BUSINESS PLAN · INDIA

Accounting & Bookkeeping Firm

Outsourced books, GST, payroll & MIS for Indian MSMEs

FINANCE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

1. Executive Summary

This plan sets out the establishment and growth of an **Accounting & Bookkeeping Firm** serving India's micro, small and medium enterprises (MSMEs), startups and professionals. The firm delivers outsourced bookkeeping, GST and TDS compliance, payroll, MIS reporting and virtual-CFO support on a recurring monthly-retainer model, augmented by one-time engagements (company incorporation, ROC filings, income-tax returns, project reports).

India has over 6.3 crore MSMEs, the overwhelming majority of which cannot afford — and do not need — a full-time finance team, yet face rising compliance obligations (GST, e-invoicing, TDS, ROC, labour codes). This structural gap between compliance burden and in-house capability is the firm's core opportunity. The business is asset-light, cash-generative from month one on retainers, and highly scalable through cloud accounting platforms (Tally, Zoho Books, QuickBooks) and a trained delivery team.

The promoter seeks total funding of **₹7.5 lakh** (₹2.5 lakh promoter contribution + ₹5.0 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹44 lakh** revenue and a positive net margin in Year 1, scaling to **₹1.05 crore** by Year 3 with a 6–9 member team and ~120 retained clients.

2. Business Description, Vision & Legal Structure

Concept: A technology-enabled accounting practice that becomes the outsourced finance department for small businesses — books kept clean and current, statutory deadlines never missed, and monthly numbers a business owner can actually use to make decisions.

Vision: To be the most trusted finance-and-compliance partner for 1,000 MSMEs across the region within five years, known for accuracy, on-time filing and plain-language advice.

Mission: Deliver error-free books, timely compliance and actionable MIS at a price a small business can afford, freeing owners to run their businesses.

Legal structure options

- **Sole Proprietorship** — simplest and cheapest to start; suitable for a single-owner practice in year one. Unlimited liability.
- **Limited Liability Partnership (LLP)** — recommended once two or more partners or staff CAs are involved; limited liability, low compliance, credible for larger clients.
- **Private Limited Company** — best if outside investment or aggressive scaling is planned; higher compliance.

> **Recommendation:** begin as a proprietorship or LLP for low cost and speed, converting to an LLP/Pvt Ltd as the team and client base grow. Note: statutory *audit* and *assurance* work is reserved for practising Chartered Accountants under the CA Act — if the promoter is not a CA, the firm positions as an accounting/bookkeeping/compliance-support practice and partners with a CA for attest functions.

3. Promoter & Ownership

The firm is led by a promoter with a background in accounting/finance and hands-on knowledge of Indian tax and compliance. Year-one ownership rests with the promoter (proprietor) or founding partners (LLP). Key delivery roles — senior accountant, compliance executive and a client-relationship lead — are recruited as the client base grows. Ownership, roles and profit-sharing are editable inputs to be finalised in the partnership deed / LLP agreement.

4. Market Analysis — India

India's accounting-services market is large, fragmented and structurally growing. It is powered by a vast base of small businesses that are being pulled into the formal economy, a compliance regime that adds new obligations almost every year, and the rapid spread of cloud accounting that lets a single firm serve clients anywhere. The sector is dominated by small local practices and individual practitioners, leaving ample room for a well-run, technology-enabled, service-oriented firm to win share on reliability and transparency.

Demand drivers

- **Compliance intensity is rising:** mandatory GST returns, e-invoicing thresholds moving down, TDS/TCS, ROC annual filings, labour-code registrations — each a recurring obligation for even the smallest firm.
- **MSME formalisation:** Udyam registration, GST enrolment and the shift to digital payments pull informal businesses into the formal, book-keeping-required economy.
- **Cost of in-house finance:** a full-time accountant costs ₹3–6 lakh/year plus supervision; outsourcing to a firm at ₹6,000–15,000/month is dramatically cheaper for a small business.
- **Cloud accounting adoption:** Tally Prime, Zoho Books and QuickBooks make remote, multi-client delivery efficient and location-independent.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	All MSMEs + professionals needing accounting/compliance in India	6.3 crore+ MSMEs
SAM	Registered MSMEs in the firm's operating city/region willing to outsource	25,000–60,000 firms
SOM (Yr 1–3)	Realistic served clients on retainer + projects	40 → 120 clients

Target segments

- Traders, retailers and distributors needing GST + books.
- Early-stage startups and D2C brands needing bookkeeping, payroll and MIS.
- Professionals (doctors, consultants, freelancers) needing ITR, TDS and books.
- Small manufacturers and service firms needing full outsourced finance + compliance.

5. Competition & Competitive Advantage

Competitive landscape: local CA/accounting firms, individual tax practitioners and freelancers, and online platforms (compliance marketplaces). Local practices win on trust and proximity but are often slow, opaque on price and weak on technology and MIS; online platforms are cheap but impersonal and inconsistent.

The firm's edge

- **Fixed, transparent retainer pricing** — no surprise bills.
- **On-time-filing guarantee** with a compliance calendar and reminders per client.
- **Decision-useful monthly MIS**, not just data entry.
- **Technology-first delivery** (cloud books, document portals, dashboards) for speed and accuracy.
- **Advisory add-ons** — virtual CFO, loan-readiness, cost audits — that deepen the relationship.

6. Services & Pricing

Service	Model	Indicative price (₹)
Bookkeeping + GST + monthly MIS (Basic retainer)	Monthly	6,000–9,000/mo
Full outsourced finance (books+GST+TDS+payroll+MIS)	Monthly	12,000–25,000/mo
Virtual-CFO / advisory	Monthly retainer	20,000–60,000/mo
Company / LLP incorporation	One-time	8,000–20,000
Income-tax return (business/professional)	Per return	2,500–10,000
ROC annual filing	Per year	6,000–15,000
Project report / DPR for bank loan	Per report	5,000–25,000

> Pricing is tiered by transaction volume and complexity. Retainers create predictable recurring revenue; one-time engagements (ITR season, incorporations, project reports) add high-margin surge income.

7. Go-to-Market — Marketing & Sales

- **Referral engine:** existing clients, CAs, bankers and lawyers — the single most powerful channel in professional services. Structured referral incentives.
- **Local digital presence:** Google Business Profile, a simple website with clear pricing, and SEO for "GST filing / accountant near me" searches.
- **Content & trust:** short explainers on deadlines and compliance changes shared on LinkedIn/WhatsApp/YouTube to build authority.
- **Channel partnerships:** tie-ups with startup incubators, MSME associations, trade bodies and banks (for loan-linked clients).
- **Seasonal campaigns:** ITR season, year-end and GST-annual-return drives.

Sales funnel

Lead → free 20-minute compliance-health check → fixed-price proposal → onboarding (data migration, access setup) → monthly delivery → advisory upsell. Target: convert 1 in 4 qualified leads; onboard 3–4 new retainer clients per month in year one.

8. Operations Plan

- **Location:** a small office (250–400 sq ft) in a commercial area, or a hybrid/remote-first setup to cut cost. Client work is largely digital.
- **Technology stack:** Tally Prime + Zoho Books/QuickBooks; a document-collection portal / shared drive; a compliance-calendar tool; a CRM for client and deadline tracking.
- **Delivery process:** standardised monthly workflow — document collection → recording → reconciliation → GST/TDS working → review → filing → MIS delivery → client review call.
- **Quality control:** maker-checker on every filing; a master compliance calendar; a monthly close checklist per client.

- **Capacity:** a trained accountant handles 12–18 retainer clients depending on complexity; the model scales by adding trained staff, not by adding partners.

9. Regulatory, Licences & Compliance (India)

- **Business registration:** proprietorship (via GST/Udyam) or LLP/Pvt Ltd incorporation with MCA.
- **Udyam (MSME) registration** — free; unlocks priority-sector lending and scheme benefits.
- **GST registration** — required once turnover crosses the threshold or for inter-state supply; the firm charges GST on its fees.
- **PAN & TAN** for the firm; professional tax registration where applicable (state-specific).
- **Shops & Establishments** registration for the office; labour registrations (PF/ESI) once staff thresholds are crossed.
- **Professional boundaries:** statutory audit/attest work only by practising CAs; the firm partners with a CA for such work if the promoter is not a CA. Data-privacy and client-confidentiality practices should align with the DPDP Act.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Managing Partner	1	1	1
Senior Accountant / Reviewer	1	2	3
Accounts / Compliance Executive	2	3	4
Client Relationship / Admin	0	1	1
Total headcount	**4**	**7**	**9**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Registration, office, software, branding, website live
Launch	Month 1–3	First 10 retainer clients; delivery workflow stabilised
Traction	Month 4–9	30–40 clients; first hires trained; referral engine active
Scale	Month 10–12	Break-even crossed; advisory upsell launched
Growth	Year 2–3	120 clients; LLP conversion; second service line

12. Financial Plan (Illustrative)

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

12.1 Project cost & means of finance

Capital requirement	₹

Office furniture & fit-out	1,50,000
Computers & peripherals (4)	2,00,000
Accounting software & licences	60,000
Branding, website & launch marketing	50,000
Deposits & pre-operative	90,000
Working-capital buffer (3 months)	2,00,000
Total project cost	**7,50,000**
Promoter contribution	2,50,000
Term loan (Mudra / CGTMSE)	5,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Retainer revenue	38,40,000	63,00,000	90,00,000
One-time / project revenue	5,60,000	9,00,000	15,00,000
Total revenue	**44,00,000**	**72,00,000**	**1,05,00,000**
Salaries & wages	21,60,000	36,00,000	50,40,000
Rent & utilities	3,60,000	4,20,000	4,80,000
Software & subscriptions	1,80,000	2,60,000	3,40,000
Marketing	2,20,000	3,00,000	4,00,000
Admin, travel & misc	3,00,000	4,20,000	5,50,000
Interest on term loan	55,000	40,000	22,000
Total expenses	**32,75,000**	**50,40,000**	**68,32,000**
Net profit (before tax)	**11,25,000**	**21,60,000**	**36,68,000**
Net margin	25.6%	30.0%	34.9%

12.3 Unit economics & break-even

- **Average retainer:** ₹8,000/client/month. **Delivery cost/client:** ~₹4,500/month → gross margin ~44%.
- **Monthly fixed costs (Yr 1):** ~₹2.35 lakh. **Break-even:** ~33 retainer clients — reached around month 8–9.
- **Client lifetime:** retainer relationships are sticky (switching cost is high once books are migrated), giving strong retention and LTV.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,00,000	1,35,000	1,70,000	3,05,000
Collections (retainers + projects)	6,60,000	9,90,000	12,10,000	15,40,000

Operating outflows	7,25,000	9,55,000	10,75,000	12,20,000
Loan EMI (principal + interest)	33,000	33,000	33,000	33,000
Closing balance	**1,35,000**	**1,70,000**	**3,05,000**	**5,57,000**

> Cash flow turns comfortably positive from Q3 as the retainer base compounds. The working-capital buffer covers the early-quarter gap while clients are onboarded — a key reason the ₹2 lakh buffer is built into the project cost.

12.5 Key Performance Indicators to Monitor

- **Growth:** new retainer clients/month; net client additions; revenue run-rate.
- **Retention:** monthly client churn %; average client tenure; revenue retention.
- **Delivery:** on-time-filing % (target 100%); turnaround time per close; error/rework rate.
- **Economics:** revenue per client; gross margin per client; staff utilisation; revenue per employee.
- **Cash:** collection days (target <15); % revenue from recurring retainers (target >80%).

13. Funding Requirement & Bankability

Total ask: **₹5.0 lakh term loan** against ₹2.5 lakh promoter contribution. The firm is eligible under **PMMY (Mudra — Kishor/Tarun)** and can be covered under **CGTMSE** (collateral-free credit guarantee). With Year-1 net profit of ~₹11.25 lakh against annual debt service of ~₹1.7 lakh, the **DSCR exceeds 3.0**, making the proposal comfortably bankable. Udyam registration supports priority-sector classification.

14. Risk Analysis & Mitigation

Risk	Mitigation
Client concentration / churn	Broad client base; annual contracts; high service quality and MIS stickiness
Compliance error / penalty exposure	Maker-checker controls; professional-indemnity insurance; CA partnership for attest work
Talent attrition	Standardised processes and documentation so delivery is not person-dependent; retention incentives
Regulatory / platform change	Continuous upskilling; software that auto-updates to new GST/TDS rules
Seasonality (ITR peaks)	Retainer base smooths cash flow; temporary staff during peak season

15. SWOT Analysis

Strengths Recurring revenue, asset-light, low capex, sticky clients, high margins, tech-enabled scalability.	**Weaknesses** Dependence on skilled staff; attest work needs a CA; trust takes time to build.
Opportunities Rising compliance load, MSME formalisation, cloud accounting, advisory/VCFO upsell, multi-city expansion.	**Threats** Price competition from platforms and freelancers; regulatory shifts; talent poaching.

16. Recommended AiSevak Tools for This Business

This business would use AiSevak's Finance vertical tools across its own operations and to serve clients:

- **Bookkeeping & month-end:** Bookkeeping Review, Bank Reconciliation, Month-End Checklist, Transaction Categoriser.
- **GST & tax:** GST Registration Checker, GSTR-1/3B worksheets, E-invoicing Readiness, TDS Rate Finder, ITC Reconciliation.
- **Advisory / VCFO:** Virtual-CFO Report, KPI Dashboard, 13-Week Cashflow, Budget & Forecast, Loan-Readiness & DPR Builder.
- **Practice growth:** Business Plan, Break-even and Unit-Economics tools to model the firm itself and to build client project reports.

17. Key Assumptions & Notes

- Average retainer ₹8,000/month and ~40 clients by end of Year 1; growth to ~120 by Year 3.
- Salaries, rent and software at typical Tier-2/Tier-3 city rates — replace with local quotes.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Figures exclude GST collected on fees (pass-through) and promoter's own remuneration policy, which is an editable input.

▶ Use these tools now — free on AiSevak

Every tool referenced in this plan is available on **aisevak.in**. Open the **Finance toolkit** to browse and use them all at **https://aisevak.in/verticals/finance** — 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.