BUSINESS PLAN · INDIA

Energy-Audit and Efficiency Consultancy

BEE audits and efficiency retrofits

ENERGY

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out an **Energy-Audit & Efficiency Consultancy** in India — a BEE-accredited firm that audits how businesses use energy, identifies savings, and helps implement efficiency retrofits (lighting/HVAC/motors/VFDs/compressed-air/process/solar-hybrid). It earns **audit/advisory fees + retrofit-project margins + savings-linked/performance fees**, monetising India's energy-cost pressure, mandatory audits for designated consumers & the decarbonisation/ESG push — a largely **asset-light, expertise-driven** consultancy with an implementation upside.

Energy is a large, rising cost for Indian industry & commercial buildings, and the Energy Conservation Act mandates periodic energy audits by BEE-accredited auditors for designated consumers — while ESG/net-zero commitments push voluntary audits. Most firms lack in-house expertise to find & capture savings. An energy-audit consultancy is an **expertise & results business**: light on capital, driven by BEE-accredited auditors, audit quality, identified & realised savings, & the ability to implement retrofits. Revenue blends **audit/advisory fees + retrofit implementation (project margin) + savings-linked/performance fees**; success rests on accreditation/credibility, audit quality, realised savings, implementation & a repeatable BD engine — it is expertise-, results- & utilisation-driven, asset-light.

This is a professional-services + light-implementation business — funded largely by promoter equity (low capex), with a modest working-capital line (services-MSME eligible). This plan models an energy-audit consultancy requiring **₹45 lakh** (₹32 lakh promoter + ₹13 lakh bank/WC finance), targeting **₹1.5 crore** revenue in Year 1 and **₹3.6 crore** by Year 3. *(Energy-audit/efficiency consultancy; audit + retrofit + savings-linked fees, expertise-/results-driven, asset-light — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A BEE-accredited energy-audit & efficiency consultancy - audits, savings identification & efficiency-retrofit implementation for industry & buildings, earning audit + project + savings-linked fees.

Vision: To help Indian businesses cut energy cost & carbon, measurably.

Mission: Deliver rigorous audits & real, verified energy savings - through expert analysis & effective implementation.

Legal structure options

- **LLP** — common for a consultancy practice.
- **Private Limited** — recommended for scale, industrial/ESCO clients, implementation & funding.

> **Regulatory anchor:** energy audits are governed by the Energy Conservation Act & BEE — accredited energy auditors/managers, mandatory audits for designated consumers, standards & reporting; implementation adds contracts/warranties. Accreditation/credibility, audit quality, realised savings, implementation & a repeatable BD engine determine success; it is expertise-, results- & utilisation-driven, asset-light.

3. Promoter & Ownership

Led by a promoter with energy-audit, BEE-accreditation, mechanical/electrical-engineering or efficiency expertise. The team includes BEE-accredited auditors, efficiency/retrofit engineers, measurement & verification (M&V) analysts & BD/support. Accreditation/credibility, audit quality, realised savings & implementation are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's rising energy costs, mandatory audits for designated consumers (Energy Conservation Act/BEE), PAT scheme, net-zero/ESG commitments & efficiency-scheme push sustain strong demand for energy audits & efficiency across industry, commercial buildings & institutions. Demand is cost-/compliance-/ESG-driven & policy-backed. The market rewards accreditation/credibility, audit quality, realised savings, implementation & a repeatable engine; it is expertise-, results-, compliance- & cycle-sensitive, met with accreditation, quality, savings & BD.

Demand drivers

- **Energy-cost pressure** (industry/buildings).
- **Mandatory audits** (designated consumers/PAT).
- **Net-zero/ESG & decarbonisation.**
- **Efficiency schemes & incentives.**
- **Retrofit & solar-hybrid** opportunities.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Energy audit/efficiency in India	Large & growing
SAM	Industry/segment & geography	Substantial
SOM (Yr 1–3)	Audits / retrofit projects	Scaling

Target segments

- Industrial designated consumers (mandatory).
- Commercial buildings/malls/hotels.
- MSME manufacturers (cost/efficiency).
- Institutions & ESG-led corporates.

5. Competition & Competitive Advantage

Landscape: other energy auditors/consultancies, ESCOs, large engineering/EPC firms & equipment vendors' advisory. The firm competes on accreditation/credibility, audit quality, realised savings, implementation capability, sector depth & value.

The business's edge

- **BEE accreditation & credibility.**
- **Audit quality & realised savings.**
- **Implementation (not just reports).**
- **Savings-linked alignment.**
- **Sector depth & M&V rigour.**

6. Products & Revenue Model

Stream	Model	Basis

Energy audits (mandatory/voluntary)	Audit fee	Core/entry
Efficiency retrofit implementation	Project margin	Core/scale
Savings-linked / performance fees	% of verified savings	Upside
Monitoring / M&V / retainers	Recurring	Recurring
ESG/carbon & decarbonisation advisory	Project/retainer	Margin

> Audits are the core/entry; retrofit implementation adds project margin & scale; savings-linked/performance fees (a % of verified savings) add aligned upside; monitoring/M&V/retainers & ESG advisory add recurrence. Economics = audits + retrofits × margin + savings fees; accreditation, audit quality, realised savings, implementation & BD drive it — the decisive energy-audit levers (asset-light + implementation upside).

7. Go-to-Market — Marketing & Sales

- **Mandatory-audit targeting** (designated consumers/PAT).
- **Savings/ROI pitch** (cost cut, payback).
- **Industry/ESG presence** & alliances.
- **Audit → implementation** conversion.
- **Case studies & referrals** (realised savings).

Sales approach

Win audits (mandatory + savings pitch) → identify & quantify savings → convert to retrofit implementation + savings-linked fees → verify savings (M&V) → build case studies, retainers & referrals → grow across sites/sectors. Accreditation, audit quality, realised savings & implementation build the practice; savings-linkage aligns incentives.

8. Operations Plan (audit + implementation)

- **Audit delivery:** BEE-accredited auditors, instrumentation/measurement, analysis, savings identification & reporting.
- **Implementation:** retrofit engineering, procurement/vendor management, installation, commissioning (efficiency equipment).
- **M&V:** baseline, measurement & verification of savings (credibility & savings-linked billing).
- **Tech:** audit tools/instruments, analysis/reporting, monitoring, project/CRM.
- **Compliance:** BEE/Energy Conservation Act standards, reporting, contracts/warranties.

Engagement workflow

Stage	Activity	Metric
Audit	Measure/analyse	Savings identified
Report	Recommendations/ROI	Quality/conversion
Implement	Retrofit/commission	Project margin
Verify	M&V savings	Verified savings
Monitor	Ongoing/retainer	Recurring/referral

9. Regulatory, Licences & Compliance (India)

- **BEE / Energy Conservation Act:** accredited energy auditors/managers; designated-consumer audits; PAT (as applicable).
- **Standards:** audit standards, M&V, reporting.
- **Implementation:** contracts, warranties, safety (retrofit).
- **General:** company/LLP; GST on services; professional indemnity.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / lead (BEE auditor)	1	2	3
Auditors & efficiency engineers	4	8	14
Implementation & M&V	3	6	10
BD, admin & support	2	4	6
Total	**10**	**20**	**33**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–3	Entity, BEE accreditation/team, instruments, first audits
Ramp	Month 3–8	Audits, retrofit implementation, savings-linked, M&V
Traction	Month 8–12	Clients & case studies; ₹1.5cr revenue
Expand	Year 2	More sectors, retrofits, retainers, ₹2.6cr
Scale	Year 3	₹3.6cr revenue; audit + implementation book

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. Energy-audit consultancy is asset-light (audits/advisory) with an implementation upside (retrofit projects) & savings-linked fees; WC covers salaries + retrofit-project/receivables.

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (salaries + retrofit/receivables)	20,00,000
Audit instruments, tools & software	12,00,000
Office, accreditation & setup	8,00,000
Brand, BD & pre-operative	5,00,000

Total project cost	45,00,000
Promoter contribution	32,00,000
Bank / WC finance (services MSME)	13,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Energy audits & advisory	55,00,000	95,00,000	1,25,00,000
Retrofit implementation	75,00,000	1,50,00,000	1,90,00,000
Savings-linked, M&V/retainers & ESG	20,00,000	45,00,000	45,00,000
Total revenue	**1,50,00,000**	**2,90,00,000**	**3,60,00,000**
Salaries & delivery	72,00,000	1,35,00,000	1,70,00,000
Retrofit materials/subcontract	40,00,000	80,00,000	1,00,00,000
Instruments, office, BD & overheads	25,00,000	45,00,000	58,00,000
Interest & other	4,00,000	6,00,000	7,00,000
Total expenses	**1,41,00,000**	**2,66,00,000**	**3,35,00,000**
Net profit (before tax)	**9,00,000**	**24,00,000**	**25,00,000**
Net margin	6%	8.3%	6.9%

12.3 Unit economics & break-even

- **Audits + retrofits × margin + savings fees:** audits are high-margin advisory; retrofit implementation adds volume/margin (materials cost); savings-linked/performance fees add aligned upside; utilisation & conversion (audit→implementation) drive it.
- **Realised savings & M&V:** verified savings build case studies, referrals, savings-fee billing & premium pricing — the compounding lever; implementation (not reports) captures the value.
- **Break-even:** at an audit/retrofit threshold covering salaries & overheads; margins moderate (retrofit materials dilute), improving with audit/advisory mix, savings fees & retainers.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	5,00,000	4,50,000	4,60,000	4,90,000
Fee & project collections	30,00,000	37,00,000	42,00,000	45,00,000
Salaries, materials & operating	30,50,000	36,90,000	41,70,000	44,40,000
Closing balance	**4,50,000**	**4,60,000**	**4,90,000**	**5,50,000**

> Asset-light on audits, but retrofit implementation carries materials + receivables WC. Audit advances, milestone billing, savings-linked-on-verification, a WC line & utilisation management maintain cash; the key risks are audit-to-implementation conversion, savings-verification disputes, project/receivables & talent/accreditation dependence — met with implementation

focus, M&V rigour, retainers & BD.

12.5 Key Performance Indicators to Monitor

- **Delivery:** audits; audit→retrofit conversion; utilisation.
- **Results:** savings identified vs. realised; verified savings; savings fees.
- **Revenue:** audit vs. retrofit vs. recurring mix.
- **Finance:** revenue/engineer; net margin; receivable days.

13. Funding Requirement & Bankability

Total ask: **₹13 lakh bank/WC finance** against ₹32 lakh promoter contribution — for salaries, retrofit-project WC & instruments on a largely asset-light base. Bankability rests on BEE accreditation, audit quality, realised-savings track record, retrofit pipeline & savings-linked upside; energy-cost pressure, mandatory audits & ESG support demand. Year-1 profit ~₹9 lakh growing to ₹25 lakh; conversion, savings & utilisation are key. Accreditation, audit quality, realised savings & implementation underpin the model.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (salaries + retrofit/receivables)	20,00,000	44.4%
Audit instruments, tools & software	12,00,000	26.7%
Office, accreditation & setup	8,00,000	17.8%
Brand, BD & pre-operative	5,00,000	11.1%
Total	**45,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Audit-to-implementation conversion	Savings/ROI pitch, implementation capability, savings-linkage
Savings-verification disputes	M&V rigour, baselines, clear terms
Project / receivables WC	Advances, milestone billing, WC line, discipline
Talent / accreditation dependence	BEE auditors, training, retention, IP/methods
Competition / margin pressure	Accreditation, results/case-studies, savings-linkage, sector depth

15. SWOT Analysis

Strengths	Weaknesses
Asset-light audits + implementation upside; mandatory-audit & ESG tailwind; measurable ROI; savings-linkage; accreditation moat.	Conversion- & results-dependent; retrofit materials dilute margin; talent/accreditation-reliant; verification/dispute risk.

Opportunities	Threats
Mandatory audits/PAT; net-zero/ESG; retrofits/solar-hybrid; ESCO/savings-linkage; retainers; new sectors.	Competition/ESCOs; economic cycles; talent war; savings-realisation risk; policy changes.

16. Recommended AiSevak Tools for This Business

This energy-audit consultancy would use AiSevak's Energy vertical tools in delivery:

- **Delivery ops:** energy-audit/analysis & savings-identification, retrofit-project & M&V/verification, monitoring tools.
- **Business ops:** BEE-compliance/reporting & engagement/savings-linked-contract, pipeline/CRM & receivable tools (with Legal & Finance verticals).
- **Practice:** Business Plan, audit/retrofit/savings and Break-even tools to model the firm — and energy analytics clients pay for.

17. Key Assumptions & Notes

- Energy-audit/efficiency consultancy: BEE-accredited audits (mandatory + voluntary) + efficiency-retrofit implementation + savings-linked/performance fees; expertise-/results-driven, asset-light with implementation upside.
- Audits + retrofits × margin + savings fees decisive; accreditation, audit quality, realised savings, implementation & M&V are the levers.
- Largely equity-funded (low capex) + WC (salaries/retrofit/receivables), services-MSME eligible; Energy Conservation Act/BEE standards.
- Conversion, realised savings, mix & utilisation drive economics; figures illustrative, exclude GST.

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