Roadmap for Implementation of Lending & Credit Product for INDmoney (With Numbers)

This roadmap integrates projected revenue, KPIs, and performance metrics based on the revenue model discussed.

Phase 1: Planning & Compliance (0-3 Months)

Objective: Establish legal and operational infrastructure for lending services.

Key Activities

1. **Regulatory Setup:**
   - Register with RBI and SEBI for lending compliance.
   - Establish compliance for data protection (ISO 27001).
2. **Partnership Formation:**
   - Co-lending agreements with banks (target: fund 80%-90% of loans).
   - Partnerships with NBFCs for fintech-led lending.
   - Revenue-sharing contracts for 70%-90% (bank share) and 10%-30% (app share).
3. **Loan Product Finalization:**
   - Define initial loan offerings (e.g., personal loans).
   - Develop interest rates (10%-18%) based on borrower profiles.
4. **Budget Allocation:**
   - **Projected Expenses:** ₹25-30 crore (employee hiring, legal costs, compliance setup).

Deliverables:

- Partnership agreements and compliance approvals.

KPIs:

- Partnership closures with 2-3 major banks or NBFCs.
- Regulatory approval within 3 months.

Phase 2: Feature Development & Internal Testing (3-6 Months)

Objective: Build and test core lending features.

Key Activities

1. **Feature Development:**
   - Loan application and eligibility engine.
   - Loan calculator with custom repayment simulations.
   - Real-time credit scoring and risk-based pricing models.
2. **Partner API Integration:**
   - Connect APIs for loan disbursement and servicing.
3. **Testing:**
   - QA testing for disbursement, repayment, and transaction tracking.
4. **Budget Allocation:**
   - **Projected Expenses:** ₹40-45 crore (IT infrastructure, software development).

Deliverables:

- Launch of Minimum Viable Product (MVP).
- Testing reports and system readiness.

KPIs:

- Successful internal testing (error rate <5%).
- Partner API uptime >99.5%.
- Loan application response time <5 seconds.

Phase 3: Pilot Testing (6-9 Months)

Objective: Launch a beta version to 10%-15% of users and gather feedback.

Key Activities

1. **Pilot Launch:**
   - Offer loans to 200,000-300,000 users.
   - Start with a loan portfolio of ₹300 crore.
2. **Performance Tracking:**
   - Monitor loan disbursement and repayment rates.
   - Gather user feedback on the application process.
3. **Iterative Improvements:**
   - Refine risk models and eligibility criteria.
4. **Revenue Generation:**
   - **Interest Revenue:** ₹300 crore × 12% = ₹36 crore.
     - App share (30% of interest): ₹36 crore × 30% = ₹10.8 crore.
   - **Processing Fee:** ₹300 crore × 1.5% = ₹4.5 crore.

5. **Total Pilot Revenue:** ₹15.3 crore
6. **Budget Allocation:**
   ○ **Projected Expenses:** ₹50 crore (marketing, pilot support).

Deliverables:

● Fully functioning loan platform.
● User feedback reports.

KPIs:

● Loan disbursement volume (₹300 crore).
● Repeat borrowing rate (target: 30%).
● Default rate (target: <5%).

Phase 4: Full Deployment (9-12 Months)

Objective: Scale lending services to all users and execute a full marketing campaign.

Key Activities

1. **Product Launch:**
   ○ Enable full access to 2 million users.
   ○ Increase loan disbursement target to ₹1,000 crore in the first year.
2. **Marketing:**
   ○ Launch digital marketing campaigns (target audience: 2.5 million users).
   ○ Offer early adopter promotions (e.g., 0.5% discount on processing fees).
3. **Scalability Enhancements:**
   ○ Scale infrastructure for peak traffic.
   ○ Automate credit scoring and fraud detection.
4. **Revenue Generation:**
   ○ **Interest Revenue:** ₹1,000 crore × 12% = ₹120 crore.
      ■ App share (30% of interest): ₹120 crore × 30% = ₹36 crore.
   ○ **Processing Fee:** ₹1,000 crore × 1.5% = ₹15 crore.
5. **Total Annual Revenue (Year 1): ₹51 crore**
6. **Budget Allocation:**
   ○ **Projected Expenses:** ₹100 crore (scaling infrastructure, marketing).

Deliverables:

● Full-scale product launch and marketing campaign.

KPIs:

- Loan disbursement volume: ₹1,000 crore.
- Active borrowers: 300,000 users.
- Processing fee revenue: ₹15 crore.
- Interest income: ₹36 crore.
- Loan approval rate >70%.

3-Year Revenue Projections

Year	Loan Portfolio (₹ Cr)	Revenue (₹ Cr)	Users	Revenue Breakdown
FY25	₹1,000	₹51-63	300,000	Interest: ₹36 Cr, Fee: ₹15 Cr
FY26	₹1,500	₹76.5-94.5	400,000	Interest: ₹54 Cr, Fee: ₹22.5 Cr
FY27	₹2,000	₹102-126	500,000	Interest: ₹72 Cr, Fee: ₹30 Cr

Iterative Improvements

1. **Credit Risk Optimization:**
   - Refine risk-based pricing to maximize approvals and minimize defaults.
2. **Cross-Selling Opportunities:**
   - Promote insurance and investment products to loan recipients.
3. **User Experience:**
   - Improve loan tracking and repayment interface.
4. **Operational Efficiency:**
   - Automate loan management workflows to reduce costs.