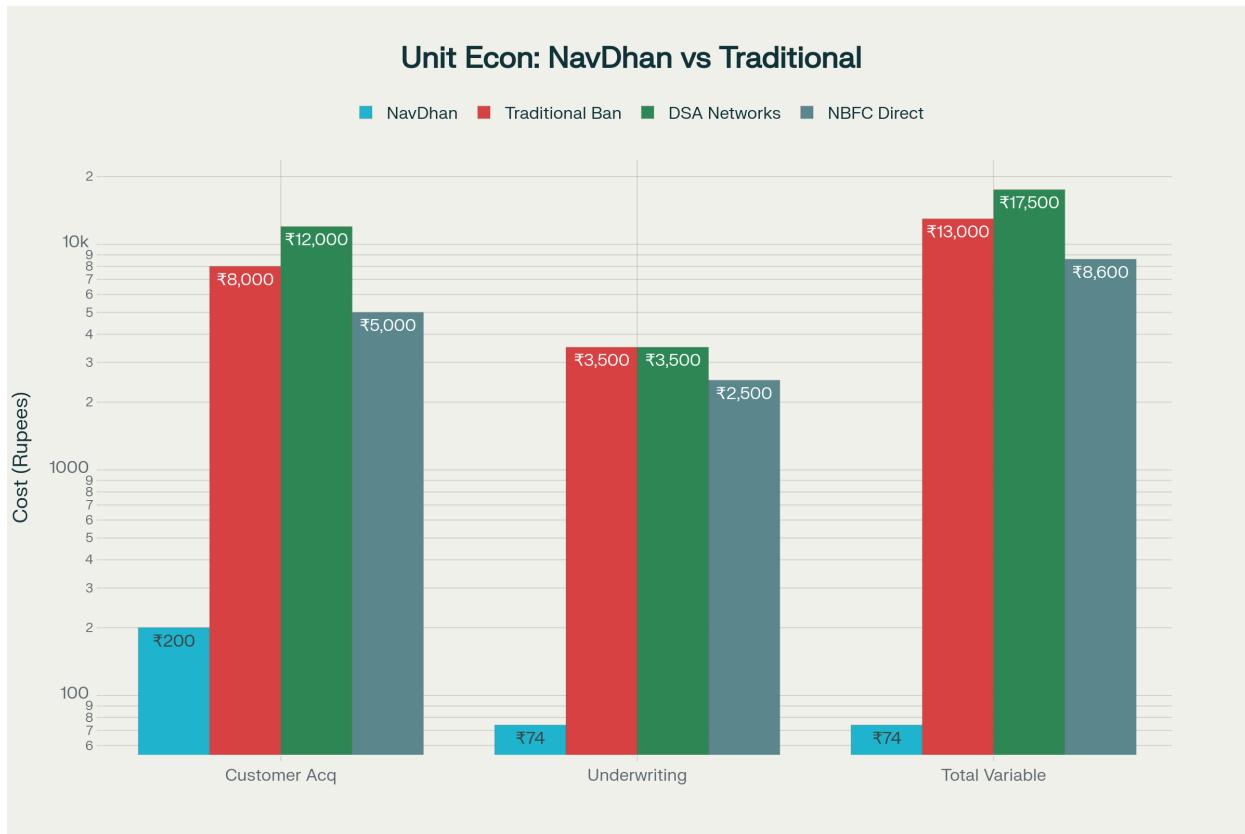
They focus on anchor-led supply chain finance with large ticket sizes (₹25L+). We serve the long tail on open marketplaces with ₹3-5L tickets through superior unit economics.

Versus Traditional DSAs:

They charge 2-4% commission with manual processes and low approval rates. We deliver 1.5% automated commission with 35-40% approval rates versus 15-20% industry standard.

Our Moat:

Only player combining sector-specific AI + embedded marketplace distribution + full lifecycle automation + 40x cost advantage. First-mover in vertical learning curves creates compounding defensibility.



The Product Stack

For Tech Team: System Architecture

Layer 1: Data Orchestration

- **Input Sources:** Account Aggregator APIs, GST portal integration, UPI transaction stream connectors, marketplace APIs (ONDC, IndiaMart, GeM), ERP plugins (Tally, SAP)
- **Processing:** Real-time data normalization, schema mapping, data quality validation, PII encryption
- **Storage:** Multi-tenant data lake with purpose-limited access controls
- **Tech Stack:** Apache Kafka for streaming, PostgreSQL for structured data, S3 for document storage, Redis for caching

Layer 2: Credit Intelligence

- **ML Models:** Gradient boosting (XGBoost, LightGBM) for sector-specific risk scoring
- **Features:** 150+ engineered features per sector including time-series patterns, network effects, and behavioral signals
- **Model Ops:** Version control, A/B testing framework, model drift monitoring, automated retraining pipelines
- **Inference:** Real-time scoring API with <2 second latency
- **Tech Stack:** Python (scikit-learn, TensorFlow), MLflow for experiment tracking, Kubernetes for model serving

Layer 3: Embedded Distribution

- **Integration Methods:** REST APIs, SDK libraries, embeddable widgets (React components)
- **Authentication:** OAuth 2.0, JWT tokens, API key management
- **Rate Limiting:** Per-partner throttling, request queuing, priority lanes for premium partners
- **Monitoring:** Real-time dashboard tracking API usage, error rates, latency metrics
- **Tech Stack:** Node.js/Express for API gateway, React for widget library, Kong for API management

Layer 4: Lifecycle Management

- **Origination:** Automated workflow engine, digital signature integration (eSign), KYC verification APIs
- **Disbursement:** Payment gateway integration (Razorpay, Cashfree), UPI autopay setup, mandate management
- **Collections:** e-NACH integration, automated reminder workflows, payment retry logic

- **Monitoring:** Portfolio analytics dashboard, early warning system, delinquency prediction models
- **Tech Stack:** Temporal for workflow orchestration, PostgreSQL for transaction management, Metabase for analytics

Non-Functional Requirements:

- **Scalability:** Horizontal scaling to handle 10K+ transactions per day by Year 2
- **Availability:** 99.9% uptime SLA for core APIs
- **Security:** SOC 2 Type II compliance, data encryption at rest and in transit, regular penetration testing
- **Compliance:** RBI Digital Lending Guidelines adherence, DPDP Act compliance, audit trail for all credit decisions

For Creative Team: Brand & Experience

Brand Positioning:

NavDhan = "Navigation to Wealth" in Hindi. We're the GPS for MSME financial growth.

Brand Personality:

- **Trustworthy:** We handle people's money and livelihoods—trust is non-negotiable
- **Empowering:** We're here to help businesses grow, not extract value
- **Intelligent:** AI-powered but human-centered
- **Accessible:** Simple language, no banking jargon, local language support

Visual Identity (To Be Developed):

- Modern, professional yet approachable
- Colors that convey trust (blues) with growth optimism (greens)
- Icons that represent connection, growth, and automation

- Responsive design system for embedded widgets across platforms

Key Experience Principles:

1. Contextual, Not Intrusive:

Credit offers appear when relevant (e.g., after receiving large order) but never block primary workflows

2. Transparent Pricing:

All-in interest rates, no hidden fees, clear repayment schedules before acceptance

3. Progress Visibility:

Real-time status updates from application through disbursal via SMS, WhatsApp, in-app notifications

4. Bilingual by Default:

English + Hindi initially, expanding to regional languages (Tamil, Telugu, Marathi, Gujarati) based on geographic rollout

5. Mobile-First:

Most MSME owners operate on smartphones. Desktop is secondary.

Creative Deliverables Needed:

- Embeddable widget designs for ONDC, IndiaMart, GeM (white-labeled with partner co-branding)
- Standalone web app for direct lender partnerships
- SMS and WhatsApp message templates (compliant with DLT regulations)
- Email templates for key milestones (approval, disbursal, repayment reminders)
- Explainer videos for MSMEs ("What is NavDhan?", "How to apply?", "Understanding your credit score")

- Lender-facing dashboard designs (portfolio view, risk analytics, performance metrics)
- Marketing collateral for FI partnerships (pitch decks, one-pagers, case studies)

For Product Team: Feature Roadmap

Phase 1: MVP (Months 1-6) - Foundation

Goal: Validate product-market fit with 1,000+ loans

Must-Have Features:

- ONDC marketplace integration (checkout financing)
- Account Aggregator integration for bank statement analysis
- GST portal integration for invoice verification
- Single sector model (textiles) with 100+ features
- Automated credit scoring and offer generation
- Digital KYC via Aadhaar eSign
- UPI-based disbursal
- Basic repayment tracking
- Lender dashboard (2 NBFC partners)
- SMS/email notifications

Success Metrics:

- 1,000 loans originated
- 30%+ approval rate
- <5 minute credit decision time
- <1 hour disbursal time
- <5% technical error rate

Phase 2: Scale (Months 7-18) - Expansion

Goal: Prove multi-platform, multi-sector scalability

Key Features:

- IndiaMart integration (supplier financing)
- GeM integration (government vendor financing)
- Three additional sector models (manufacturing, FMCG, heavy machinery)
- Advanced risk monitoring and early warning system
- Automated collections engine (e-NACH, UPI autopay)
- Restructuring and settlement workflows
- SaaS analytics platform for lenders
- WhatsApp notifications and chatbot support
- Regional language support (Hindi, Tamil, Telugu)
- Borrower self-service portal (loan status, repayment history)
- Lender onboarding automation (7 FI partners)

Success Metrics:

- 15,000 cumulative loans
- ₹606 Cr portfolio
- 4 platform integrations live
- 4 sector models deployed
- 35%+ approval rate
- 7 active FI partners
- EBITDA positive

Phase 3: Maturity (Months 19-36) - Ecosystem

Goal: Become India's default embedded MSME credit infrastructure

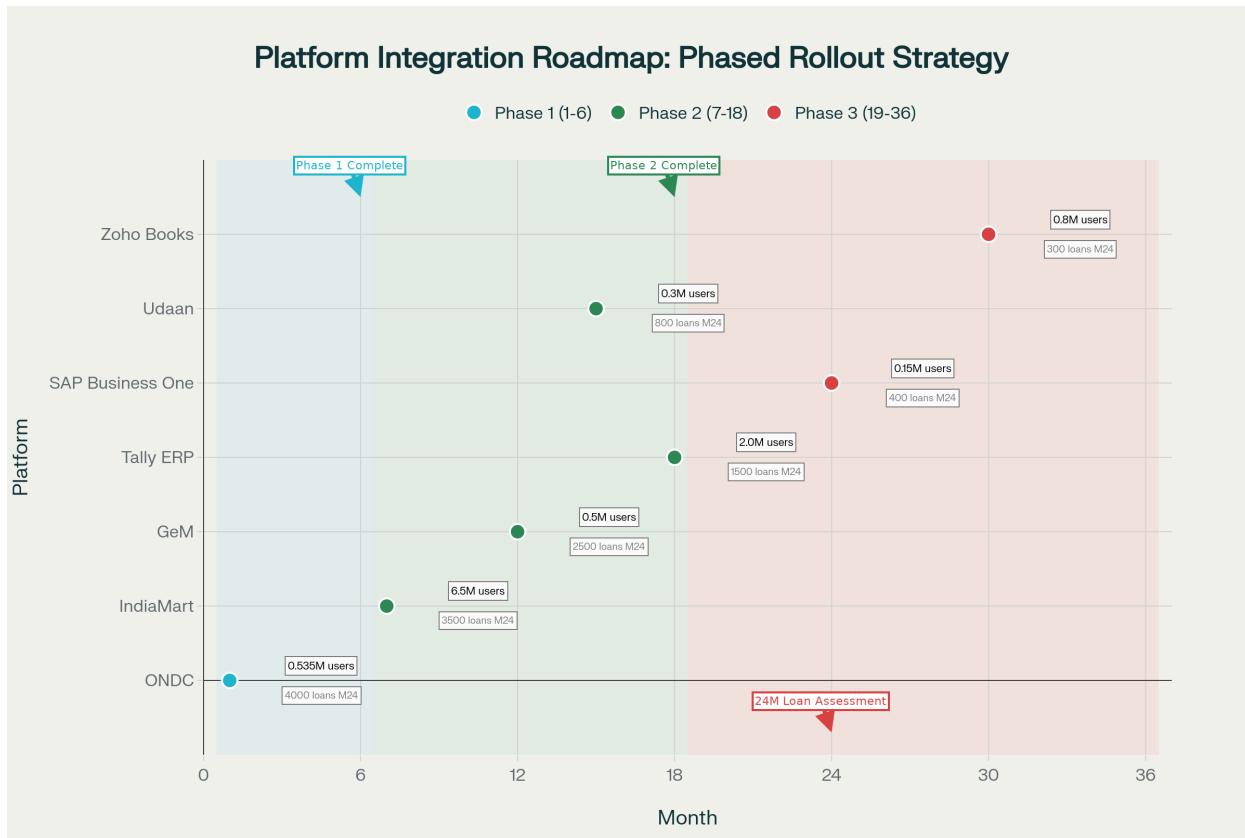
Key Features:

- ERP integrations (Tally, SAP, Zoho Books)

- 10+ sector models with automated model selection
- Co-lending orchestration platform (post-NBFC license)
- Marketplace 2.0: multiple lenders compete for each MSME
- Credit line products (revolving working capital)
- Cross-sell financial products (insurance, payments, accounting software)
- API marketplace for third-party data partners
- Advanced fraud detection and prevention
- Portfolio stress testing and scenario analysis
- Automated regulatory reporting (RBI returns, CIBIL uploads)
- Full WhatsApp-native lending journey
- Voice-based application for low-literacy users

Success Metrics:

- 100,000+ cumulative loans
- ₹10,000+ Cr facilitated
- 20+ FI partners
- 10+ platform integrations
- 10+ sector models
- 30+ cities
- 40%+ approval rate
- Series A readiness



Revenue Model

How We Make Money

Stream 1: Transaction Commission (70-75% of Year 1 Revenue)

- 1.5% on each successful loan disbursal
- Example: ₹5 lakh loan = ₹7,500 commission
- Paid by lending partner, not MSME
- Year 1 Target: 15K loans × avg ₹4.04L = ₹606 Cr portfolio → ₹9.09 Cr commission

Stream 2: SaaS Subscriptions (10-15% from Year 2)

- Tiered monthly pricing for lender tools:

- Starter: ₹25K/month (basic analytics)
- Growth: ₹50K/month (advanced risk tools)
- Enterprise: ₹1L/month (custom integrations, white-label)
- Launched Month 12
- Target: 30-40% adoption across FI partners by Year 2

Stream 3: Servicing Fees (15-20% from Year 2)

- 0.3-0.5% of outstanding portfolio for post-disbursal management
- Covers collections, monitoring, recovery coordination
- Recurring revenue that grows with portfolio size
- Example: ₹600 Cr portfolio \times 0.4% = ₹2.4 Cr annual servicing revenue

Stream 4: Co-Lending Income (Future - Year 3+)

- Post-NBFC license, retain 20-25% exposure on loans
- Earn 8-10% net interest margin on retained portfolio
- Transforms from pure infrastructure to hybrid model
- Unlocks 3-5x revenue expansion potential

Pricing Rationale:

- DSA commission: 2-4% (manual, low approval rates)
 - Perfios/FinBox: 0.5-1% (data only, no distribution or servicing)
 - **NavDhan: 1.5%** (complete infrastructure, high approval rates, full automation)
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Go-to-Market Strategy

Phase 1: Foundation (Months 1-6)

Platform: ONDC integration

Verticals: Textiles, Manufacturing

Geography: 3 cities (Surat, Tiruppur, Pune)

FI Partners: 2 pilot NBFCs

Target: 1,000 loans, ₹40 Cr portfolio

Revenue: ₹0.6 Cr

Key Activities:

- Direct NBFC partnerships via founder networks
- Pilot program with portfolio guarantees to prove quality
- Case study documentation for future partner acquisition
- Model training and validation on live data
- Platform integration testing and optimization

Phase 2: Expansion (Months 7-18)

Platforms: Add IndiaMart, GeM

Verticals: Add FMCG, Heavy Machinery

Geography: 10 cities

FI Partners: Scale to 7

Target: 15,000 cumulative loans, ₹606 Cr portfolio

Revenue: ₹9.09 Cr (EBITDA positive from Month 4)

Key Activities:

- SaaS platform launch for lender analytics
- Marketing via industry conferences and trade shows
- Thought leadership content (sector reports, whitepapers)
- Partnership with MSME associations and government programs

- Referral incentives for early adopter MSMEs

Phase 3: Scale (Months 19-36)

Platforms: Add ERPs (Tally, SAP, Zoho)

Verticals: 10+ sectors

Geography: 30+ cities

FI Partners: 20+

Target: 100K+ cumulative loans, ₹10,000+ Cr portfolio

Revenue: ₹85+ Cr (Series A readiness)

Key Activities:

- NBFC license acquisition for co-lending launch
 - Bank partnerships (not just NBFCs)
 - Platform partnerships with Tally, SAP (co-marketing)
 - PR and media coverage (Economic Times, YourStory, etc.)
 - Industry awards and recognition programs
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Success Metrics & KPIs

Product Metrics

User Acquisition:

- Monthly Active MSMEs (MAMUs): businesses using NavDhan widgets
- Conversion Rate: widget impressions → credit applications
- Application Completion Rate: applications started → submitted
- Approval Rate: applications submitted → offers generated → accepted
- Target: 35-40% approval rate by Month 12 (vs 15-20% industry standard)

Product Performance:

- Credit Decision Time: target <5 minutes from application to offer
- Disbursal Time: target <1 hour from acceptance to funds in account
- API Uptime: target 99.9%
- Widget Load Time: target <2 seconds
- Error Rate: target <5%

Portfolio Quality:

- Net Portfolio at Risk (30+ DPD): target <4% by Month 12
- Net Portfolio at Risk (90+ DPD): target <2%
- Gross NPA: target <6% (conservative stress-tested assumption)
- Recovery Rate: target >60% on defaulted loans
- Repeat Borrower Rate: target 15% by Month 18

Business Metrics

Growth:

- Loan Volume (monthly, cumulative)
- Gross Loan Amount Facilitated
- Active FI Partners
- Platform Integrations Live
- Geographic Coverage (cities)

Economics:

- Revenue (total, by stream)
- Gross Margin: target >98%
- Variable Cost per Loan: target <₹100
- Customer Acquisition Cost (CAC): target <₹200 per MSME
- CAC Payback Period: target <3 months

Financial Health:

- Monthly Burn Rate
 - Runway (months)
 - EBITDA Margin: target 72%+ by Month 12
 - Cash Flow Positive Milestone: Month 4
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Competitive Position & Feature Depth

Feature	NavDhan	Perfios PCG	FinBox Prism	Vayana Network	M2P Fintech
Sector-Specific AI	✓	✗	✗	Partial	✗
Embedded Distribution	✓	✗	✗	✗	✗
Lifecycle Automation	✓	✗	✗	Partial	Partial
Real-Time Underwriting (<5m)	✓	✓	✓	✓	✓
Co-Lending Orchestration	✓(Y2)	✗	✗	✗	✗
FLDG/Portfolio Guarantee	✓	✗	✗	✗	✗

Risks & Mitigation

Technical Risks

Risk: Platform integration delays with ONDC, IndiaMart, etc.

Mitigation: Start integration discussions pre-launch; maintain alternative direct lender partnerships; phased rollout with fallback plans

Risk: Model performance degrades in production

Mitigation: Extensive backtesting; conservative approval thresholds initially; automated model monitoring and retraining; gradual loosening as confidence builds

Risk: Data quality issues from integrated sources

Mitigation: Multi-source data validation; anomaly detection; manual review queues for edge cases; partner SLAs with data providers

Business Risks

Risk: FI partner adoption slower than expected

Mitigation: Pilot programs with portfolio guarantees; demonstrate superior ROI versus DSA channels; SaaS freemium tier to drive adoption

Risk: MSME credit defaults higher than projected 6%

Mitigation: Start with conservative underwriting; diversify across sectors and geographies; FLDG partnerships to derisk initial portfolio; strong collections automation

Risk: Competition from well-funded horizontal players

Mitigation: Vertical specialization creates defensible moat; embedded distribution is structural advantage; first-mover benefits in sector learning curves

Regulatory Risks

Risk: RBI tightens Digital Lending Guidelines

Mitigation: Compliance-first design; proactive engagement with regulators; LSP agreements with all partners; clear path to NBFC license

Risk: Data privacy regulations constrain model inputs

Mitigation: Privacy-by-design architecture; consent-based data access via Account Aggregator; minimize PII retention; regular audits

What We Need from Each Team

Tech Team

Immediate (Next 30 Days):

- Architecture review and tech stack finalization
- Account Aggregator sandbox integration
- ONDC API access and integration planning
- ML model development environment setup
- Security and compliance framework design

Next 90 Days:

- MVP platform development
- First sector model (textiles) training
- Widget SDK development
- Lender dashboard v1
- Load testing and security audit

Creative Team

Immediate (Next 30 Days):

- Brand identity exploration (logo, colors, typography)
- Embedded widget design system
- MSME-facing explainer content strategy
- Lender pitch deck design

Next 90 Days:

- Complete visual identity and brand guidelines
- Widget UI/UX for ONDC integration
- SMS/WhatsApp message templates

- Explainer video production
- Marketing collateral for FI partnerships

Product Team

Immediate (Next 30 Days):

- Detailed MVP feature specification
- User journey mapping (MSME and lender flows)
- Success metrics and analytics framework
- Competitive analysis deep dive
- Early customer interviews (MSMEs and NBFCs)

Next 90 Days:

- MVP launch and monitoring
 - User feedback collection and iteration
 - Phase 2 roadmap refinement
 - Partnership pipeline development
 - Investor pitch preparation
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The Opportunity

We're not building another lending app. We're building the **operating system for India's MSME credit economy**—the invisible infrastructure that makes formal capital accessible to millions of businesses currently trapped in informal lending.

This is a once-in-a-generation opportunity created by the convergence of:

- India's digital public infrastructure maturity (AA, ONDC, UPI)
- Massive MSME digitization wave
- Regulatory support for innovative lending models

- Technology capability (AI, APIs, cloud) reaching price-performance inflection
- Proven team with deep fintech and MSME expertise

The prize: If we execute well, NavDhan becomes the default embedded credit rails for Indian B2B commerce—every marketplace, every lender, every business. That's a ₹9 lakh crore addressable market with network effects that create winner-take-most dynamics.

We have 18-24 months to establish category leadership before well-funded competition arrives. The time to build is now.