



BUSINESS PLAN · INDIA

Employment & Labour-Law Practice

Employment contracts, POSH, labour compliance & disputes in India

LEGAL

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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 an **Employment & Labour-Law Practice** in India — a specialist firm advising employers on the full employment lifecycle: employment contracts and offer letters, HR policies and handbooks, POSH compliance, labour-law and labour-code compliance, terminations and settlements, disciplinary and grievance matters, and employment disputes and litigation.

Employment law is complex, state-varied and rapidly changing (new labour codes, POSH, gig-work rules), and every employer carries exposure — from wrongful-termination claims to statutory non-compliance. Most SMEs lack in-house employment-law expertise. This firm provides specialist advice and documentation on recurring retainers plus dispute work, a durable and growing practice.

The promoter — a lawyer with employment/labour-law expertise — seeks total funding of **₹5.5 lakh** (₹2.0 lakh promoter + ₹3.5 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹30 lakh** revenue in Year 1 and **₹78 lakh** by Year 3.

2. Business Description, Vision & Legal Structure

Concept: An employer's employment-law partner — sound contracts and policies, full labour compliance, and effective handling of disputes and terminations.

Vision: To be the go-to employment & labour-law firm for employers in the region.

Mission: Keep employers compliant and protected across the employment lifecycle, and resolve workplace disputes effectively.

Legal structure options

- **Sole proprietorship / advocate practice** — simplest entry.
- **LLP of advocates** — recommended as the team grows; credibility and limited liability.

Professional note: legal advice, representation and drafting are provided by enrolled advocates under the Advocates Act and BCI norms (including advertising restrictions). Employment law is heavily state-specific, so local labour-law fluency is essential.

3. Promoter & Ownership

Led by a lawyer with employment/labour-law and HR-compliance expertise. Delivery uses associates and paralegals for policy drafting, compliance and documentation under supervision. Year-one ownership rests with the promoter; associates are added as clients grow. Ownership and profit-sharing are editable inputs.

4. Market Analysis — India

The employer base is vast and growing, and employment-law risk is rising: the new labour codes, POSH obligations, gig-work regulation, and increasing employee awareness of rights all drive demand. Because employment matters are recurring (every hire, policy, exit) and state-specific, specialist advisory is valuable and sticky.

Demand drivers

- **Labour codes:** consolidation and change raise compliance needs.

- **POSH obligations:** mandatory policies, ICs and training.
- **Termination & dispute risk:** wrongful-termination and settlement matters.
- **Gig & contract workforce** rules and structuring.
- **Rising employee awareness** of rights and remedies.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Employers needing employment-law support in India	Very large
SAM	Reachable SMEs/enterprises in the firm's region	Large
SOM (Yr 1-3)	Retainer + matter clients served	50 → 150 clients

Target segments

- SMEs and startups needing contracts, policies and compliance.
- Growing companies needing POSH, handbooks and labour compliance.
- Employers handling terminations, settlements or disputes.
- Businesses with gig/contract workforce structuring needs.

5. Competition & Competitive Advantage

Landscape: general law firms, HR consultants (non-legal), and individual advocates. The firm differentiates on employment-law specialisation, practical HR-aware advice and reliable compliance.

The firm's edge

- **Employment-law specialisation** across the lifecycle.
- **Practical, HR-aware advice** — legally sound and workable.
- **State-specific labour fluency.**
- **Retainer model** — a standing employment-law desk.
- **Dispute capability** — from grievance to litigation.

6. Services & Pricing

Service	Model	Indicative fee (₹)
Employment contracts & offer letters	Per document	2,000-15,000
HR policies & employee handbook	Project	15,000-1,00,000
POSH policy, IC setup & training	Project	10,000-60,000
Labour-law compliance audit	Project	20,000-1,50,000
Employment-law retainer	Monthly	10,000-50,000/mo
Termination / settlement handling	Per matter	10,000-1,00,000
Employment dispute / litigation	Matter + appearances	25,000-5,00,000+

Retainers and compliance projects provide recurring revenue; documents, terminations and disputes add project and matter-based income.

7. Go-to-Market — Marketing & Sales (within BCI norms)

- **HR & business networks:** HR forums, industry associations and employer groups.
- **Referrals:** CAs, HR consultants, other advocates and existing clients.
- **POSH-driven acquisition:** mandatory POSH needs as an entry point.
- **Compliant content:** labour-code and POSH updates.
- **Partnerships** with payroll/HR firms.

Practice growth

Enter via POSH/policy/compliance projects and convert into employment-law retainers; layer termination and dispute work. Build a renewing employer client base.

8. Operations Plan

- **Location:** a lean office or remote-first setup; delivery is largely advisory and documentation.
- **Delivery model:** associates draft policies/documents under supervision; standardised templates and a state-wise labour-compliance framework.
- **Technology:** document management, compliance-calendar tools, and a client/matter tracker.
- **Quality & ethics:** lawyer review; conflict checks; confidentiality; up-to-date compliance content.
- **Capacity:** a lawyer + associate pod handles many retainers and matters; scale by adding lawyers.

Employment lifecycle coverage

Stage	Work	Revenue
Hiring	Contracts, offer letters	Per document
Employment	Policies, POSH, compliance	Project/retainer
Issues	Grievance, discipline	Retainer/matter
Exit	Termination, settlement	Per matter
Dispute	Litigation, tribunals	Matter fee

9. Regulatory, Licences & Compliance (India)

- **Bar Council enrolment** for advocates; firm setup as proprietorship/LLP.
- **PAN/TAN, GST registration** (legal-services GST treatment varies; RCM may apply), professional tax and Shops & Establishments as applicable.
- **Domain expertise:** labour codes, POSH Act, state labour rules, industrial-relations law; professional conduct (Advocates Act/BCI).
- **Data protection** aligned to the DPDP Act; secure handling of employee/client data.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Lead Lawyer	1	1	1
Associate Lawyer	1	3	4
Paralegal / Compliance Executive	1	2	3
Admin / Client Support	0	1	1
Total	3	7	9

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Entity, templates, compliance framework, HR network
Launch	Month 1–3	First POSH/policy projects & retainers
Traction	Month 4–9	Growing retainer book; disputes; break-even nears
Scale	Year 2	Compliance-audit line; second lawyer
Growth	Year 3	150 clients; renewing retainer 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.

12.1 Project cost & means of finance

Capital requirement	₹
Office & fit-out	1,10,000
Computers & IT (3)	1,50,000
Document & compliance software	65,000
Branding, website & setup	50,000
Deposits & pre-operative	55,000
Working-capital buffer	1,20,000
Total project cost	5,50,000
Promoter contribution	2,00,000
Term loan (Mudra / CGTMSE)	3,50,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Employment-law retainers	13,00,000	26,00,000	38,00,000
Policies, POSH & compliance projects	10,00,000	19,00,000	24,00,000
Terminations & disputes	7,00,000	13,00,000	16,00,000
Total revenue	30,00,000	58,00,000	78,00,000
Salaries & wages	14,40,000	27,00,000	35,00,000
Rent & utilities	2,20,000	2,80,000	3,40,000
Software & subscriptions	1,50,000	2,30,000	2,90,000
Marketing & networking	1,40,000	2,20,000	2,80,000
Admin, travel & misc	2,40,000	3,40,000	4,40,000
Interest on term loan	38,000	28,000	16,000
Total expenses	22,28,000	37,98,000	48,66,000
Net profit (before tax)	7,72,000	20,02,000	29,34,000
Net margin	25.7%	34.5%	37.6%

12.3 Unit economics & break-even

- **Average retainer:** ~₹18,000/client/month; policy/POSH projects add high-margin income.
- **Leverage:** associates draft under supervision, keeping delivery efficient.
- **Break-even:** a base of retainers plus projects — reached around month 8-10.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	1,20,000	90,000	1,55,000	2,80,000
Collections	4,80,000	7,00,000	8,80,000	9,90,000
Operating outflows	4,80,000	6,05,000	7,25,000	8,40,000
Loan EMI	30,000	30,000	30,000	30,000
Closing balance	90,000	1,55,000	2,80,000	4,00,000

Retainers and compliance projects steady the cash line; disputes add lumpier inflows; the buffer covers early client-building.

12.5 Key Performance Indicators to Monitor

- **Book:** retainer clients; projects; new-client additions.
- **Delivery:** compliance completion; dispute outcomes; client satisfaction.
- **Retention:** retainer renewals; repeat projects.
- **Economics:** revenue per client; % recurring; utilisation.

13. Funding Requirement & Bankability

Total ask: **₹3.5 lakh term loan** against ₹2.0 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE**. Year-1 net profit ~₹7.72 lakh against annual debt service of ~₹1.2 lakh gives a **DSCR above 3.0** — comfortably bankable, backed by recurring retainers.

13.1 Funding utilisation

Use of funds	₹	% of total
IT, document & compliance software	2,15,000	39%
Office setup & deposits	1,65,000	30%
Branding & setup	50,000	9%
Working-capital buffer	1,20,000	22%
Total	5,50,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Advice error / liability	Lawyer review; up-to-date compliance; professional-indemnity cover
Labour-code / rule change	Continuous tracking; client advisories; template updates
Client churn	Retainers; POSH/compliance stickiness; broad base
State-law complexity	State-wise frameworks; local expertise
Marketing constraints (BCI)	Referral-led growth; HR-network partnerships

15. SWOT Analysis

Strengths Specialist niche; recurring retainers; rising demand; low capex.	Weaknesses State-law complexity; advertising limits; key-person dependence early.
Opportunities Labour codes; POSH mandate; gig-work rules; retainer & compliance book.	Threats HR-consultant competition; fee pressure; regulatory shifts.

16. Recommended AiSevak Tools for This Business

This firm would use AiSevak's Legal vertical employment tools in delivery:

- **Employment docs:** Employment Agreement, Offer Letter, Internship Agreement, Probation/Increment/Termination/Severance Letters, Freelancer Contract.

- **HR policy & compliance:** Employee Handbook, POSH Policy, Leave Policy, Code of Conduct, WFH/Travel/IT-Asset Policies, Labour Compliance, POSH Audit, Labour Audit.
- **Practice:** Business Plan and Unit-Economics tools to model the firm.

17. Key Assumptions & Notes

- Promoter is an enrolled advocate with employment-law expertise.
- ~50 clients in Year 1 growing to ~150 by Year 3 across retainers, projects and disputes.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.
- Legal-services GST varies by client (RCM in some cases) — figures exclude GST.

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