



BUSINESS PLAN · INDIA

Home-Renovation & Remodelling

Small-scale renovation projects - flats, kitchens, bathrooms, society works

HOME SERVICES

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

August 2026

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 **Home-Renovation & Remodelling** business in India — a small-projects contractor across one city delivering full-flat renovations, kitchen and bathroom remodels, and society common-area and small commercial fit-outs, with employed site crews, coordinated trades, a priced variation schedule agreed at contract, and payment tied to verified stage completion.

The vertical's structural facts are set out in the home-cleaning plan and are not re-derived here: **workers enter the customer's premises and the risk runs both ways; classification is the fault line; the allegation is a when rather than an if; attrition is structural; and the informal competitor is permanent. What is different here is duration and displacement. A cleaner is present for two hours and a painter for a week; a renovation contractor takes possession of the customer's home for three months, during which she is living somewhere else, paying for it, and unable to leave.**

□ **THE VARIATION** is this plan's integrity instance, and it is the packers-movers hostage load held for three months inside her own home. The trade's characteristic model is tender low, vary high: quote under cost to win the job, then price every change, discovery and "that wasn't specified" without competition — because by week three the flat is stripped, the kitchen is gone, and she cannot switch contractors at any price. And here is the difference that matters, and it is what makes the control necessarily preventive: the mover had to DO something to create his leverage, whereas here the leverage accrues automatically as the work progresses. The contractor need do nothing wrong to end up holding it, which is why the answer has to be written at contract and cannot be relied upon later. So a **PRICED VARIATION SCHEDULE** is agreed before work begins — rates for the twenty common variations fixed in advance — no work proceeds on any variation without written acceptance, and two numbers are published: variations as a percentage of contract value, driven from 31% to 7% against an industry norm of 25-40%, and the proportion of variation value priced at the pre-agreed schedule, from nothing to 100%.

□ The second finding is that **THE PROGRAMME IS THE PRODUCT AND THE OVERRUN IS A SILENT COST TRANSFER**. A renovation running eleven weeks late costs the customer rent, storage, school runs and a life lived out of boxes — none of which appears in anybody's contract — while the contractor's only cost is his own crew time on a job he has already priced. A delay that costs the delaying party nothing will happen, reliably and without malice. So on-time completion is reported (34% to 86%), median days overrun is published (41 to 6), and real liquidated damages are carried and actually paid rather than waived — ₹26 lakh in Year 3. Alongside it, the stage-payment trap is closed: front-loaded schedules leave a contractor cash-positive by week four and least motivated at week twelve, which is exactly why renovations die in the final fifteen per cent, among the snagging, the handles and the silicone. Cash collected as a proportion of works completed is reported and held below 1.0, falling from 1.24 to 0.97, with a meaningful retention held to the end of defect liability.

Two further exposures shape the plan. Renovation is the trade that **OPENS** other people's concealed work, which makes the plumbing plan's evidence convention run in reverse: what is found on strip-out is photographed and issued before anything is covered, because a genuine discovery and an invented one look identical in a written note and different in a photograph. And she believes she hired one company when she has in fact hired a coordinator over six trades — so the plan reports trade-days delivered by directly employed labour against subcontracted labour, rising from 38% to 61%, and names the accountable party for each trade in the contract.

This plan models an operator requiring **₹4.20 crore** (₹1.80 crore promoter + ₹90 lakh term loan + ₹1.20 crore working-capital facility + ₹30 lakh investor), moving from **₹9.60 crore revenue and a ₹56 lakh loss** to **₹27.20 crore revenue and ₹2.18 crore profit** by Year 3 — *an 8.0% net margin and 35.2% return on capital. (Home renovation and remodelling — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A renovation business whose final account looks like its tender.

Vision: To be the contractor a customer can still negotiate with in week eleven.

Mission: Price the variations before we hold any leverage; start no variation without written acceptance; publish the programme and pay for missing it; never collect ahead of work done; photograph what we find before we cover it; say who is accountable for each trade; and refuse in writing what should not be built.

Legal structure

- **Private Limited** — recommended. Contract works insurance, society and commercial tenders, materials credit lines, retention exposure and outside capital all point the same way.
- **LLP** — workable for a design-led two-partner practice, weak for tendered work and for carrying retention.
- **Employed site crews with named subcontract trades** — the vertical's classification rule, and here also the accountability question: **a customer who cannot be told who is responsible for the wiring has not been told what she bought.**

Regulatory anchor: a trade where the binding obligations sit with the building rather than the business, and where the customer frequently asks for something unlawful. **Structural alteration is the sharp end: removing or opening a wall in an apartment, enclosing a balcony, altering a common area or exceeding a sanctioned electrical load are matters for the housing society's bye-laws, the municipal building rules and — where structure is touched at all — a qualified structural engineer, and a contractor who proceeds on the owner's assurance that "everybody does it here" has accepted the liability for a building he does not own.** This plan requires society and municipal permission on file before demolition begins, structural sign-off on any alteration, and records refusals as a visible number. Then: **Construction and Demolition Waste Management Rules on debris, which in practice means a receipted route to an authorised facility rather than a night-time tipper;** the Electricity Rules and plumbing standards reaching the trades this contractor coordinates, as the plumbing-electrical plan sets out; BOCW and state safety rules on demolition, dust, silica and work at height; contract-works and public-liability insurance covering damage to the property being worked on and to neighbouring flats; consumer protection on programme, specification and defect liability; GST on works contracts; and the vertical's shared obligations — classification with EPF/ESI, POSH at the customer's premises, and DPDP over addresses, drawings and access.

3. Promoter & Ownership

Led by a promoter with contracting, interior fit-out, civil or project-management background. Three competences decide outcomes. *Estimation honesty*, because a contractor who tenders below cost has chosen his business model before he has met the customer, and no amount of site discipline recovers it. *Programme control*, since the schedule is the product and the trades arrive in an order that cannot be improvised. And *the willingness to refuse work* — the wall that should not come out, the load that cannot be sanctioned, the timeline that cannot be met — which costs signed contracts and is the only thing standing between this business and somebody else's structural failure. Ownership, equity & investor terms are editable inputs; **variation pricing and review report to the promoter, never to the project manager whose programme and margin they constrain.**

4. Market Analysis — India

Indian home-renovation demand is growing faster than new construction in the metros, and it is served by a fragmented contractor base whose commercial model depends on the gap between the tender and the final account.

Demand drivers

- **An ageing apartment stock** in the metros, where flats built fifteen to twenty-five years ago are now being renovated rather than replaced.
- **Resale and rental upgrading**, where a renovation is an investment decision with a measurable return and a hard deadline.
- **Kitchen and bathroom remodelling as a standalone category**, shorter, denser and materially better margin than whole-flat work.
- **Society common-area refurbishment**, a tendered, repeatable and evaluable segment that also supplies programme-filling work.
- **Rising design expectations** driven by online imagery, which has expanded scope per project faster than budgets have risen — **and is a principal cause of the variation problem it also funds.**

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Renovation spend across the served city each year	Large; growing faster than new build in metros
SAM	Projects whose owner will pay a tender that is not designed to be varied	Bounded by WHETHER THE BUYER CAN READ A TENDER
SOM (Yr 1-3)	Projects delivered across flats, remodels and society works	118 → 330 projects; average value ~₹8.2 lakh

The sizing question that decides this business is whether the buyer can read a tender, because the market divides sharply on that one capability. An owner comparing three quotations for the same flat sees three totals and picks the lowest, and she has no practical way to detect that the lowest excludes the electrical rewiring, prices the flooring at a rate that assumes a level substrate, and allows nothing for the plumbing that will certainly be found behind the bathroom wall. The tender was not dishonest in any provable sense; it was simply incomplete in the places most likely to be discovered later, and every one of those places becomes a variation priced when she has no alternative. A society committee with a consultant, a landlord on his fourth renovation and a small commercial tenant all read tenders differently — they compare inclusions rather than totals, and the low bid loses. Three consequences follow. **Society, repeat-landlord and small-commercial work is pursued from Year 1 and grows deliberately, because those buyers reward completeness rather than punishing it. For retail owners, the tender is written to be comparable — an explicit exclusions list, the provisional sums stated, and the variation schedule attached — which converts the operator's honesty from an invisible cost into a visible document. And leakage is estimated at 9% and bounded by something real for once in this vertical: an owner can direct-hire a painter or a carpenter, but coordinating six trades in sequence is the service itself — which is why the margin here is 8.0% rather than carpentry's 5.8%, and why the barrier is project-management capability rather than any licence.**

5. Competition & Position

Landscape: the individual contractor working from a phone and a trusted network of trades, who is cheap, flexible and structurally dependent on variations; interior-design studios that design and subcontract execution; turnkey interior brands and modular-kitchen chains with showrooms and finance offers; society-appointed contractors renewed on relationship; and owners self-managing trades, which is the true alternative and the one most likely to end badly. **Because a tender's completeness cannot be assessed by an inexperienced buyer, competition on headline price selects for the least complete tender.**

The operator's position

- A priced variation schedule agreed before work begins.
- No work on any variation without written acceptance.
- A published programme, with liquidated damages actually paid.
- Payment against verified stage completion, never ahead of it, with retention held to defect liability.
- Strip-out findings photographed and issued before anything is covered.
- Named accountability for each trade, and employed crews for the core.
- Permissions on file before demolition, and refusals recorded in writing.

The competitive difficulty is that this operator's tender is higher for the same finished flat, and the reason is invisible until it is too late to matter. A complete tender carries the rewiring, the substrate preparation, the waterproofing and a realistic provisional sum for what will be found behind the bathroom wall; an incomplete one carries none of them and arrives fifteen to twenty-five per cent lower. Both flats end up costing roughly the same, but one price was agreed at the start and the other was assembled from thirty conversations held while the owner was living at her mother's. Three answers work. **Make the tender comparable rather than merely competitive: an explicit exclusions list, provisional sums stated as provisional, and the variation schedule attached — which lets an owner see what a rival has left out by seeing what this one has put in. Report the tender-to-final ratio historically (1.31 falling to 1.07) — a number no competitor publishes and the single most useful thing a renovation buyer could be told. And sell hardest to repeat and institutional buyers, because this operator's entire proposition is legible only to somebody who has been through one renovation already.**

6. The Variation — Where the Money Actually Moves

Element	Character	Economics
Variations as a % of contract value	The industry's real number is 25-40%	31% → 7%
Variation value priced at the PRE-AGREED schedule	Rates fixed before anybody holds leverage	0% → 100%
Work commenced on a variation without written acceptance	Enforced as a system block, not a policy	74% → NIL
Tender-to-final ratio	A contractor routinely a third over is not surprised, he has a model	1.31 → 1.07
On-time completion / median days overrun	The overrun is a silent cost transfer	34% → 86% / 41 → 6
Liquidated damages ACTUALLY PAID (not waived)	A delay that costs nothing will happen	₹0 → ₹26,00,000

Cash collected as a share of works complete (must stay under 1.0)	Why renovations die in the last fifteen per cent	1.24 → 0.97
Strip-out findings photographed · employed trade-days · leakage	Bounded by PROJECT-MANAGEMENT CAPABILITY — a real barrier, for once	0% → 100% · 38% → 61% · ~9%

Fixing the variation rates at contract deserves its own paragraph because it is the only control here that operates before the leverage exists, and everything else in this plan depends on it. By the time a variation is actually needed — the wall is open, the tiles are off, the electrician has found aluminium wiring — the customer's negotiating position has already collapsed, and no policy adopted at that moment can restore it. The industry's answer is to price variations "at prevailing rates", which means at whatever the contractor says when asked, by a person who cannot leave. Agreeing the rates in advance moves the negotiation to the only moment when both parties are free: before signature, while she still has three tenders on the table and can walk to any of them. Three details make it real rather than decorative. The schedule covers the twenty variations that actually occur — additional points, extra tiling, substrate levelling, rerouting, false ceiling per square foot, additional demolition — rather than a token list, because a schedule that omits the common cases is a schedule that prices nothing. No work starts on a variation without written acceptance, enforced as a system block rather than a site instruction, since a rule with a busy-week exception is not a rule. And the two headline numbers are published together: variations at 7% of contract value, and 100% of that value priced at the agreed schedule — because a low variation percentage achieved by pricing variations freely is not discipline, it is a smaller quantity of the same problem.

7. The Programme, the Stage Payment & the Last Fifteen Per Cent

Why the programme is the product

- An eleven-week overrun costs her rent, storage and a life lived out of boxes; it costs the contractor his own crew time on a job already priced.
- A delay that costs the delaying party nothing will happen — reliably, and without anyone intending it.
- On-time completion 34% → 86%; median days overrun 41 → 6; liquidated damages actually paid, ₹26 lakh by Year 3.
- Trades arrive in an order that cannot be improvised, which is why programme control is a capability rather than a document.

The last fifteen per cent

- Front-loaded schedules leave a contractor cash-positive by week four and least motivated at week twelve.
- Renovations die in the snagging — the handles, the silicone, the touch-up, the one door that still catches.
- Cash collected as a share of works complete reported and held under 1.0 (1.24 → 0.97), with retention held to the end of defect liability.

Renovation is the only trade in this vertical that OPENS other people's concealed work, which turns the plumbing plan's evidence convention around and creates a genuinely difficult honesty problem. When a bathroom wall comes down and the pipework behind it is corroded, or a ceiling is opened and the wiring is undersized, the contractor has found a real additional cost that the tender could not reasonably have carried — and he has also found the perfect cover for one that does not exist. A written note saying "old pipework found, replacement required, ₹46,000" is indistinguishable in either case, and the customer standing in a stripped bathroom has no way to tell and no time to find out. The photograph is the only thing that separates

them. Three practices follow. **Everything found on strip-out is photographed and issued to the customer before anything is covered, from nothing to 100% — the same discipline the plumbing plan applies to what is installed, applied here to what is discovered. Discoveries above a rupee threshold are reviewed by the quality function, which is paid on neither the project nor its value, before they are priced. And realistic provisional sums are carried in the tender for the discoveries that are statistically certain in a flat of a given age — which makes the tender higher, loses some competitions, and is the difference between a discovery and a surprise.**

8. Operations Plan (tender, permit, strip, build, verify, hand over)

- **Tender completeness:** an explicit exclusions list, provisional sums stated as provisional, and the priced variation schedule attached to every quotation — so an owner can see what a rival has left out by seeing what this one has put in.
- **Variation control:** rates for the twenty common variations fixed at contract (0% → 100% of variation value priced at schedule); no work started without written acceptance (74% → NIL), enforced as a system block; variations as a share of contract value reported (31% → 7%).
- **Permissions before demolition:** society and municipal permission on file, structural-engineer sign-off on any alteration; unlawful requests **REFUSED IN WRITING** and counted (0 → 34).
- **Strip-out evidence:** everything found photographed and issued before it is covered (0% → 100%); discoveries above a threshold reviewed by the quality function before pricing.
- **Programme:** published, sequenced by trade, with on-time completion (34% → 86%), median days overrun (41 → 6) and liquidated damages **ACTUALLY PAID** (₹26L by Y3) rather than waived at handover.
- **Stage payments:** tied to verified stage completion, never ahead of work done; cash collected against works complete reported and held under 1.0 (1.24 → 0.97); retention held to the end of defect liability (0% → 100%).
- **Accountability:** the accountable party named for each trade in the contract; trade-days by directly employed labour reported against subcontracted (38% → 61%); subcontract trades held to the same evidence and safety standards in writing.
- **Concealed work installed:** photographed before closing, with test records for electrical and pressure tests for plumbing — **the plumbing-electrical plan's standard adopted wholesale rather than reinvented.**
- **Waste & neighbours:** C&D debris routed to an authorised facility with receipts (22% → 100%); dust containment, silica control and working-hours discipline, because the neighbours did not commission this work and cannot leave.
- **Defect liability:** a stated period with a provisioned liability and a snagging process that closes rather than lapses.

Control points

Area	Activity	Control point
☐ The variation	Variations as % of contract value / priced at the pre-agreed schedule	31% → 7% / 0% → 100%
The leverage that accrues by itself	Work commenced without written acceptance / tender-to-final ratio	74% → NIL / 1.31 → 1.07
☐ The programme is the product	On-time completion / median days overrun / LDs actually paid	34% → 86% / 41 → 6 / ₹26,00,000

The last fifteen per cent	Cash collected as a share of works complete / retention held	1.24 → 0.97 / 0% → 100%
□ The discovery and the invented discovery	Strip-out findings photographed and issued before covering	0% → 100%
She thinks she hired one company	Trade-days by directly employed labour vs subcontracted	38% → 61%
What should not be built	Permissions on file before demolition / refusals recorded in writing	41% → 100% / 0 → 34
Waste & people	C&D debris receipted to an authorised facility · median crew tenure	22% → 100% · 11.4 → 19.6 mo

9. Permissions, Waste & Operating Compliance (India)

- **Structural alteration is the sharp end** — removing or opening a wall in an apartment, enclosing a balcony, altering a common area or exceeding a sanctioned load are matters for society bye-laws, municipal building rules and a qualified structural engineer, and a contractor proceeding on the owner's assurance that "everybody does it here" has accepted liability for a building he does not own.
- **Society and municipal permission on file before demolition begins**; structural sign-off on any alteration; refusals recorded as a visible number rather than a quiet compliance.
- **Construction and Demolition Waste Management Rules** — in practice a receipted route to an authorised facility rather than a night-time tipper, which is the industry default and is somebody else's problem by morning.
- **Electricity Rules and plumbing standards reach the trades this contractor coordinates** — see the plumbing-electrical plan; a main contractor cannot subcontract away a certificate-of-competency requirement.
- **BOCW and state safety rules** on demolition, dust, silica and work at height; contract-works and public-liability insurance covering the property being worked on **and the neighbouring flats a leak or a collapse would reach**.
- Consumer protection on programme, specification and defect liability; GST on works contracts with materials and labour treated correctly.
- **Vertical-shared (see the home-cleaning plan)**: classification with EPF/ESI; POSH at the customer's premises; DPDP over addresses, drawings and access arrangements.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Site crew & finishing teams (EMPLOYED core trades)	62	108	166
Site supervisors & PROJECT MANAGERS	14	25	38
Design, drawings & estimation	8	14	21
Contact centre, sales & client liaison	7	12	18
Procurement & stores	4	7	11
QUALITY, VARIATION REVIEW & INDEPENDENT PRICING	3	6	9
Finance & accounts	3	5	8

Safety & compliance (permissions, waste, site safety)	2	4	6
Technology (programme, variation control, photo evidence)	2	4	6
Leadership	3	4	5
Total	108	189	288

Three features carry the plan's argument. Project management is staffed at thirty-eight people by Year 3 — heavier than the trade expects — because the programme is the product, and a contractor who supervises sites but does not manage a programme is selling a promise he has no mechanism to keep. Quality, variation review and independent pricing is small, deliberately separate, and paid on neither the project nor its value it prices variations against the agreed schedule, reviews strip-out discoveries above a threshold before they are priced, and reports to the promoter rather than to the project manager whose programme and margin it constrains — **which matters more here than anywhere else in this vertical, because the person best placed to explain why a variation is unavoidable is the person whose job it rescues. And the core trades are employed rather than assembled per project**, taking directly employed trade-days from 38% to 61%: subcontracting is normal and unavoidable in this business, but a contractor whose every trade is somebody else's employee has no mechanism to enforce an evidence standard and no honest answer to the question of who is accountable.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-5	Priced variation schedule drafted and attached to every tender from the first quotation; written-acceptance-before-variation-work enforced as a system block; programme software and stage-verification workflow live before the first project; exclusions list and provisional-sum convention built into the estimating template; permissions-before-demolition made a gate in the project workflow; C&D waste contracted to an authorised facility with receipting; core trades employed rather than engaged per project
Year 1	Year 1	118 projects; ₹9.60cr revenue, ₹56L loss; variations at 31% of contract value and 74% of variation work started without written acceptance — the baseline this plan exists to end; on-time completion 34% with 41 days median overrun; cash collected against works complete 1.24; strip-out photography 0%; debris receipted 22%
Year 2	Year 2	212 projects; ₹17.40cr revenue, ₹62L profit; variations 16% with 88% priced at schedule; unaccepted variation work down to 9%; on-time completion 64%, overrun 18 days, first liquidated damages actually paid; collection ratio 1.06; strip-out photography 79%; employed trade-days 51%; ROCE 12.9%
Year 3	Year 3	330 projects; ₹27.20cr revenue, ₹2.18cr profit; ROCE 35.2%; variations 7% of contract value with 100% priced at the pre-agreed schedule; NIL variation work started without written acceptance; tender-to-final 1.07; on-time completion 86% with 6 days median overrun and ₹26L of liquidated damages PAID; collection ratio 0.97 with retention held to defect liability; strip-out findings photographed and issued 100%; employed trade-days 61%; permissions on file 100% with 34 refusals recorded; debris receipted 100%

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **The tender-to-final ratio and on-time completion are the levers. Variation income is not one — a business whose profit depends on variations has an incentive structure it cannot survive publishing.**

12.1 Project cost & means of finance

Capital requirement	₹
WORKING CAPITAL (materials, subcontractors & WIP ahead of stage collections)	1,32,00,000
Launch & initial operating losses	86,00,000
Vehicles, site plant & tools	58,00,000
Technology (PROGRAMME, VARIATION CONTROL, photo evidence)	52,00,000
Customer acquisition, showroom & market entry	40,00,000
Office, store & workshop fit-out	24,00,000
Site safety, dust containment & access equipment	14,00,000
Training, certification & scope discipline	8,00,000
Deposits, insurance, legal & registrations	6,00,000
Total project cost	4,20,00,000
Promoter contribution	1,80,00,000
Term loan (plant, vehicles, technology, fit-out)	90,00,000
Working-capital facility (WIP, materials, retention)	1,20,00,000
Investor / angel contribution	30,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
PROJECTS DELIVERED / AVERAGE CONTRACT VALUE	118 / ₹8.14L	212 / ₹8.21L	330 / ₹8.24L
Full-flat renovation & remodelling	5,42,00,000	9,84,00,000	15,40,00,000
Kitchen & bathroom remodels	2,46,00,000	4,48,00,000	7,04,00,000
Society common-area & small commercial fit-out	1,26,00,000	2,30,00,000	3,62,00,000
Design, drawings & project-management fees	46,00,000	78,00,000	1,14,00,000
TOTAL REVENUE	9,60,00,000	17,40,00,000	27,20,00,000
Materials, fittings & finishes	3,72,00,000	6,30,00,000	9,40,00,000
Subcontracted trade labour (named and accountable)	2,34,00,000	3,90,00,000	5,84,00,000
Site crew & supervisor wages, EPF/ESI (EMPLOYED core)	1,32,00,000	2,32,00,000	3,58,00,000
Customer acquisition & marketing	46,00,000	64,00,000	86,00,000
Design, drawings & estimation	34,00,000	58,00,000	88,00,000
Head-office salaries (finance, HR, operations, leadership)	30,00,000	46,00,000	70,00,000
Travel, vehicles & site logistics	24,00,000	36,00,000	50,00,000
Debris removal & C&D waste disposal (RECEIPTED)	16,00,000	28,00,000	44,00,000

Technology (programme, variation control, photo evidence)	18,00,000	28,00,000	42,00,000
Site safety, dust containment & equipment	14,00,000	24,00,000	38,00,000
LIQUIDATED DAMAGES & OVERRUN COST BORNE	18,00,000	22,00,000	26,00,000
Defect-liability & warranty provision	12,00,000	21,00,000	34,00,000
Insurance (public liability, workmen's comp, CONTRACT WORKS)	10,00,000	17,00,000	26,00,000
Office, store & workshop rent	14,00,000	17,00,000	25,00,000
Finance cost · bad debt & refunds	12,00,000 · 8,00,000	16,00,000 · 14,00,000	16,00,000 · 22,00,000
Depreciation · legal, statutory, audit & compliance	8,00,000 · 8,00,000	13,00,000 · 12,00,000	20,00,000 · 18,00,000
Training, certification & scope discipline	6,00,000	10,00,000	15,00,000
Total expenses	10,16,00,000	16,78,00,000	25,02,00,000
Net profit / (loss) before tax	(56,00,000)	62,00,000	2,18,00,000
Net margin	(5.8%)	3.6%	8.0%
AVERAGE CAPITAL EMPLOYED / RETURN ON CAPITAL EMPLOYED	₹3.90cr / (14.4%)	₹4.80cr / 12.9%	₹6.20cr / 35.2%
VARIATIONS AS A % OF CONTRACT VALUE / priced at the PRE-AGREED schedule	31% / 0%	16% / 88%	7% / 100%
WORK COMMENCED ON A VARIATION WITHOUT WRITTEN ACCEPTANCE / tender-to-final ratio	74% / 1.31	9% / 1.16	NIL / 1.07
ON-TIME COMPLETION / median days overrun / LIQUIDATED DAMAGES PAID	34% / 41 / ₹0	64% / 18 / ₹9,00,000	86% / 6 / ₹26,00,000
CASH COLLECTED AS A SHARE OF WORKS COMPLETE (must stay <1.0) / retention held to defect liability	1.24 / 0%	1.06 / 62%	0.97 / 100%
STRIP-OUT FINDINGS PHOTOGRAPHED AND ISSUED BEFORE COVERING	0%	79%	100%
TRADE-DAYS BY DIRECTLY EMPLOYED LABOUR / permissions on file before demolition / refusals recorded	38% / 41% / 0	51% / 84% / 19	61% / 100% / 34
C&D debris receipted · estimated leakage (bounded by PM capability) · median crew tenure	22% · ~9% · 11.4 mo	73% · ~9% · 15.8 mo	100% · ~9% · 19.6 mo

12.3 Unit economics & break-even

- The average project is ₹8.24 lakh and carries roughly 34.6% of materials and 21.5% of subcontracted trade cost, leaving the contribution that must cover project management, design, overrun risk and defect liability. Renovation looks like a high-turnover business and behaves like a risk-underwriting one.
- The tender-to-final ratio is the whole commercial question. A competitor at 1.31 is not encountering surprises — he is running a model, and his customers pay roughly what this operator's do while believing they were quoted a third less. Bringing it to 1.07 is what the entire control set is for.

- The programme carries real money in both directions. Liquidated damages actually paid reach ₹26 lakh — 12% of Year-3 profit, surrendered because the alternative is a cost transferred silently to somebody living out of boxes.
- □ Leakage is ~9% and bounded by something real, which is rare in this vertical. An owner can direct-hire a painter or a carpenter, but coordinating six trades in sequence IS the service — so the margin lands at 8.0% against carpentry's 5.8% and painting's 7.2%, and the barrier is project-management capability rather than a licence.
- Break-even: Year 2. ROCE reaches 35.2% — between painting's 38.9% and packers-movers' 20.3% — because this business is light in fixed assets and heavy in working capital, which is a different shape of capital intensity and behaves differently in a downturn.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	1,20,00,000	96,00,000	82,00,000	70,00,000
Collections (stage payments on verified completion, retention withheld)	1,90,00,000	2,26,00,000	2,56,00,000	2,88,00,000
Materials, subcontractors, wages, marketing, interest & overheads	2,14,00,000	2,40,00,000	2,68,00,000	3,00,00,000
Closing balance	96,00,000	82,00,000	70,00,000	58,00,000

This plan deliberately gives up the cash advantage the trade is built on, and a lender should understand what has been surrendered and why. Collecting ahead of works complete — a 40% mobilisation advance, a second tranche before the first is earned — is standard practice, and it funds the whole industry's working capital at the customer's expense. Its consequence is precisely the failure everybody complains about: a contractor who is cash-positive by week four has already been paid for work he has not done, and by week twelve the remaining money is smaller than the remaining effort, which is why renovations die in the snagging rather than in the demolition. Holding collection under 1.0 of works complete moves this business's working-capital requirement from the customer's balance sheet onto its own — ₹1.20 crore of facility against ₹9.60 crore of Year-1 revenue — and that transfer is the honest position in this trade. Three disciplines contain it. Stages are defined and verified before invoicing, so "works complete" is a measured number rather than a claim. Materials are scheduled against the programme rather than bought at the start, because a flat full of tiles is working capital sitting in somebody else's home. And subcontractor payment terms are aligned to stage certification — an operator paying trades weekly while collecting monthly has financed his subcontractors out of a facility priced for materials.

12.5 Key Performance Indicators to Monitor

- **Variation control:** variations as a % of contract value; % priced at the pre-agreed schedule; work started without written acceptance (must reach nil); tender-to-final ratio.
- **Programme:** on-time completion; median days overrun; liquidated damages accrued AND PAID; programme slippage by trade.
- **Cash discipline:** cash collected as a share of works complete (must stay under 1.0); retention held and released on defect-liability expiry; subcontractor payment alignment.
- **Evidence:** strip-out findings photographed and issued; concealed work photographed before closing with test records; discoveries reviewed above threshold before pricing.

- **Accountability & compliance:** employed versus subcontracted trade-days; permissions on file before demolition; refusals recorded; C&D debris receipted; site safety incidents and near-misses reported.
- **People & quality:** crew tenure; defect-liability provision and claims; snagging items at handover and days to close.
- **Vertical basics (see the home-cleaning anchor):** two-way verification, withdrawal right, allegation process with the worker's account recorded first, and DPDP over addresses and drawings.

13. Funding Requirement & Bankability

Total ask: **₹90 lakh term loan plus a ₹1.20 crore working-capital facility** against ₹1.80 crore promoter contribution and ₹30 lakh of investor money. Four points. **First, note the shape: the working-capital facility exceeds the term loan, which is unusual in this vertical and is the direct consequence of collecting behind works complete rather than ahead of it. A renovation contractor asking for a small facility is telling you he is funded by customer advances, and that is a business model rather than a balance sheet. Second, the diagnostic is the tender-to-final ratio, and it should be asked for historically rather than promised prospectively. A contractor whose final accounts routinely exceed his tenders by a third is not encountering surprises; he has an incentive structure, and it will produce the same result on the next project. Third, ask whether liquidated damages have ever actually been paid. Every renovation contract in India contains a delay clause and almost none of them are enforced, which makes the paid figure — ₹26 lakh here — the only evidence that the programme is real. Fourth, this is the one asset-light trade in the vertical with a genuine barrier: an owner can direct-hire a painter but cannot coordinate six trades in sequence, which supports an 8.0% margin against carpentry's 5.8% — but the barrier is a capability held by thirty-eight project managers, and capabilities can walk.**

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (materials, subcontractors & WIP ahead of stage collections)	1,32,00,000	31.4%
Launch & initial operating losses	86,00,000	20.5%
Vehicles, site plant & tools	58,00,000	13.8%
Technology (programme, variation control, photo evidence)	52,00,000	12.4%
Customer acquisition, showroom & market entry	40,00,000	9.5%
Office, store & workshop fit-out	24,00,000	5.7%
Site safety, dust containment & access equipment	14,00,000	3.3%
Training, certification & scope discipline	8,00,000	1.9%
Deposits, insurance, legal & registrations	6,00,000	1.4%
Total	4,20,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
------	------------

□ THE VARIATION — THE HOSTAGE LOAD HELD FOR THREE MONTHS INSIDE HER OWN HOME	THE TRADE'S CHARACTERISTIC MODEL IS TENDER LOW, VARY HIGH: QUOTE UNDER COST TO WIN, THEN PRICE EVERY CHANGE, DISCOVERY AND "THAT WASN'T SPECIFIED" WITHOUT COMPETITION, BECAUSE BY WEEK THREE THE FLAT IS STRIPPED, THE KITCHEN IS GONE AND SHE CANNOT SWITCH CONTRACTORS AT ANY PRICE. AND THE DIFFERENCE FROM THE MOVER'S HOSTAGE LOAD IS THE ONE THAT DICTATES THE REMEDY: HE HAD TO DO SOMETHING TO CREATE HIS LEVERAGE, WHEREAS HERE IT ACCRUES AUTOMATICALLY AS THE WORK PROGRESSES — THE CONTRACTOR NEED DO NOTHING WRONG TO END UP HOLDING IT, SO NO CONTROL ADOPTED AFTER THE WALL IS OPEN CAN RESTORE HER POSITION → A PRICED VARIATION SCHEDULE AGREED AT CONTRACT, COVERING THE TWENTY VARIATIONS THAT ACTUALLY OCCUR (additional points, extra tiling, substrate levelling, rerouting, false ceiling per sq ft, additional demolition) RATHER THAN A TOKEN LIST — BECAUSE A SCHEDULE THAT OMITTS THE COMMON CASES PRICES NOTHING — WHICH MOVES THE NEGOTIATION TO THE ONLY MOMENT BOTH PARTIES ARE FREE: BEFORE SIGNATURE, WHILE SHE STILL HAS THREE TENDERS AND CAN WALK TO ANY OF THEM ; NO WORK ON ANY VARIATION WITHOUT WRITTEN ACCEPTANCE, ENFORCED AS A SYSTEM BLOCK (74%→NIL), SINCE A RULE WITH A BUSY-WEEK EXCEPTION IS NOT A RULE; and BOTH NUMBERS PUBLISHED — variations 31%→7% of contract value AND 0%→100% priced at the agreed schedule, BECAUSE A LOW VARIATION PERCENTAGE ACHIEVED BY PRICING VARIATIONS FREELY IS NOT DISCIPLINE, IT IS A SMALLER QUANTITY OF THE SAME PROBLEM; tender-to-final 1.31→1.07
□ THE PROGRAMME IS THE PRODUCT AND THE OVERRUN IS A SILENT COST TRANSFER	A RENOVATION RUNNING ELEVEN WEEKS LATE COSTS HER RENT, STORAGE, SCHOOL RUNS AND A LIFE LIVED OUT OF BOXES — NONE OF WHICH APPEARS IN ANYBODY'S CONTRACT — WHILE THE CONTRACTOR'S ONLY COST IS HIS OWN CREW TIME ON A JOB HE HAS ALREADY PRICED. A DELAY THAT COSTS THE DELAYING PARTY NOTHING WILL HAPPEN, RELIABLY AND WITHOUT ANYONE INTENDING IT; AND EVERY RENOVATION CONTRACT IN INDIA CONTAINS A DELAY CLAUSE WHILE ALMOST NONE ARE ENFORCED, WHICH MEANS THE CLAUSE IS DECORATION → the programme PUBLISHED AND SEQUENCED BY TRADE with ON-TIME COMPLETION (34%→86%) and MEDIAN DAYS OVERRUN (41→6) reported; LIQUIDATED DAMAGES ACTUALLY PAID RATHER THAN WAIVED AT HANDOVER (₹0→₹26L, 12% OF Y3 PROFIT) — THE ONLY EVIDENCE THAT THE PROGRAMME IS REAL, AND THE FIRST QUESTION A BUYER OR A LENDER SHOULD ASK; project management staffed at 38 people by Y3, HEAVIER THAN THE TRADE EXPECTS, BECAUSE A CONTRACTOR WHO SUPERVISES SITES BUT DOES NOT MANAGE A PROGRAMME IS SELLING A PROMISE HE HAS NO MECHANISM TO KEEP; and materials SCHEDULED AGAINST THE PROGRAMME rather than bought at the start
□ THE STAGE-PAYMENT TRAP — WHY RENOVATIONS DIE IN THE LAST FIFTEEN PER CENT	FRONT-LOADED SCHEDULES — A 40% MOBILISATION ADVANCE, A SECOND TRANCHE BEFORE THE FIRST IS EARNED — ARE STANDARD PRACTICE AND FUND THE WHOLE INDUSTRY'S WORKING CAPITAL AT THE CUSTOMER'S EXPENSE. THE CONSEQUENCE IS EXACTLY THE FAILURE EVERYBODY COMPLAINS ABOUT: A CONTRACTOR CASH-POSITIVE BY WEEK FOUR HAS BEEN PAID FOR WORK HE HAS NOT DONE, AND BY WEEK TWELVE THE REMAINING MONEY IS SMALLER THAN THE REMAINING EFFORT — SO RENOVATIONS DIE IN THE SNAGGING, THE HANDLES AND THE SILICONE RATHER THAN IN THE DEMOLITION → payment tied to VERIFIED STAGE COMPLETION with stages DEFINED AND MEASURED BEFORE INVOICING so "works complete" is a number rather than a claim; CASH COLLECTED AS A SHARE OF WORKS COMPLETE REPORTED AND HELD UNDER 1.0 (1.24→0.97); a MEANINGFUL RETENTION HELD TO THE END OF DEFECT LIABILITY (0%→100%); subcontractor terms ALIGNED TO STAGE CERTIFICATION, SINCE AN OPERATOR PAYING TRADES WEEKLY WHILE COLLECTING MONTHLY HAS FINANCED HIS SUBCONTRACTORS OUT OF A FACILITY PRICED FOR MATERIALS; and the honest consequence accepted — THE WORKING-CAPITAL REQUIREMENT MOVES FROM THE CUSTOMER'S BALANCE SHEET ONTO THIS ONE, WHICH IS WHY THE FACILITY (₹1.20cr) EXCEEDS THE TERM LOAN AND WHY A CONTRACTOR ASKING FOR A SMALL FACILITY IS TELLING YOU HE IS FUNDED BY ADVANCES

□ THE DISCOVERY AND THE INVENTED DISCOVERY LOOK IDENTICAL IN WRITING	RENOVATION IS THE ONLY TRADE IN THIS VERTICAL THAT OPENS OTHER PEOPLE'S CONCEALED WORK, WHICH TURNS THE PLUMBING PLAN'S EVIDENCE CONVENTION AROUND. WHEN A BATHROOM WALL COMES DOWN AND THE PIPEWORK IS CORRODED, THE CONTRACTOR HAS FOUND A REAL COST THE TENDER COULD NOT REASONABLY HAVE CARRIED — AND ALSO THE PERFECT COVER FOR ONE THAT DOES NOT EXIST. A NOTE SAYING "OLD PIPEWORK FOUND, REPLACEMENT REQUIRED, ₹46,000" IS INDISTINGUISHABLE IN EITHER CASE, AND A CUSTOMER STANDING IN A STRIPPED BATHROOM HAS NO WAY TO TELL AND NO TIME TO FIND OUT. THE PHOTOGRAPH IS THE ONLY THING THAT SEPARATES THEM → EVERYTHING FOUND ON STRIP-OUT PHOTOGRAPHED AND ISSUED TO HER BEFORE ANYTHING IS COVERED (0%→100%) — THE SAME DISCIPLINE THE PLUMBING PLAN APPLIES TO WHAT IS INSTALLED, APPLIED HERE TO WHAT IS DISCOVERED; DISCOVERIES ABOVE A RUPEE THRESHOLD REVIEWED BY THE QUALITY FUNCTION — paid on neither the project nor its value, reporting to the promoter — BEFORE they are priced, WHICH MATTERS MORE HERE THAN ANYWHERE IN THIS VERTICAL BECAUSE THE PERSON BEST PLACED TO EXPLAIN WHY A VARIATION IS UNAVOIDABLE IS THE PERSON WHOSE PROGRAMME IT RESCUES; and REALISTIC PROVISIONAL SUMS carried in the tender for discoveries statistically certain in a flat of a given age, WHICH RAISES THE TENDER, LOSES SOME COMPETITIONS, AND IS THE DIFFERENCE BETWEEN A DISCOVERY AND A SURPRISE
□ SHE THINKS SHE HIRED ONE COMPANY; SHE HIRED A COORDINATOR OVER SIX TRADES	THE MAIN CONTRACTOR'S CONTROLS ARE ONLY AS GOOD AS HIS WEAKEST SUBCONTRACTOR, AND THE CUSTOMER HAS NO VISIBILITY OF THE CHAIN AT ALL — SHE SIGNED WITH ONE ENTITY AND SIX DIFFERENT EMPLOYERS' PEOPLE WILL ENTER HER HOME. WHEN SOMETHING FAILS, THE STRUCTURE ITSELF SUPPLIES THE ANSWER "THAT WAS THE ELECTRICAL CONTRACTOR", AND A MAIN CONTRACTOR CANNOT SUBCONTRACT AWAY A CERTIFICATE-OF-COMPETENCY REQUIREMENT EITHER → TRADE-DAYS BY DIRECTLY EMPLOYED LABOUR REPORTED AGAINST SUBCONTRACTED (38%→61%) with the CORE TRADES EMPLOYED, since A CONTRACTOR WHOSE EVERY TRADE IS SOMEBODY ELSE'S EMPLOYEE HAS NO MECHANISM TO ENFORCE AN EVIDENCE STANDARD AND NO HONEST ANSWER TO WHO IS ACCOUNTABLE; THE ACCOUNTABLE PARTY NAMED FOR EACH TRADE IN THE CONTRACT; subcontract trades held IN WRITING to the same evidence, testing and safety standards; and licensed trades verified rather than assumed
□ THE CUSTOMER FREQUENTLY ASKS FOR SOMETHING THAT SHOULD NOT BE BUILT	REMOVING OR OPENING A WALL IN AN APARTMENT, ENCLOSING A BALCONY, ALTERING A COMMON AREA OR EXCEEDING A SANCTIONED LOAD ARE MATTERS FOR SOCIETY BYE-LAWS, MUNICIPAL RULES AND A STRUCTURAL ENGINEER — AND THE OWNER'S ASSURANCE THAT "EVERYBODY DOES IT HERE" IS FREQUENTLY TRUE AND ENTIRELY WORTHLESS. A CONTRACTOR WHO PROCEEDS ON IT HAS ACCEPTED LIABILITY FOR A BUILDING HE DOES NOT OWN, IN A FAILURE MODE THAT ARRIVES YEARS LATER AND REACHES THE FLATS ABOVE AND BELOW → SOCIETY AND MUNICIPAL PERMISSION ON FILE BEFORE DEMOLITION BEGINS, made a GATE IN THE PROJECT WORKFLOW rather than a document to be chased (41%→100%); STRUCTURAL-ENGINEER SIGN-OFF on any alteration; UNLAWFUL REQUESTS REFUSED IN WRITING AND COUNTED AS A VISIBLE NUMBER (0→34), BECAUSE A REFUSAL THAT LEAVES NO RECORD IS INDISTINGUISHABLE FROM NEVER HAVING BEEN ASKED; contract-works and public-liability cover extending to NEIGHBOURING FLATS; and C&D debris receipted to an authorised facility (22%→100%), AGAINST AN INDUSTRY DEFAULT OF A NIGHT-TIME TIPPER AND SOMEBODY ELSE'S PROBLEM BY MORNING

The complete tender loses the comparison	A COMPLETE TENDER CARRIES THE REWIRING, THE SUBSTRATE PREPARATION, THE WATERPROOFING AND A REALISTIC PROVISIONAL SUM; AN INCOMPLETE ONE CARRIES NONE OF THEM AND ARRIVES 15-25% LOWER. BOTH FLATS END UP COSTING ROUGHLY THE SAME — BUT ONE PRICE WAS AGREED AT THE START AND THE OTHER WAS ASSEMBLED FROM THIRTY CONVERSATIONS HELD WHILE THE OWNER WAS LIVING AT HER MOTHER'S. THE TENDER WAS NOT DISHONEST IN ANY PROVABLE SENSE; IT WAS INCOMPLETE IN EXACTLY THE PLACES MOST LIKELY TO BE DISCOVERED LATER, SO COMPETITION ON HEADLINE PRICE SELECTS FOR THE LEAST COMPLETE TENDER → make the tender COMPARABLE rather than merely competitive — an EXPLICIT EXCLUSIONS LIST, PROVISIONAL SUMS STATED AS PROVISIONAL, and the VARIATION SCHEDULE ATTACHED, WHICH LETS AN OWNER SEE WHAT A RIVAL HAS LEFT OUT BY SEEING WHAT THIS ONE HAS PUT IN ; PUBLISH THE HISTORIC TENDER-TO-FINAL RATIO — A NUMBER NO COMPETITOR PUBLISHES AND THE SINGLE MOST USEFUL THING A RENOVATION BUYER COULD BE TOLD ; and sell hardest to BUYERS WHO COMPARE INCLUSIONS RATHER THAN TOTALS, SINCE THE SECOND RENOVATION IS BOUGHT VERY DIFFERENTLY FROM THE FIRST
Vertical-inherited risks (see the home-cleaning anchor)	WORKERS ENTER THE CUSTOMER'S PREMISES AND THE RISK RUNS BOTH WAYS → verification both ways, the NO-QUESTIONS WITHDRAWAL RIGHT, concerns logged as a number that must rise; the allegation treated as a when not an if, the worker's account recorded BEFORE any decision, outcomes published upheld : not upheld : INCONCLUSIVE. AND THE DISTINGUISHING FEATURE HERE IS POSSESSION RATHER THAN VISITING — THE CONTRACTOR HOLDS THE KEYS TO AN EMPTY FLAT FOR THREE MONTHS, WHICH IS A DIFFERENT ORDER OF TRUST FROM A TWO-HOUR CLEANING VISIT AND DEMANDS KEY CONTROL, ACCESS LOGS AND A NAMED CUSTODIAN. CLASSIFICATION IS THE FAULT LINE — THE LABEL DOES NOT DECIDE THE RELATIONSHIP, THE CONTROL DOES → core crews EMPLOYED with EPF/ESI and subcontract trades genuinely independent rather than employees in all but name; the cost of employing stated in the wage line; attrition reported honestly (tenure 11.4→19.6 months). POSH at the customer's premises; DPDP over addresses, DRAWINGS AND ACCESS ARRANGEMENTS; BOCW and state safety rules on demolition, dust, silica and work at height; and WORKING-HOURS DISCIPLINE FOR THE NEIGHBOURS, WHO DID NOT COMMISSION THIS WORK AND CANNOT LEAVE

15. SWOT Analysis

Strengths A priced variation schedule agreed before any leverage exists, with 100% of variation value priced against it; a published programme with liquidated damages actually paid; collection held under works complete with retention to defect liability; strip-out findings photographed before covering; named trade accountability with a majority of employed trade-days; permissions gated before demolition; a genuine barrier in project-management capability.	Weaknesses A tender 15-25% above an incomplete rival's for the same finished flat; working capital carried on this balance sheet rather than the customer's; an 8.0% margin absorbing programme risk, defect liability and discovery; dependence on a capability held by thirty-eight project managers; exposure to a single structural or neighbouring-flat incident.
Opportunities An ageing metro apartment stock being renovated rather than replaced; kitchen and bathroom remodels — shorter, denser and better margin than whole-flat work; society common-area refurbishment as tendered, repeatable, programme-filling work; resale and rental upgrading with hard deadlines; and repeat buyers, to whom this operator's proposition is legible.	Threats Competitors whose commercial model is the gap between tender and final account; a structural failure or a leak reaching neighbouring flats; material price movement through a third of the cost base on fixed-price contracts; project managers leaving with the capability that is the barrier; society or municipal permission refused mid-project; and turnkey interior brands buying share with finance offers.

16. Recommended AiSevak Tools for This Business

This operator would use AiSevak's Home Services vertical tools in operations:

- **Variation control:** priced variation schedule attached to every tender, a system block preventing variation work without written acceptance, variation-percentage and priced-at-schedule dashboards, and tender-to-final ratio tracking by project and by estimator.
- **Programme:** trade-sequenced programme with slippage attribution, on-time and days-overrun reporting, and liquidated-damages accrual and payment tracking.
- **Cash discipline:** stage definition and verification before invoicing, collected-versus-works-complete ratio alerting above 1.0, retention register with defect-liability release dates, subcontractor payment alignment.
- **Evidence:** strip-out finding capture with customer-issued image pack, concealed-work photography and test-record capture, discovery review routing above a threshold to a reviewer paid on neither project nor value.
- **Compliance:** permissions gate before demolition, structural sign-off register, written-refusal log, C&D waste receipting, site safety and near-miss reporting.
- **Vertical basics:** two-way verification, key-custody and access logs for unoccupied flats, no-questions withdrawal log, allegation workflow capturing the worker's account first, and DPDP controls over addresses and drawings.

17. Key Assumptions & Notes

- Home-renovation & remodelling: small-projects contractor across one city delivering full-flat renovations, kitchen and bathroom remodels, and society common-area and small commercial fit-outs, with employed core crews, named subcontract trades, a priced variation schedule agreed at contract and payment tied to verified stage completion.
Eighth plan in the homeservices vertical (43); the home-cleaning anchor's conventions are INHERITED AND CROSS-REFERENCED, and the plumbing-electrical, packers-movers, painting and carpentry controls transplanted rather than reinvented.
- **⚠ CONVENTIONS SET HERE: (a) ☐ SOME LEVERAGE ACCRUES AUTOMATICALLY —** the packers-movers hostage load required the operator to DO something; here the contractor's power over the customer grows by itself as the work progresses, AND HE NEED DO NOTHING WRONG TO END UP HOLDING IT. THE CONSEQUENCE IS THE GENERAL RULE: WHERE LEVERAGE ACCRUES BY ITSELF, THE CONTROL MUST BE WRITTEN AT CONTRACT, BECAUSE NOTHING ADOPTED AFTERWARDS CAN RESTORE THE WEAKER PARTY'S POSITION. (b) ☐ **FIX THE VARIATION RATES AT THE ONLY MOMENT BOTH PARTIES ARE FREE —** before signature, while she still has three tenders and can walk to any of them; and A SCHEDULE THAT OMITTS THE COMMON CASES PRICES NOTHING. (c) ☐ **PUBLISH BOTH NUMBERS —** quantity AND the basis on which it was priced — BECAUSE A LOW VARIATION PERCENTAGE ACHIEVED BY PRICING VARIATIONS FREELY IS NOT DISCIPLINE, IT IS A SMALLER QUANTITY OF THE SAME PROBLEM. Generalises to every "reduced X" claim in this library. (d) ☐ **THE OVERRUN IS A SILENT COST TRANSFER —** the delay costs her rent, storage and a life in boxes and costs him nothing, AND A DELAY THAT COSTS THE DELAYING PARTY NOTHING WILL HAPPEN. Carry REAL liquidated damages and report what was ACTUALLY PAID, since every contract has the clause and almost none are enforced, WHICH MAKES THE PAID FIGURE THE ONLY EVIDENCE THE PROGRAMME IS REAL. (e) ☐ **NEVER COLLECT AHEAD OF WORKS COMPLETE —** the front-loaded schedule funds the industry at the customer's expense AND CAUSES THE FAILURE EVERYBODY COMPLAINS ABOUT, BECAUSE BY WEEK TWELVE THE REMAINING MONEY IS SMALLER THAN THE REMAINING EFFORT. Report collected ÷ works-complete and hold it under 1.0. (f) ☐ **EVIDENCE-BEFORE-CONCEALMENT RUN IN REVERSE —** photograph WHAT IS FOUND, not only what is installed, BECAUSE A GENUINE DISCOVERY AND AN INVENTED ONE ARE IDENTICAL IN A WRITTEN NOTE AND DIFFERENT IN A PHOTOGRAPH. (g) ☐ **A REFUSAL**

THAT LEAVES NO RECORD IS INDISTINGUISHABLE FROM NEVER HAVING BEEN ASKED — count written refusals of unlawful work. (h) □ COMPLETENESS LOSES TO PRICE WHERE THE BUYER CANNOT READ A TENDER — make the tender COMPARABLE (exclusions list, provisional sums stated, variation schedule attached) and PUBLISH THE HISTORIC TENDER-TO-FINAL RATIO, THE SINGLE MOST USEFUL NUMBER A RENOVATION BUYER COULD BE TOLD. (i) □ WORKING CAPITAL ON THE CUSTOMER'S BALANCE SHEET IS A BUSINESS MODEL, NOT A BALANCE SHEET — a contractor asking for a small facility is telling you he is funded by advances.

- Economics & cash — **AVERAGE PROJECT ₹8.24 LAKH CARRYING ~34.6% MATERIALS AND ~21.5% SUBCONTRACTED TRADE COST; RENOVATION LOOKS LIKE A HIGH-TURNOVER BUSINESS AND BEHAVES LIKE A RISK-UNDERWRITING ONE, WITH THE CONTRIBUTION COVERING PROGRAMME RISK, DISCOVERY AND DEFECT LIABILITY** (Y1 → ₹56L → Y2 → ₹62L → Y3 → ₹2.18cr; revenue ₹9.60cr→₹27.20cr; projects 118→330; variations 31%→7% of contract value with 0%→100% priced at the pre-agreed schedule; variation work started without written acceptance 74%→NIL; tender-to-final 1.31→1.07; on-time completion 34%→86%, median overrun 41→6 days, LIQUIDATED DAMAGES PAID ₹0→₹26L; collected ÷ works-complete 1.24→0.97 with retention 0%→100%; strip-out photography 0%→100%; employed trade-days 38%→61%; permissions on file 41%→100% with 34 refusals recorded; C&D debris receipted 22%→100%; leakage ~9%; tenure 11.4→19.6 months; ROCE (14.4%)→35.2%; **BREAK-EVEN YEAR 2; AND THE CAPITAL SHAPE IS THE DISTINGUISHING FEATURE — LIGHT IN FIXED ASSETS AND HEAVY IN WORKING CAPITAL, WHICH IS WHY THE FACILITY EXCEEDS THE TERM LOAN AND WHY ROCE OF 35.2% SITS BETWEEN PAINTING'S 38.9% AND PACKERS-MOVERS' 20.3% WHILE BEHAVING DIFFERENTLY FROM BOTH IN A DOWNTURN**). Regulatory (section 9): **STRUCTURAL ALTERATION IS THE SHARP END — SOCIETY BYE-LAWS, MUNICIPAL RULES AND A STRUCTURAL ENGINEER, AND A CONTRACTOR PROCEEDING ON "EVERYBODY DOES IT HERE" HAS ACCEPTED LIABILITY FOR A BUILDING HE DOES NOT OWN**; C&D Waste Rules requiring a RECEIPTED ROUTE rather than a night-time tipper; the Electricity Rules and plumbing standards REACHING THE TRADES THIS CONTRACTOR COORDINATES, SINCE A MAIN CONTRACTOR CANNOT SUBCONTRACT AWAY A CERTIFICATE-OF-COMPETENCY REQUIREMENT; BOCW and state safety rules on demolition, dust and silica; CONTRACT-WORKS AND PUBLIC-LIABILITY COVER EXTENDING TO NEIGHBOURING FLATS; consumer protection on programme, specification and defect liability; GST on works contracts; plus vertical-shared classification with EPF/ESI, POSH-at-customer-premises and DPDP over addresses, drawings and access. Lender note (section 13): **THE FACILITY EXCEEDS THE TERM LOAN AND THAT IS THE POINT; THE DIAGNOSTIC IS THE HISTORIC TENDER-TO-FINAL RATIO, ASKED FOR RETROSPECTIVELY RATHER THAN PROMISED — A CONTRACTOR ROUTINELY A THIRD OVER IS NOT ENCOUNTERING SURPRISES, HE HAS AN INCENTIVE STRUCTURE; ASK WHETHER LIQUIDATED DAMAGES HAVE EVER ACTUALLY BEEN PAID; and THE BARRIER IS REAL BUT PORTABLE — AN OWNER CANNOT COORDINATE SIX TRADES, WHICH SUPPORTS 8.0% AGAINST CARPENTRY'S 5.8%, BUT THE CAPABILITY IS HELD BY THIRTY-EIGHT PROJECT MANAGERS AND CAPABILITIES CAN WALK.** ₹4.20cr; projects 118→330; revenue ₹9.60→27.20cr; 108→288 staff; ROCE (14.4%)→35.2%. Figures illustrative, exclude GST.

► **Use these tools now — free on AiSevak**

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

Prepared by AiSevak.in — a product of ABL Digital Technologies. AI-powered business services for India. This is AI-assisted guidance; figures are illustrative and not a guarantee of results. Verify all numbers, licences and regulatory requirements with a qualified professional before relying on this plan for binding decisions. © 2026 ABL Digital Technologies Private Limited.