



BUSINESS PLAN · INDIA

Chartered Accountant Practice

Audit, assurance, tax, ROC & advisory for India

FINANCE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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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 the establishment and growth of a **Chartered Accountant (CA) Practice** in India — a professional firm offering statutory and tax audit, assurance, certification, direct- and indirect-tax advisory, company-law/ROC compliance, and business advisory to companies, LLPs, MSMEs and HNIs.

A CA practice occupies the highest-trust tier of financial services: several of its services — **statutory audit, tax audit and many certifications** — can be signed only by a practising Chartered Accountant, giving the firm a legally protected, recurring, and premium-priced book of work. Demand is structural: every company must be audited annually, and a widening compliance net (tax audit, GST audit support, transfer pricing, certifications for loans and tenders) keeps engagement volumes rising.

The promoter — a practising CA holding a Certificate of Practice (COP) — seeks total funding of **₹9.0 lakh** (₹3.5 lakh promoter + ₹5.5 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹45 lakh** revenue in Year 1 and **₹1.15 crore** by Year 3 with a team of articled assistants and paid staff.

2. Business Description, Vision & Legal Structure

Concept: A full-service CA firm that combines statutory audit and certification with proactive tax and business advisory — a single trusted partner for a client's assurance, compliance and growth needs.

Vision: To build a respected, multi-partner CA firm known for audit quality, ethical rigour and advisory that helps clients grow.

Mission: Deliver assurance the market can trust, keep clients fully compliant, and add measurable value through tax and business advice.

Legal structure

- **Proprietorship (individual CA in practice)** — the standard entry structure; the CA practises under a firm name registered with ICAI.
- **Partnership / LLP of CAs** — recommended as the firm adds partners; enables larger audits, shared expertise and continuity.

Regulatory anchor: the practice is governed by the Chartered Accountants Act and ICAI regulations. Only a CA holding a valid COP may sign attest functions. Firm names, advertising, fees and conduct follow ICAI norms. This regulatory moat is the practice's core protection against non-professional competition.

3. Promoter & Ownership

The firm is led by a practising Chartered Accountant with a COP and audit/tax experience. Delivery leverages ICAI's articled-assistant model (trainee CAs) plus paid semi-qualified and qualified staff. Year-one ownership rests with the proprietor/founding partners; partner admission and profit-sharing are editable inputs governed by the partnership deed and ICAI rules.

4. Market Analysis — India

The market for CA services is large, protected and growing. India adds lakhs of new companies and LLPs each year — each requiring annual audit — while the compliance perimeter keeps expanding into tax audit, GST, certifications, and

regulatory reporting. Because attest work is reserved for CAs, the addressable demand cannot be served by unqualified substitutes, underpinning stable, premium pricing.

Demand drivers

- **Mandatory annual audit** for every company; tax audit for businesses above turnover thresholds — recurring, non-discretionary work.
- **Rising incorporations:** a growing base of companies and LLPs, each a perennial audit + ROC client.
- **Certification demand:** net-worth, turnover, and utilisation certificates for bank loans, tenders and subsidies.
- **Compliance complexity:** GST, TDS, transfer pricing, FEMA/FDI, and regulatory reporting.
- **Advisory pull:** startups and MSMEs seeking fundraising, valuation, and structuring support.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Companies, LLPs and audit-liable businesses in India	20 lakh+ entities
SAM	Audit/compliance-liable entities in the firm's city/region	8,000–25,000
SOM (Yr 1–3)	Audit + retainer + certification clients served	60 → 180 clients

Target segments

- Private limited companies and LLPs needing statutory audit + ROC.
- Businesses above tax-audit thresholds.
- MSMEs and exporters needing certifications for loans, tenders and incentives.
- Startups needing valuation, due diligence and fundraising support.

5. Competition & Competitive Advantage

Landscape: other CA firms (sole practitioners to large partnerships) and, for non-attest work, accountants and consultants. Attest work is competed only among CAs; the differentiators are quality, turnaround, sector depth and advisory value.

The firm's edge

- **Audit quality & documentation** that stands scrutiny — a reputation asset.
- **Integrated advisory** — audit clients converted into year-round tax and advisory relationships.
- **Sector focus** (e.g., manufacturing, trading, startups) for deeper, faster work.
- **Technology** — audit tools, document management and client portals for efficiency.
- **Responsiveness** — a service ethic that larger firms often lack for SME clients.

6. Services & Pricing

Service	Model	Indicative fee (₹)
Statutory audit (company/LLP)	Per audit/year	25,000–2,00,000+
Tax audit (u/s 44AB)	Per audit	15,000–75,000
Internal / concurrent audit	Retainer/project	20,000–1,00,000+

Certifications (net worth, turnover, utilisation)	Per certificate	3,000–25,000
ROC / company-law compliance	Annual retainer	8,000–40,000
Tax & GST advisory / return support	Retainer	6,000–30,000/mo
Valuation / due diligence / fundraising	Project	25,000–3,00,000+
Company / LLP incorporation & setup	One-time	10,000–30,000

Audit and certification anchor the firm with recurring, high-trust revenue; advisory and transaction work provide premium, high-margin surges.

7. Go-to-Market — Marketing & Sales

- **Professional referrals:** bankers (for certifications and loan clients), lawyers, other CAs, and existing clients — the dominant channel, within ICAI advertising norms.
- **Bank & institutional empanelment:** for concurrent/stock audits and certification work.
- **Reputation & thought leadership:** seminars, MSME-association talks and compliant knowledge-sharing.
- **Sector networks:** trade bodies and industrial associations for clustered client acquisition.
- **Startup ecosystem:** incubators and CA-startup networks for valuation and DD work.

Client acquisition rhythm

Audit and ROC work is seasonal (Sept tax-audit and year-end peaks); certifications and advisory flow year-round. The firm builds a base of recurring audit/retainer clients and layers project work on top.

8. Operations Plan

- **Location:** a professional office (400–600 sq ft) suitable for client meetings and an articulated-assistant team.
- **Delivery model:** articulated assistants and paid staff execute under partner review; audit follows standard programs, working papers and quality-review sign-off.
- **Technology:** audit and tax software, document-management/portal, and an engagement-and-deadline tracker.
- **Quality & risk:** engagement acceptance checks, independence/conflict screening, peer-review readiness, and a firm quality-control framework aligned to ICAI standards.
- **Capacity:** a partner supervises a team handling a portfolio of audits and retainers; scale by adding qualified staff and partners.

Annual engagement calendar (the workload backbone)

Work	Peak window	Cadence
Statutory audit & ROC filings	Jul–Nov	Annual
Tax audit (44AB)	Aug–Sep	Annual
GST annual return support	Oct–Dec	Annual
Advance tax & TDS	Quarterly	Recurring
Certifications & advisory	Year-round	On demand

9. Regulatory, Licences & Compliance (India)

- **ICAI membership & Certificate of Practice (COP)** — mandatory to practise and sign attest work; firm registration with ICAI.
- **Firm PAN/TAN, GST registration** (fees attract GST), professional tax and Shops & Establishments as applicable.
- **Professional standards:** Standards on Auditing, ICAI Code of Ethics, independence, peer review, and advertising/fee norms.
- **Data protection & confidentiality** aligned to the DPDP Act; secure custody of client records.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Proprietor / Partner (CA)	1	1	2
Paid qualified / semi-qualified staff	1	2	3
Articled assistants (trainees)	2	4	6
Admin / office	1	1	2
Total	5	8	13

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	ICAI firm registration, office, software, articled team
First season	Month 1–6	First audit & tax-audit engagements; certification work
Base building	Month 6–12	Recurring audit + ROC + retainer base; break-even
Scale	Year 2	Bank empanelment; advisory line; second partner
Growth	Year 3	180 clients; multi-partner firm; sector specialisation

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 furniture & fit-out	2,20,000
Computers & peripherals (5)	2,50,000
Audit & tax software, library	1,10,000
Branding, website & launch	60,000

Deposits & pre-operative	1,10,000
Working-capital buffer	1,50,000
Total project cost	9,00,000
Promoter contribution	3,50,000
Term loan (Mudra / CGTMSE)	5,50,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Audit & assurance	20,00,000	36,00,000	50,00,000
Tax, ROC & retainers	15,00,000	28,00,000	40,00,000
Certifications & advisory/transactions	10,00,000	18,00,000	25,00,000
Total revenue	45,00,000	82,00,000	1,15,00,000
Salaries, stipends & staff	21,00,000	38,00,000	53,00,000
Rent & utilities	4,20,000	4,80,000	5,40,000
Software, library & subscriptions	2,20,000	3,00,000	3,80,000
Marketing & business development	1,80,000	2,60,000	3,40,000
Admin, travel & misc	3,60,000	5,00,000	6,60,000
Interest on term loan	60,000	44,000	25,000
Total expenses	33,40,000	53,84,000	72,45,000
Net profit (before tax)	11,60,000	28,16,000	42,55,000
Net margin	25.8%	34.3%	37.0%

12.3 Unit economics & break-even

- **Revenue per client:** blended ₹60,000–90,000/year across audit, retainer and certification mix.
- **Leverage:** the articulated-assistant model keeps delivery cost low relative to billed value — the key economics of a CA firm.
- **Break-even:** reached within the first audit season plus a modest retainer base, around month 9–11.

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

Particulars (₹)	Q1	Q2 (audit peak)	Q3	Q4
Opening balance	1,50,000	1,15,000	3,80,000	4,10,000
Collections	7,00,000	16,00,000	9,50,000	12,50,000
Operating outflows	6,95,000	12,85,000	8,80,000	11,20,000
Loan EMI	40,000	40,000	40,000	40,000
Closing balance	1,15,000	3,80,000	4,10,000	5,00,000

The audit season (Q2) drives the year's cash surplus; certifications and advisory smooth the other quarters.

12.5 Key Performance Indicators to Monitor

- **Portfolio:** audit clients retained; new engagements/year; revenue per partner.
- **Quality:** on-time delivery; review findings; peer-review readiness.
- **Leverage:** billed value per staff/article; realisation rate; recovery days.
- **Mix:** % recurring (audit+retainer) vs project revenue; advisory share growth.

13. Funding Requirement & Bankability

Total ask: **₹5.5 lakh term loan** against ₹3.5 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹11.6 lakh against annual debt service of ~₹1.9 lakh gives a **DSCR above 3.0**, and the protected, recurring nature of audit work makes the practice highly bankable.

14. Risk Analysis & Mitigation

Risk	Mitigation
Professional liability / audit risk	Standards-compliant working papers; engagement acceptance screening; professional-indemnity cover
Independence / conflict issues	Conflict checks; ICAI ethics adherence; rotation where required
Seasonality (audit peak)	Year-round certification/advisory; staggered non-corporate clients
Talent (articles & qualified staff)	Strong training culture; competitive stipends; documented processes
Fee pressure	Sector depth and advisory value; avoid race-to-bottom audits

15. SWOT Analysis

Strengths Legally protected attest work; recurring audit base; low delivery cost via articles; premium advisory upside.	Weaknesses Requires CA/COP; seasonal peaks; professional-liability exposure; ICAI advertising limits.
Opportunities Rising incorporations; certification & loan-linked work; startup valuation/DD; bank empanelment; multi-partner scale.	Threats Fee competition among CAs; regulatory/standards changes; talent shortages.

16. Recommended AiSevak Tools for This Business

This practice would use AiSevak's Finance vertical tools across audit, tax and advisory delivery:

- **Audit & assurance:** Audit-Readiness, Forensic/Benford, Related-Party, Statutory Registers, ROC Calendar.
- **Tax:** Regime Optimiser, TDS Rate Finder, Advance Tax, Capital-Gains, Transfer-Pricing, GST worksheets & reconciliation.

- **Advisory:** Cap-Table, Valuation, Fundraising-Readiness, Board-Deck, KPI Dashboard; and Business Plan / Break-even to model the firm and client DPRs.

17. Key Assumptions & Notes

- Promoter is a practising CA with a valid COP; articulated-assistant leverage assumed per ICAI norms.
- ~60 clients in Year 1 growing to ~180 by Year 3 across audit, retainer, certification and advisory.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Figures exclude GST on fees (pass-through) and partner remuneration policy (editable input).

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