BUSINESS PLAN · INDIA

Tax Consultancy

Direct & indirect tax advisory, filing & representation for India

FINANCE

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1. Executive Summary

This plan sets out the establishment and growth of a **Tax Consultancy** in India, offering direct-tax (income-tax, TDS/TCS, capital gains) and indirect-tax (GST) advisory, return preparation, assessment and notice representation, and tax planning for individuals, professionals, HNIs and businesses.

India's taxpayer base is widening every year — over 8 crore income-tax returns are now filed annually — while assessment has moved to a faceless, data-driven regime that generates a rising volume of notices, mismatches and scrutiny. Most taxpayers cannot navigate this alone. A tax consultancy monetises this complexity through seasonal return-filing volume, year-round business retainers, and high-value representation and advisory work.

The promoter seeks total funding of **₹6.0 lakh** (₹2.0 lakh promoter + ₹4.0 lakh term loan, eligible under PMMY-Mudra / CGTMSE), targeting **₹35 lakh** revenue in Year 1, scaling to **₹85 lakh** by Year 3 with a 5–7 member team.

2. Business Description, Vision & Legal Structure

Concept: A trusted tax advisor that keeps clients compliant, minimises their lawful tax outgo, and defends them competently when the department raises a query.

Vision: To be the region's go-to tax practice for individuals and growing businesses — known for accuracy, proactive planning and calm, effective representation.

Mission: File right and on time, plan taxes lawfully in advance, and resolve notices quickly — so clients never fear the tax department.

Legal structure options

- **Sole Proprietorship** — simplest for a single practitioner; ideal in year one.
- **LLP** — recommended for two or more partners; limited liability, credibility with business clients.
- **Private Limited** — for aggressive multi-branch scaling or investment.

> **Note on scope:** appearance/representation before tax authorities and tax audit/attest work are governed by professional statutes — a practising Chartered Accountant, Advocate or registered tax practitioner handles those. If the promoter is not so qualified, the firm partners with a CA/Advocate for representation and audit sign-off, while owning preparation, planning and advisory.

3. Promoter & Ownership

The firm is led by a promoter with tax expertise and practical experience of the Indian income-tax and GST regimes. Year-one ownership rests with the promoter; a senior reviewer, tax preparers and a client-coordinator are added as volume grows. Ownership and profit-sharing are editable inputs to be fixed in the deed/agreement.

4. Market Analysis — India

Tax advisory is a large, recurring and recession-resilient market: taxes must be filed and defended every year regardless of the economic cycle. Rising formalisation, a faceless assessment regime and frequent law changes keep demand structurally growing, while the market remains fragmented across individual practitioners — leaving room for a professional, service-led firm.

Demand drivers

- **Widening tax base:** more filers each year as incomes rise and reporting tightens (AIS/TIS, SFT, high-value-transaction reporting).
- **Faceless assessment & data matching:** automated mismatches trigger notices even for compliant taxpayers — creating steady representation work.
- **Frequent law change:** new/old regime choice, capital-gains changes, TDS on new transactions — taxpayers need guidance each year.
- **Business compliance:** TDS returns, advance tax, tax audit, GST — recurring retainer demand.
- **NRI & capital-gains complexity:** property sales, foreign income, 15CA/15CB — high-value niche work.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Income-tax filers + GST-registered businesses in India	8 crore+ filers
SAM	Filers/businesses in the firm's city/region seeking a paid advisor	40,000–1,00,000
SOM (Yr 1–3)	Realistic clients served (returns + retainers + representation)	300 → 900

Target segments

- Salaried individuals and HNIs with capital gains, multiple incomes or foreign assets.
- Professionals and freelancers (presumptive taxation, advance tax).
- SMEs needing TDS, advance tax, tax audit and GST advisory on retainer.
- NRIs with Indian income, property sales and repatriation needs.

5. Competition & Competitive Advantage

Landscape: individual tax practitioners, CA firms, and online filing portals. Practitioners win on trust but are often reactive and hard to reach in peak season; portals are cheap but generic and unhelpful with notices.

The firm's edge

- **Proactive planning** — advance-tax and regime-choice advisory before year-end, not just filing after.
- **Notice-defence specialisation** — fast, competent responses to faceless notices, a growing pain point.
- **Transparent, tiered pricing** and defined turnaround.
- **Year-round relationship** via business retainers, not just a July transaction.
- **Technology** — secure document collection, computation tools and a client tracker.

6. Services & Pricing

Service	Model	Indicative price (₹)
Salaried ITR (single income)	Per return	750–2,000
ITR with capital gains / multiple incomes / foreign assets	Per return	3,000–12,000
Business/professional ITR + computation	Per return	3,500–15,000
TDS return filing	Per quarter	1,500–5,000

Business tax retainer (advance tax, TDS, advisory)	Monthly	5,000–20,000/mo
Notice / scrutiny reply & representation	Per case	5,000–50,000+
Tax planning / advisory engagement	Project	10,000–75,000
NRI taxation / 15CA-15CB / capital-gains planning	Per case	5,000–40,000

> Return filing provides seasonal volume; retainers and representation provide year-round, higher-margin revenue that smooths the July peak.

7. Go-to-Market — Marketing & Sales

- **Referrals & reputation:** satisfied clients, CAs, bankers, real-estate agents (for capital-gains leads) and HR teams (for salaried filing tie-ups).
- **Local & digital presence:** Google Business Profile, a clear-pricing website, and SEO for "income tax filing / tax consultant near me" and "income tax notice reply".
- **Content authority:** timely explainers at budget time and filing season on LinkedIn/YouTube/WhatsApp.
- **Employer & society tie-ups:** bulk salaried-return camps with companies and housing societies.
- **Seasonal drives:** advance-tax reminders (Jun/Sep/Dec/Mar) and ITR-season campaigns.

Sales funnel

Lead → quick eligibility/quote → document collection → preparation & review → filing/advice → upsell (planning, retainer). Convert salaried filers into year-round advisory relationships; onboard business retainers steadily through the year.

8. Operations Plan

- **Location:** a small office (200–350 sq ft) in an accessible area; much work is digital/remote.
- **Technology stack:** tax-computation/filing software, a secure document portal, AIS/26AS reconciliation tools, and a client-and-deadline CRM.
- **Delivery process:** collect documents → reconcile with AIS/26AS → compute → reviewer check → file → deliver acknowledgment & advice note. Notices follow a defined intake → analysis → drafting → submission workflow.
- **Quality control:** maker-checker on every return and notice reply; a master deadline calendar; peak-season capacity plan.
- **Capacity:** a preparer handles 200–400 simple returns per season or a mix of complex returns and retainers; scale by adding trained staff and seasonal help.

9. Regulatory, Licences & Compliance (India)

- **Business registration:** proprietorship (via GST/Udyam) or LLP/Pvt Ltd with MCA.
- **Udyam (MSME) registration** — free; scheme and lending benefits.
- **GST registration** — the firm charges GST on its fees once thresholds apply.
- **PAN & TAN**; professional tax and Shops & Establishments registration as applicable.
- **Professional conduct:** representation and tax audit via qualified CA/Advocate; strict client confidentiality and data protection aligned to the DPDP Act; ERI/e-return-intermediary registration if filing at scale.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Principal Consultant	1	1	1
Senior Tax Reviewer	1	1	2
Tax Preparer / Associate	1	2	3
Client Coordinator / Admin	0	1	1
Total (core)	**3**	**5**	**7**

Seasonal contract preparers are added during the July filing peak to handle volume without inflating fixed cost.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–1	Registration, office, software, website, ERI setup
First season	Month 1–4	Filing-season volume; 150+ returns; notice-defence live
Retainers	Month 4–9	15–20 business retainers; advisory engagements
Break-even	Month 9–12	Cross break-even; NRI/capital-gains niche established
Scale	Year 2–3	900 clients; second location or vertical; LLP conversion

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	1,20,000
Computers & peripherals (3)	1,50,000
Tax software & subscriptions	70,000
Branding, website & launch marketing	50,000
Deposits & pre-operative	60,000
Working-capital buffer	1,50,000
Total project cost	**6,00,000**
Promoter contribution	2,00,000
Term loan (Mudra / CGTMSE)	4,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Return-filing revenue (seasonal)	16,00,000	26,00,000	36,00,000
Retainer revenue	12,00,000	22,00,000	33,00,000
Representation & advisory	7,00,000	14,00,000	16,00,000
Total revenue	**35,00,000**	**62,00,000**	**85,00,000**
Salaries & seasonal staff	16,50,000	29,00,000	40,00,000
Rent & utilities	3,00,000	3,60,000	4,20,000
Software & subscriptions	1,50,000	2,20,000	3,00,000
Marketing	2,00,000	2,80,000	3,60,000
Admin, travel & misc	2,60,000	3,60,000	4,80,000
Interest on term loan	44,000	32,000	18,000
Total expenses	**26,04,000**	**41,52,000**	**55,78,000**
Net profit (before tax)	**8,96,000**	**20,48,000**	**29,22,000**
Net margin	25.6%	33.0%	34.4%

12.3 Unit economics & break-even

- **Blended revenue/client:** ~₹4,000–6,000 across the mix; representation cases carry the highest margin.
- **Monthly fixed costs (Yr 1, off-season):** ~₹1.6 lakh. **Break-even** reached within the first filing season plus a modest retainer base.
- **Seasonality:** ~45% of annual revenue lands in the Jun–Sep filing window; retainers and notices smooth the rest of the year.

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

Particulars (₹)	Q1 (Apr-Jun)	Q2 (Jul-Sep)	Q3 (Oct-Dec)	Q4 (Jan-Mar)
Opening balance	1,50,000	1,10,000	4,20,000	4,05,000
Collections	6,00,000	14,50,000	7,00,000	7,50,000
Operating outflows	6,05,000	11,05,000	6,80,000	7,30,000
Loan EMI	35,000	35,000	35,000	35,000
Closing balance	**1,10,000**	**4,20,000**	**4,05,000**	**3,90,000**

> The Q2 filing peak generates the year's cash cushion; the working-capital buffer covers the leaner off-season quarters.

12.5 Key Performance Indicators to Monitor

- **Volume:** returns filed/season; new retainers/quarter; representation cases handled.
- **Quality:** on-time-filing %; notice-success rate; rework/defective-return rate.

- **Retention:** repeat-filing % year-on-year; retainer churn.
- **Economics:** revenue per preparer; blended fee/return; % revenue from year-round (non-seasonal) work.

13. Funding Requirement & Bankability

Total ask: **₹4.0 lakh term loan** against ₹2.0 lakh promoter contribution — eligible under **PMMY (Mudra)** and coverable under **CGTMSE** (collateral-free). Year-1 net profit ~₹8.96 lakh against annual debt service of ~₹1.4 lakh gives a **DSCR above 3.0**, making the proposal comfortably bankable.

14. Risk Analysis & Mitigation

Risk	Mitigation
Seasonality / revenue concentration in July	Grow retainers and representation; advance-tax and advisory work across the year
Error / penalty exposure on a return	Maker-checker review; professional-indemnity cover; documented advice notes
Regulatory / regime change	Continuous upskilling; software that updates to new provisions
Talent crunch in peak season	Seasonal contract staff; standardised checklists so quality is not person-dependent
Representation limits if promoter unqualified	CA/Advocate partnership for appearance and audit sign-off

15. SWOT Analysis

Strengths Recurring, recession-resilient demand; low capex; high-margin advisory/representation; sticky annual relationships.	**Weaknesses** Seasonality; representation needs qualified professional; peak-season capacity strain.
Opportunities Rising notices under faceless assessment; NRI & capital-gains niche; employer/society tie-ups; multi-branch scale.	**Threats** Free/cheap filing portals; frequent law change; price competition from practitioners.

16. Recommended AiSevak Tools for This Business

This business would use AiSevak's Finance vertical tools in its own delivery and for clients:

- **Direct tax:** Regime Optimiser, Advance-Tax, TDS Rate Finder, Capital-Gains, MAT/AMT, Income-Tax Notice Response.
- **Indirect tax:** GST Registration Checker, GSTR-1/3B worksheets, E-invoicing Readiness, ITC Reconciliation, GST Notice Response.
- **Advisory:** Tax-Nexus, Transfer-Pricing, PE-Risk, KPI Dashboard, and the Business Plan / Break-even tools to model the practice.

17. Key Assumptions & Notes

- ~300 clients in Year 1 growing to ~900 by Year 3 across returns, retainers and representation.
- Seasonal contract staff cost included in salaries; peak-season volume drives Q2 cash.
- Term-loan interest ~11% p.a., 5-year tenure; adjust to sanctioned terms.

- Figures exclude GST collected on fees (pass-through) and promoter remuneration policy (editable input).

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