



BUSINESS PLAN · INDIA

Crypto Tax & Compliance Advisory

VDA taxation, 1 TDS & Schedule-VDA reporting - specialist, compliant crypto-tax practice

CRYPTO & WEB3

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 a **Crypto Tax & Compliance Advisory** in India — a specialist practice helping individuals, traders, businesses & exchanges comply with India's Virtual Digital Asset (VDA) tax regime: computing 30% VDA tax, 1% TDS (Section 194S), Schedule VDA reporting, gains reconciliation across exchanges/wallets, and audit & advisory. It earns per-return & advisory fees, retainers, and reconciliation/software-assisted service income, monetising the complex, mandatory crypto-tax compliance need.

India taxes VDAs at a flat 30% (plus 1% TDS on transfers) with strict reporting & no loss set-off, and crypto holders/traders/businesses face genuine complexity reconciling transactions across exchanges & wallets. Compliance is mandatory & recurring, yet specialist advisors are scarce. A CA/tax-led practice with crypto-tax expertise & tooling earns steady, recurring, high-value advisory revenue — a compliant, professional-services niche (not a crypto-trading or advice-to-evade business).

The promoter — a CA / tax professional with crypto expertise — seeks total funding of **₹8 lakh** (₹3 lakh promoter + ₹5 lakh term/WC finance, eligible under Mudra/CGTMSE; largely fee-funded), targeting **₹30 lakh** revenue in Year 1 and **₹85 lakh** by Year 3. (*Fee/retainer professional-services, expertise-driven, asset-light model.*)

2. Business Description, Vision & Legal Structure

Concept: A specialist crypto-tax & compliance advisory helping clients correctly compute & report VDA taxes & TDS - accurately, compliantly & on time.

Vision: To be the trusted crypto-tax & compliance partner for India's VDA holders & businesses.

Mission: Deliver accurate, compliant, ethical crypto-tax computation, reporting & advisory - keeping clients compliant.

Legal structure options

- **CA proprietorship / Firm / LLP** — as per ICAI norms for a CA-led practice.
- **Private Limited** — for a tech-enabled/advisory (non-attest) services company.

Regulatory anchor: the practice is built on India's **VDA tax law — Section 115BBH (30% tax, no loss set-off/expense deduction except cost), Section 194S (1% TDS), Schedule VDA reporting** — plus ICAI/CA norms (for attest work), GST on fees, and DPDP for client data. It is a compliance/advisory practice (not investment advice or tax-evasion). Crypto-tax expertise, accuracy, reconciliation tooling & recurring compliance determine success; asset-light & fee-funded.

3. Promoter & Ownership

Led by a promoter who is a CA / tax professional with crypto-tax expertise. Delivery uses tax associates, a reconciliation/tech person (for exchange/wallet data), and support, with crypto-tax software tie-ups. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India has crores of crypto holders & active traders, all subject to VDA tax & reporting, plus businesses & exchanges needing compliance — a large, mandatory, recurring compliance market. Complexity (multi-exchange/wallet reconciliation, 1% TDS, no loss set-off) & scarce specialist advisors create strong demand. The market rewards accuracy, expertise, tooling & trust; it grows with crypto adoption & enforcement.

Demand drivers

- **Crores of VDA holders/traders** (mandatory tax).
- **Complex reconciliation** (multi-exchange/wallet).
- **1% TDS & strict reporting.**
- **Businesses & exchanges** compliance.
- **Scarce specialist** advisors.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Crypto-tax compliance need in India	Large & growing
SAM	Reachable holders/traders/businesses	Substantial
SOM (Yr 1-3)	Clients / returns per year	Scaling

Target segments

- Individual crypto holders & traders.
- High-volume traders & HNIs.
- Crypto businesses & startups.
- Exchanges & Web3 firms.

5. Competition & Competitive Advantage

Landscape: general CAs (limited crypto expertise), crypto-tax software (self-serve), and few specialists. The firm competes on crypto-tax expertise, accuracy, reconciliation, advisory depth & trust.

The firm's edge

- **Specialist crypto-tax expertise.**
- **Accurate multi-exchange reconciliation.**
- **Advisory depth & compliance.**
- **Software-assisted efficiency.**
- **Trust & recurring relationships.**

6. Services & Revenue Model

Service	Model	Indicative fee
VDA tax return & Schedule VDA	Per return	₹3,000–25,000
Multi-exchange reconciliation	Per client / volume	Complexity-based
Advisory & structuring (compliant)	Advisory / retainer	High value
Business/exchange compliance	Retainer	Recurring
Audit & representation support	Per matter	Add-on

Individual returns give volume (seasonal around filing); high-volume-trader reconciliation, business/exchange retainers & advisory give higher-value, recurring income. Expertise & tooling drive efficiency & margin; recurring compliance builds a stable base.

7. Go-to-Market — Marketing & Sales

- **Content & education** (crypto-tax explainers, SEO).
- **Crypto community & exchange** tie-ups/referrals.
- **CA & trader networks.**
- **Business/exchange** B2B outreach.
- **Trust, accuracy & referrals.**

Sales approach

Build authority via crypto-tax content → acquire holders/traders (seasonal) & business/exchange retainers → deliver accurate, compliant service → retain & earn referrals. Expertise, accuracy & recurring compliance drive a stable, high-value practice.

8. Operations Plan

- **Base:** an office (or remote-first) with crypto-tax & reconciliation software.
- **Process:** client onboarding & data (exchange/wallet exports) → reconciliation → tax computation (30%/TDS) → return/Schedule VDA filing → advisory & records.
- **Tooling & accuracy:** crypto-tax software, multi-exchange import, QC & review.
- **Compliance & ethics:** accurate law application, records, DPDP data-security; no tax-evasion advice.
- **Capacity:** returns/clients per associate (tool-leveraged); scale by associates, tooling & retainers.

Advisory workflow

Stage	Activity	Metric
Onboard	Data collection	Clients
Reconcile	Exchanges/wallets	Accuracy
Compute	30% / TDS	Correctness
File	Return/Schedule VDA	On-time
Advise/retain	Compliance	Recurring

9. Regulatory, Licences & Compliance (India)

- **VDA tax law:** Section 115BBH (30%, no loss set-off/expense except cost), Section 194S (1% TDS), Schedule VDA reporting; accurate application.
- **Professional norms:** ICAI/CA norms for attest & practice; ethical, compliant advisory (no evasion).
- **Business & tax:** CA firm/LLP or Pvt Ltd; PAN/TAN; GST on fees; Udyam (MSME).
- **Data:** DPDP-aligned client & transaction data security; confidentiality.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / CA (crypto-tax)	1	1	1
Tax associates	2	4	7
Reconciliation / tech	1	2	3
Sales & admin	1	2	3
Total	5	9	14

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-1	Office, software, content, first clients
Launch	Month 1-3	First returns & reconciliations
Traction	Month 3-8	Business/exchange retainers; break-even nears
Scale	Year 2	Filing-season volume; retainers; advisory
Growth	Year 3	Strong recurring compliance base

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. Fee/retainer professional-services; seasonal filing peaks + recurring retainers.

12.1 Project cost & means of finance

Capital requirement	₹
Office & IT setup	2,50,000
Crypto-tax & reconciliation software	2,00,000
Branding, content & marketing	2,00,000
Working-capital buffer	1,50,000
Total project cost	8,00,000
Promoter contribution	3,00,000
Term/WC loan (Mudra / CGTMSE)	5,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Individual returns & reconciliation	16,00,000	30,00,000	42,00,000

Business/exchange retainers	10,00,000	24,00,000	36,00,000
Advisory & representation	4,00,000	8,00,000	7,00,000
Total revenue	30,00,000	62,00,000	85,00,000
Salaries & associates	16,00,000	32,00,000	44,00,000
Software & tools	2,50,000	4,50,000	6,00,000
Office & overheads	3,50,000	6,00,000	8,00,000
Marketing & admin	3,00,000	6,00,000	8,00,000
Interest on loan	55,000	40,000	25,000
Total expenses	25,55,000	48,90,000	66,25,000
Net profit (before tax)	4,45,000	13,10,000	18,75,000
Net margin	14.8%	21.1%	22.1%

12.3 Unit economics & break-even

- **Per return/client:** fee – (associate time + software + overhead); tooling & expertise leverage boost throughput/margin.
- **Recurring:** business/exchange retainers & repeat filers give predictable, higher-value revenue.
- **Break-even:** reached around month 4–7; filing-season peaks & retainers build the base.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	1,50,000	1,60,000	2,00,000	3,40,000
Collections	6,00,000	7,00,000	9,00,000	8,00,000
Operating outflows	5,75,000	6,45,000	7,45,000	7,20,000
Loan EMI	15,000	15,000	15,000	15,000
Closing balance	1,60,000	2,00,000	3,40,000	4,05,000

Individual-return revenue peaks around the filing season (Jul quarter esp.); business/exchange retainers & advisory smooth income year-round. Asset-light & fee-collected keeps cash clean; the buffer covers the ramp.

12.5 Key Performance Indicators to Monitor

- **Volume:** returns/clients; reconciliations; season throughput.
- **Recurring:** business/exchange retainers; repeat filers.
- **Accuracy:** error/notice rate; compliance quality.
- **Economics:** fee per client; associate throughput; margin.

13. Funding Requirement & Bankability

Total ask: **₹5 lakh term/WC finance** against ₹3 lakh promoter contribution — asset-light, funding setup, software & marketing; eligible under **PMMY (Mudra)/CGTMSE** (largely fee-funded thereafter). Year-1 net profit ~₹4.45 lakh against small debt service gives a strong DSCR — comfortably bankable, strengthening with retainers & recurring compliance in a growing niche.

13.1 Funding utilisation

Use of funds	₹	% of total
Office & IT setup	2,50,000	31%
Crypto-tax & reconciliation software	2,00,000	25%
Branding, content & marketing	2,00,000	25%
Working-capital buffer	1,50,000	19%
Total	8,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Tax-law changes (VDA regime)	Continuous law tracking; adaptable process; advisory value
Accuracy / error / notice risk	Software, QC/review, expertise; professional indemnity
Seasonality	Retainers, business/exchange & advisory; year-round mix
Reputation / compliance	Ethical, accurate, compliant practice (no evasion advice)
Crypto-market/adoption cycles	Compliance is mandatory regardless; diversified clients

15. SWOT Analysis

Strengths Mandatory recurring compliance; scarce expertise; asset-light; high margins; retainer base.	Weaknesses Seasonal; law-change & accuracy risk; expertise-dependent; crypto-cycle-linked volume.
Opportunities Growing crypto adoption & enforcement; business/exchange retainers; advisory; content authority.	Threats Tax-law shifts; self-serve software; general CAs upskilling; crypto downturns.

16. Recommended AiSevak Tools for This Business

This crypto-tax advisory would use AiSevak's Crypto & Finance vertical tools in delivery:

- **Practice ops:** client-CRM, reconciliation/computation, filing-tracker and retainer-billing tools.
- **Compliance:** VDA-tax/115BBH/194S, Schedule-VDA, DPDP and GST tools (with Finance & Legal verticals).

- **Practice:** Business Plan, per-return economics and Break-even tools to model the practice.

17. Key Assumptions & Notes

- Compliant professional-services practice (not trading/evasion); VDA 30% + 1% TDS + Schedule VDA.
- Individual returns are seasonal; business/exchange retainers & advisory smooth & grow revenue.
- Term/WC finance ~11% p.a. (largely fee-funded); ICAI norms for attest; GST on fees; DPDP data security.
- Expertise, accuracy, tooling & recurring compliance are decisive; figures exclude GST; not tax advice.

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Every tool referenced in this plan is available on aisevak.in. Open the [Crypto & Web3 toolkit](https://aisevak.in/verticals/crypto) to browse and use them all at <https://aisevak.in/verticals/crypto> — 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.

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