



BUSINESS PLAN · INDIA

Pet Pharmacy

Licensed veterinary dispensing where the prescription discipline is the moat

PET CARE & VETERINARY BUSINESSES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out a **Pet Pharmacy** in India — a licensed retail pharmacy dispensing veterinary prescription medicines, chronic and repeat therapy, parasite control and OTC lines, vaccines and biologicals under cold chain, compounded preparations, and prescription diets, operated under a drug licence with registered pharmacists on the premises.

This is the regulated sibling of the pet supplies store, and the difference between them is the whole business: a drug licence and a registered pharmacist. In a vertical where grooming, boarding and pet retail have almost no barrier to entry — the grooming plan noted that anyone in India may call themselves a groomer, and the boarding plan that no national kennel standard exists — **this is the only plan whose entry barrier is legal rather than commercial.** That licence is the moat, and it is worth exactly as much as the discipline behind it.

Which produces the tension this plan is organised around, and it is an uncomfortable one: the entire business rests on dispensing against a valid veterinary prescription, while the Indian reality is that Schedule H medicines and antimicrobials are widely sold over the counter for animals without one. The owner at the counter asking for "the same antibiotic you gave last time" is not an occasional awkwardness; **it is the daily test, and it is structurally the same moment the boarding facility faced when a vaccination record had lapsed.** The consequence must be stated plainly: **the central discipline of this plan is simultaneously its legal obligation, its only genuine moat, and the thing that costs it sales to non-compliant competitors every single day.** This business therefore reports **Schedule H dispensed without a valid prescription: NIL**, and **requests refused for want of a prescription (620 → 2,600) as a positive metric.** The operational answer, learned from the boarding plan, is that **refusing without offering a route simply loses the customer — refusing with a route to a prescriber converts them**, and 74% of refused customers return with a prescription by Year 3.

And there is a dimension here that no other plan in this vertical carries: antimicrobial resistance. A pharmacy handing out antibiotics without a prescription is **not merely breaking a rule — it is contributing to a One Health problem that crosses directly into human medicine**, because many veterinary antimicrobials share classes with those used in people. This is the strongest argument for the plan's discipline, and it is stated here as a duty rather than as positioning. Accordingly, **antimicrobials are tracked as a percentage of revenue and are explicitly NOT a growth target — falling from 14.2% to 9.6%.**

Economically the pharmacy is squeezed from both sides — **online sellers undercut on price, and veterinary clinics dispense in-house (the clinic plan in this vertical showed pharmacy at roughly 20% of its own revenue)** — so this plan is built on the niches both leave open: **chronic-therapy refill management, compounding, cold chain, and depth of range.** It models a pharmacy requiring **₹52 lakh** (₹28 lakh promoter + ₹14 lakh term loan + ₹10 lakh working-capital finance), moving from **₹1.82 crore revenue and a ₹5 lakh loss** in Year 1 to **₹4.06 crore revenue and ₹41 lakh profit** by Year 3. *(Licensed pharmacy retail; compliance- and adherence-driven — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A dedicated veterinary pharmacy — prescription dispensing with species-appropriate checking, managed chronic-therapy refills, a compounding facility for palatable and correctly-dosed preparations, validated cold chain for vaccines and biologicals, prescription diets, and delivery within the catchment.

Vision: To be the pharmacy a veterinarian is content to write a prescription to.

Mission: Dispense against a prescription or not at all; check the species before the dose; keep the cold chain honest; and make the refill easier to take than to skip.

Legal structure options

- **Private Limited** — suits multi-outlet plans, distributor credit and institutional supply.
- **LLP** — workable for a pharmacist-partner structure.
- **Proprietorship** — viable for a single outlet, provided the licence and pharmacist requirements are properly met.

Regulatory anchor: this is the most tightly regulated plan in the vertical and the obligations are personal as well as corporate. **The Drugs and Cosmetics Act 1940 and Rules 1945 require a retail drug licence and the presence of a registered pharmacist** for dispensing scheduled medicines — **and the requirement is presence, not employment on paper, which is precisely the point drug inspectors examine. Schedule H and H1 medicines may be dispensed only against the prescription of a registered veterinary practitioner, with prescriptions retained and H1 entries made in a bound register.** Where controlled analgesics are stocked, **NDPS licensing, secure custody and register reconciliation** apply. Cold-chain products require validated storage with temperature records. Beyond that: purchase only from authorised distributors with invoices retained, expiry and return handling, **bar on dispensing human formulations for animal use outside a veterinarian's written direction**, GST, shops and establishments, and the retention periods that make an inspection survivable. **The licence can be suspended, and a suspended licence is not a fine — it is the end of trading.**

3. Promoter & Ownership

Led by a promoter who is a registered pharmacist, or in genuine partnership with one holding professional authority in practice rather than in name. Three competences decide outcomes: *dispensing discipline*, meaning the willingness to refuse daily; *veterinary relationships*, since prescriptions come from prescribers who must trust the pharmacy; and *chronic-therapy management*, which is where the durable revenue actually sits. Compliance record, prescriber trust, refill adherence & compounding capability are the differentiators. Ownership, equity & the pharmacist partner's stake are editable inputs.

4. Market Analysis — India

Demand is driven by rising pet ownership, longer pet lifespans producing chronic disease, growing veterinary sophistication, and the near-total absence of pharmacies that understand species-specific dosing. The market is real and under-served in quality, though the addressable share is constrained by clinic dispensing. It is **prescription-dependent, adherence-driven and compliance-defined**.

Demand drivers

- **Longer pet lifespans**, which produce exactly the chronic conditions — cardiac, renal, endocrine, arthritic, epileptic — that require lifelong medication.
- **Increasing veterinary sophistication**, with more diagnosis and therefore more prescribing.
- **Chronic therapy on repeat**, which is recurring by clinical necessity rather than by contrivance.
- **Absent compounding capability** — correctly-dosed, palatable preparations for small animals are barely available in India.
- **Cold-chain products** that general retail cannot handle and many clinics store imperfectly.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian veterinary pharmaceutical retail	Growing with pet population & longevity
SAM	Prescriptions written outside clinic dispensing	Constrained by in-house dispensing
SOM (Yr 1-3)	Prescriptions dispensed + chronic patients on managed refill	~19,000 → ~48,000 dispensings

The structural difficulty of this market must be named because it determines the whole strategy: in veterinary practice, the prescriber is usually also the dispenser. The clinic plan in this vertical showed pharmacy at roughly a fifth of its own revenue — **an arrangement that in human medicine would be recognised as a conflict of interest and is entirely normal here.** The consequence for an independent pharmacy is that **the most valuable prescriptions never leave the clinic**, and a business model assuming otherwise will fail. What remains available is nonetheless substantial. **Clinics dispense the acute course and rarely manage the sixtieth month of a chronic therapy;** they stock what they commonly prescribe, not the unusual drug; **almost none of them compound;** and their dispensing counter closes at eight in the evening. **The independent pharmacy's market is therefore continuation rather than initiation — and that is a better business, because a chronic patient on managed refills is worth many times an acute course.**

Target segments

- **Chronic-therapy patients** — cardiac, renal, thyroid, diabetic, epileptic, arthritic; the core of the business.
- **Referral and specialist cases** requiring drugs a general clinic does not stock.
- **Compounding cases** — small dogs, cats and exotics needing reformulation.
- **Veterinary clinics and hospitals** buying through the pharmacy rather than holding stock.
- **Rescue organisations and shelters**, high-volume and price-sensitive.

5. Competition & Competitive Advantage

Landscape: veterinary clinics dispensing in-house, online pet pharmacies, general pet stores selling OTC and (frequently) scheduled drugs without a licence, human pharmacies selling veterinary-relevant products without species knowledge, and unregulated sellers. **The two serious competitors are the clinic counter and the online seller, and this pharmacy loses to both on the things they do best.**

The business's edge

- **Registered pharmacists who check species before dose** — the clinical function that distinguishes dispensing from selling.
- **Compounding**, which is skilled, valuable and largely unavailable in India.
- **Managed chronic refills**, which improve adherence and produce durable revenue simultaneously.
- **Validated cold chain** with temperature records rather than a domestic refrigerator.
- **A compliance record a prescriber can rely on**, which is what makes a veterinarian willing to write to an outside pharmacy at all.

Competing with online pet pharmacies requires acknowledging an unpleasant fact: a substantial part of their price advantage is real, and a part of their volume advantage is compliance theatre. Genuine scale, lower overheads and direct sourcing account for the first. **The second is the "upload a prescription" field that accepts any**

photograph, is rarely verified against a registered veterinarian, and functions in practice as a formality rather than a control. A physical pharmacy that verifies prescriptions properly will lose price-sensitive customers to that, and there is no clever answer to it. The defensible ground is elsewhere: online sellers cannot compound, cannot reliably maintain cold chain to a doorstep in an Indian summer, cannot catch a species-inappropriate prescription, and cannot notice that a diabetic cat's insulin refill is eleven days late. Those four capabilities are the business — and each of them is worth more to the animal than the price difference, which is an argument a pharmacy can make honestly to owners and, more importantly, to the veterinarians who decide where prescriptions go.

6. Services & Revenue Model

Line	Model	Basis
Prescription medicines (Schedule H & H1)	Per dispensing	Core; licence-dependent
Chronic therapy & repeat medication	Managed refill cycle	18.7% → 26.6% — the real business
Parasite control, OTC & supplements	Retail	Traffic; price-exposed
Vaccines & biologicals	Cold chain	Capability barrier
Compounding & reformulation	Per preparation	6.6% → 10.3% — highest margin, least competed
Prescription diets & clinical nutrition	Retail, vet-directed	Adjacent to therapy
Antimicrobials as % of revenue	Tracked — NOT a growth target	14.2% → 9.6%

Chronic therapy is where this business actually lives, and understanding why reframes everything else in the model. An acute course is a single transaction — one dispensing, seven days, and the relationship ends. A cat diagnosed with hyperthyroidism at nine years old may take medication daily for four more years; a cardiac dog on three drugs represents a monthly dispensing indefinitely. The clinic almost always dispenses the first month and rarely manages the thirtieth. If the pharmacy takes ownership of the refill cycle — knowing when the medication runs out, contacting the owner before it does, coordinating the prescription renewal with the veterinarian — it holds that patient for the life of the therapy. The clinical case is stronger than the commercial one: chronic medication failure in animals is overwhelmingly an adherence failure, not a drug failure, and owners stop for entirely human reasons — the bottle finished on a Sunday, the pet seemed better, the clinic was far. Moving on-time refill adherence from 61% to 87% is a genuinely clinical outcome that happens to be the most durable revenue in the plan.

7. Go-to-Market — Prescriptions Come From Prescribers

Acquisition

- **Veterinary relationships**, which are the channel — a pharmacy without prescriber trust has no prescriptions.
- **Compounding as the entry point**, since it solves a problem clinics genuinely cannot solve themselves.
- **Referral and specialist practices**, which prescribe drugs general clinics do not stock.
- **Chronic-case handover** from clinics that would rather not manage repeat dispensing.

Retention

- **Managed refills with proactive contact** before the medication runs out.
- **Delivery within the catchment**, which removes the single commonest reason for a missed refill.
- **Consistency and record-keeping**, so an owner never has to remember the dose.
- **Being open when the clinic is not.**

Sales approach

Build prescriber trust → win compounding and unusual-drug work → capture chronic patients at handover → manage the refill cycle → hold the patient for the duration of therapy. **The approach that must be avoided is the obvious one — driving volume by being accommodating about prescriptions.** It works immediately, and it destroys the business in the order that matters: **the veterinarians stop trusting the pharmacy first, because a prescriber who learns that their patient obtained a further course without asking will not write there again; the licence risk follows; and the compounding and chronic business, both of which depend entirely on clinical credibility, go with them.** A pharmacy that dispenses freely is competing with the pet shop next door on price, having spent ₹52 lakh on a licence it is not using.

8. Operations Plan (verify, check, dispense, compound, refill)

- **Prescription verification:** prescriber registration checked, prescription retained, **H1 register entries made at the counter rather than reconstructed later.**
- **Species and dose check:** pharmacist review of species-appropriateness, weight-based dosing and interactions **before** dispensing.
- **Dispensing:** labelling with species, patient name, dose and duration, and owner counselling on administration.
- **Compounding:** reformulation into palatable and correctly-dosed forms, with formulation records and beyond-use dating.
- **Cold chain:** validated refrigeration, continuous temperature logging, backup power, **documented excursion response.**
- **Chronic refill management:** due-date tracking, proactive contact, prescription renewal coordination with the veterinarian.
- **Inventory:** authorised distributors only, invoices retained, FEFO, expiry and return discipline.
- **Records:** retention periods maintained to survive inspection without preparation.

Dispensing chain

Stage	Activity	Control point
Verify	Valid prescription from a registered vet	Schedule H without prescription: NIL
Refuse & route	No prescription → route to a prescriber	Refused 620 → 2,600; returning 34% → 74%
Check	Species, weight, dose, interactions	Species-check flags 84 → 310
Dispense	Label, counsel, register entry	H1 register completeness
Compound	Reformulate; record; beyond-use date	1,150 → 5,400 preparations
Refill	Due-date tracking, proactive contact	Adherence 61% → 87%

The species check is the clinical reason a registered pharmacist stands behind this counter, and it is the difference between dispensing and selling. Veterinary pharmacology is full of traps that are lethal rather than merely suboptimal: **paracetamol is fatal to cats at ordinary doses; permethrin — routine in dog flea products — kills cats; ibuprofen and other human NSAIDs cause gastric ulceration and renal failure in dogs; and dose-per-kilogram errors matter enormously in a three-kilogram animal in a way they do not in a seventy-kilogram adult.** An owner who buys a "flea spot-on" for the household and applies it to both animals may kill the cat by Sunday. **A counter assistant reading a product name cannot catch that; a pharmacist checking species can,** and this plan reports **species-check flags raised at dispensing (84 → 310) as the pharmacist's work made visible.** The second invisible risk is the **cold chain, which fails in exactly the shape the pet food plan described: a vaccine that has been warm still looks entirely normal and simply does not work.** Nobody discovers the failure at the counter — **it is discovered months later when a vaccinated animal contracts the disease** — which is why continuous logging, backup power and a documented excursion response matter more than the refrigerator itself.

9. Regulatory, Dispensing & Antimicrobial Stewardship (India)

- **Drugs and Cosmetics Act 1940 & Rules 1945:** retail drug licence and **the physical presence of a registered pharmacist — presence, not employment on paper, which is what inspectors examine.**
- **Schedule H and H1:** dispensed only against the prescription of a registered veterinary practitioner; **prescriptions retained; H1 entries in a bound register made at the counter.**
- **NDPS** licensing, secure custody and register reconciliation where controlled analgesics are stocked.
- **Cold chain:** validated storage, continuous temperature records, backup power, documented excursion handling and disposal.
- **Sourcing:** authorised distributors only, invoices retained — **the control against counterfeit and diverted stock.**
- **Human formulations for animal use** only under a veterinarian's written direction, with the species risks understood.
- **Antimicrobial stewardship:** no antimicrobial without a prescription, **antimicrobial share of revenue tracked and not targeted for growth.**
- Expiry and return handling; retention periods; GST; shops and establishments. **A suspended licence is not a fine — it is the end of trading.**

Antimicrobial resistance gives this plan a public-health dimension that no other business in this vertical carries, and it deserves to be stated as an obligation rather than as a marketing position. Many antimicrobials used in companion animals belong to the same classes used in human medicine, and **resistance selected in a household pet does not stay in that household** — it moves through shared environments, shared surfaces and the people handling the animal. **A pharmacy that sells a course of antibiotics to an owner who has decided their dog "has an infection" is participating in that, and the fact that the transaction is routine in India does not make it harmless.** The practical stewardship measures are unremarkable and worth doing anyway: **no antimicrobial without a prescription, ever; no dispensing of partial courses; owner counselling to complete the course as prescribed; and antimicrobial share of revenue reported and expected to fall rather than rise.** The last of those is the one that matters commercially, because **it removes any incentive to quietly grow the line — a pharmacy that treats antibiotic sales as a growth category has an interest in a problem it should be helping to contain.**

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / superintendent pharmacist	1	1	2

Registered pharmacists	3	5	8
Compounding pharmacist & technician	2	3	5
Counter & dispensing assistants	4	7	11
Chronic-therapy refill coordinator	1	3	5
Cold chain & inventory	2	3	5
Delivery	2	3	5
Admin & accounts	1	2	3
Total	16	27	44

Registered pharmacists are carried at a level that guarantees presence during every trading hour, which is both the legal requirement and the clinical one. **The refill coordinator is the highest-return position in the business** — one person whose entire job is noticing that a medication is running out.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Drug licence, pharmacist registration, cold chain validation, compounding area, distributor accounts
Launch	Month 4–12	~19,000 dispensings, 340 chronic patients; ₹1.82cr revenue, ₹5L loss
Build	Year 2	Adherence 76%, compounding 8.8%, cold-chain excursions 2; ₹2.74cr, ₹13L profit
Scale	Year 3	~48,000 dispensings; ₹4.06cr, ₹41L profit; adherence 87%, antimicrobials down to 9.6%

12. Financial Plan (Illustrative)

*All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **Chronic refill adherence, compounding share, inventory turns and prescription discipline are the levers — and antimicrobial share is modelled FALLING, because a pharmacy that treats antibiotic sales as a growth category has an interest in a problem it should be helping to contain.***

12.1 Project cost & means of finance

Capital requirement	₹
Opening inventory (pharmaceuticals)	20,00,000
Store fit-out, dispensing counter & compounding area	10,00,000
Cold chain (refrigeration, backup power, monitoring)	7,00,000
Deposits & advance rent	6,00,000
Working capital	5,00,000
Technology (dispensing software, records, refill reminders)	2,00,000
Licences, pharmacist registration, insurance & launch	2,00,000

Total project cost	52,00,000
Promoter contribution	28,00,000
Term loan	14,00,000
Working-capital finance	10,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Prescription medicines (Schedule H & H1)	62,00,000	84,00,000	1,12,00,000
Chronic therapy & repeat medication	34,00,000	62,00,000	1,08,00,000
Parasite control, OTC & supplements	42,00,000	56,00,000	74,00,000
Vaccines & biologicals (cold chain)	18,00,000	28,00,000	42,00,000
Compounding & reformulation	12,00,000	24,00,000	42,00,000
Prescription diets & clinical nutrition	14,00,000	20,00,000	28,00,000
Total revenue	1,82,00,000	2,74,00,000	4,06,00,000
Cost of goods sold	1,24,00,000	1,82,00,000	2,64,00,000
Salaries (pharmacists, compounding, counter, admin)	28,00,000	38,00,000	52,00,000
Rent, utilities & facility	14,00,000	15,00,000	17,00,000
Marketing & veterinary-channel engagement	5,00,000	6,00,000	8,00,000
Expiry write-off & returns	5,00,000	6,00,000	7,00,000
Cold chain, refrigeration & power backup	4,00,000	5,00,000	6,00,000
Compliance, licences, insurance & audit	3,00,000	4,00,000	5,00,000
Depreciation, interest & other	4,00,000	5,00,000	6,00,000
Total expenses	1,87,00,000	2,61,00,000	3,65,00,000
Net profit / (loss) before tax	(5,00,000)	13,00,000	41,00,000
Net margin	(2.7%)	4.7%	10.1%
Gross margin — rising on compounding & chronic mix	31.9%	33.6%	35.0%
Schedule H dispensed without a valid prescription	NIL	NIL	NIL
Requests refused for want of a prescription — a positive	620	1,450	2,600
Refused customers routed to a prescriber who returned with one	34%	58%	74%
Antimicrobials as % of revenue — tracked, NOT a growth target	14.2%	11.8%	9.6%
Chronic-therapy patients on managed refill	340	980	2,100
On-time chronic refill adherence	61%	76%	87%
Species-check flags raised at dispensing	84	190	310

Cold-chain excursions (temperature breaches)	6	2	0
Compounded preparations dispensed	1,150	2,800	5,400
Inventory turns / Expiry write-off as % of revenue	5.2 / 2.7%	6.4 / 2.2%	7.5 / 1.7%
Dispensings / Drug-inspector observations closed	~19,000 / 100%	~31,000 / 100%	~48,000 / 100%

12.3 Unit economics & break-even

- **Chronic patients on managed refill are the compounding asset of this business** — 340 → 2,100 — because each represents monthly dispensing for years rather than a single transaction. **The refill coordinator's salary is recovered many times over by adherence alone.**
- **Compounding carries the best margin and the least competition**, growing 6.6% → 10.3% of revenue and lifting gross margin from 31.9% to 35.0%.
- **Inventory turns matter more than in general retail** because pharmaceuticals expire on a date printed on the box — 5.2 → 7.5 turns with expiry write-off falling to 1.7%.
- **Refusal is survivable only with routing.** Refused customers returning with a prescription at 74% converts a lost sale into a compliant one — **without that, refusal is simply attrition.**
- **Break-even: Year 2. Year 1's loss reflects pharmacist payroll and cold-chain infrastructure carried from day one** — **neither of which can be scaled up gradually, because both are conditions of trading at all.**

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	15,00,000	9,00,000	6,00,000	5,00,000
Collections	40,00,000	44,00,000	46,00,000	48,00,000
Purchases, salaries, rent, cold chain & overheads	46,00,000	47,00,000	47,00,000	47,00,000
Closing balance	9,00,000	6,00,000	5,00,000	6,00,000

Cash collects at the counter, so the difficulty is entirely on the stock side — and pharmaceutical inventory is harder than ordinary retail stock in three specific ways. It expires on a printed date, so slow lines convert to write-off rather than to patience. **Range depth is a competitive requirement rather than a choice** — much of this pharmacy's advantage is stocking the drug the clinic did not, which means deliberately carrying items that will move twice a year. And **cold-chain lines tie up capital in stock that a single power failure can destroy**, which is why the backup is capitalised rather than improvised. Three disciplines follow. **Negotiate distributor credit seriously**, since it funds inventory with someone else's money and pharmaceutical distribution generally offers it. **Separate the "must stock even if slow" list from the rest and cap it explicitly**, so that range depth is a considered cost rather than an accumulating one. And **run expiry ageing monthly with returns processed within distributor windows** — most pharmaceutical distributors accept returns close to expiry, and **a business that misses those windows converts a recoverable cost into a total one, which is the quiet way pharmacy margins disappear.**

12.5 Key Performance Indicators to Monitor

- **Compliance: Schedule H dispensed without prescription (must be nil);** H1 register completeness; prescription retention; pharmacist presence during all trading hours; inspector observations closed.
- **Clinical: species-check flags raised;** dispensing errors; **cold-chain excursions;** compounding formulation records and beyond-use dating.

- **Durability: chronic patients on managed refill; on-time refill adherence;** prescriptions received per referring veterinarian; compounding volume.
- **Stewardship & stock: antimicrobial share of revenue (expected to fall);** refused requests and return-with-prescription rate; inventory turns; expiry write-off and returns recovered within distributor windows.

13. Funding Requirement & Bankability

Total ask: **₹14 lakh term loan plus ₹10 lakh working-capital finance** against ₹28 lakh promoter contribution. Four points. **First, the working-capital line is the operative facility**, funding pharmaceutical inventory that must be both deep and current. **Second, the licence is the asset and it is also the risk.** A drug licence creates the only real barrier to entry in this vertical — **and a suspension ends trading entirely rather than producing a penalty**, so compliance record is a credit question and not an operational footnote. **Third, the metric to underwrite is chronic patients on managed refill**, because **a pharmacy's revenue can look identical whether it is built on 2,100 recurring patients or on walk-in volume**, and **only one of those survives a competitor opening nearby**. **Fourth, ask the uncomfortable diligence question directly: what proportion of Schedule H sales are dispensed against a retained, verifiable prescription?** A pharmacy whose answer is anything other than all of them is **carrying a licence-suspension exposure that no amount of revenue growth compensates for — and is, incidentally, not running the business this plan describes.**

13.1 Funding utilisation

Use of funds	₹	% of total
Opening inventory (pharmaceuticals)	20,00,000	38.5%
Store fit-out, dispensing counter & compounding area	10,00,000	19.2%
Cold chain (refrigeration, backup power, monitoring)	7,00,000	13.5%
Deposits & advance rent	6,00,000	11.5%
Working capital	5,00,000	9.6%
Technology (dispensing software, records, refill reminders)	2,00,000	3.9%
Licences, pharmacist registration, insurance & launch	2,00,000	3.8%
Total	52,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
The counter moment — dispensing without a prescription	The owner asking for "the same antibiotic as last time" is the daily test, structurally identical to the boarding plan's lapsed vaccination at 6am. The central discipline is simultaneously the legal obligation, the only moat, and the thing that costs sales to non-compliant competitors daily. Schedule H without prescription: NIL ; refusals reported as a positive (620 → 2,600)
Refusal as pure attrition	Refusing without offering a route simply loses the customer. Teleconsultation tie-ups, partner-vet referral, prescription retrieval from the treating clinic — refusal WITH a route converts (34% → 74% return with a prescription)

Antimicrobial resistance	Many companion-animal antimicrobials share classes with human medicine, and resistance selected in a household pet does not stay in that household. A pharmacy selling antibiotics to an owner who decided their dog "has an infection" is participating in that, and the fact that it is routine in India does not make it harmless. No antimicrobial without prescription; no partial courses; antimicrobial share tracked and falling 14.2% → 9.6%, removing any incentive to grow the line
Species-inappropriate dispensing	Paracetamol is fatal to cats; permethrin — routine in dog flea products — kills cats; human NSAIDs cause ulceration and renal failure in dogs; per-kilogram errors matter enormously in a 3kg animal. A counter assistant reading a product name cannot catch that; a pharmacist checking species can (flags 84 → 310)
Cold-chain failure	Fails in the shape the food plan described — a vaccine that has been warm still looks entirely normal and simply does not work, and nobody discovers it at the counter; it is discovered months later when a vaccinated animal contracts the disease. Continuous logging, backup power, documented excursion response (6 → 0)
Clinic in-house dispensing	In veterinary practice the prescriber is usually also the dispenser — an arrangement that in human medicine would be recognised as a conflict of interest and is entirely normal here , so the best prescriptions never leave the clinic. Compete on continuation rather than initiation : chronic refills, compounding, unusual drugs, out-of-hours
Online price and compliance theatre	Part of the price advantage is real; part of the volume advantage is an "upload a prescription" field that accepts any photograph and is rarely verified. No clever answer on price — compete where online cannot compound, cannot hold cold chain to a doorstep in an Indian summer, cannot catch a species error, and cannot notice a diabetic cat's insulin is eleven days late
Growing volume by being accommodating	It works immediately and destroys the business in order: veterinarians stop trusting first (a prescriber who learns their patient got a further course without asking will not write there again), the licence risk follows, and compounding and chronic business go with them. A pharmacy dispensing freely is competing with the pet shop on price, having spent ₹52 lakh on a licence it is not using
Expiry and range-depth cost	Range depth is a competitive requirement, not a choice — stocking what the clinic did not means carrying items moving twice a year. Cap the "must stock even if slow" list explicitly; process returns within distributor windows, since missing them converts a RECOVERABLE cost into a TOTAL one — the quiet way pharmacy margins disappear
Counterfeit or diverted stock	Authorised distributors only, invoices retained, batch verification on receipt

15. SWOT Analysis

Strengths The only plan in this vertical with a legal barrier to entry ; chronic refill management produces recurring revenue that is clinically justified rather than contrived; compounding is skilled, high-margin and largely unavailable in India ; validated cold chain as a capability barrier; pharmacist species-checking catches errors nobody else would; immediate cash collection.	Weaknesses The best prescriptions never leave the clinic ; pharmacist payroll and cold chain are fixed costs from day one; inventory expires on a printed date; range depth requires deliberately carrying slow stock ; compliance discipline costs sales daily; catchment-bound.
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Opportunities Longer pet lifespans producing chronic disease; compounding as an entry point clinics genuinely cannot solve themselves; chronic-case handover from clinics that would rather not manage repeats; supply to clinics and shelters; out-of-hours access; referral and specialist prescribing.	Threats Online sellers on price with weak prescription verification; clinics expanding in-house dispensing; unlicensed pet shops selling scheduled drugs; licence suspension ending trading entirely; distributor margin compression; a cold-chain or dispensing incident.
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16. Recommended AiSevak Tools for This Business

This pet pharmacy would use AiSevak's Petcare and Healthcare vertical tools in operations:

- **Compliance: prescription verification and retention workflow, Schedule H/H1 register with counter-time entry**, pharmacist presence roster, inspector-observation tracker.
- **Clinical safety: species and weight-based dose checking with toxic-drug flags**, dispensing error log, compounding formulation records with beyond-use dating.
- **Cold chain: continuous temperature logging with excursion alerts**, backup-power test schedule, affected-stock quarantine.
- **Adherence: chronic refill due-date tracking with proactive contact**, adherence reporting, prescription renewal coordination with prescribers.
- **Stewardship & stock: antimicrobial share monitor**, refusal and routing register, inventory turns, expiry ageing with distributor return windows.

17. Key Assumptions & Notes

- Pet pharmacy: licensed retail dispensing of veterinary prescription medicines, chronic/repeat therapy, parasite control and OTC, vaccines and biologicals under cold chain, compounded preparations and prescription diets, with registered pharmacists on the premises.
- **⚠ THE REGULATED SIBLING OF THE PET SUPPLIES STORE, AND THE DIFFERENCE BETWEEN THEM IS THE WHOLE BUSINESS: A DRUG LICENCE AND A REGISTERED PHARMACIST.** In a vertical where grooming has no statutory qualification and boarding has no national standard, **THIS IS THE ONLY PLAN WHOSE ENTRY BARRIER IS LEGAL RATHER THAN COMMERCIAL — THE LICENCE IS THE MOAT, AND IT IS WORTH EXACTLY AS MUCH AS THE DISCIPLINE BEHIND IT.**
- **THE TENSION THE PLAN IS ORGANISED AROUND: THE ENTIRE BUSINESS RESTS ON DISPENSING AGAINST A VALID VETERINARY PRESCRIPTION, WHILE THE INDIAN REALITY IS THAT SCHEDULE H MEDICINES AND ANTIMICROBIALS ARE WIDELY SOLD OVER THE COUNTER FOR ANIMALS WITHOUT ONE.** The owner asking for "the same antibiotic you gave last time" is **THE DAILY TEST, STRUCTURALLY THE SAME MOMENT THE BOARDING FACILITY FACED WITH A LAPSED VACCINATION RECORD AT SIX IN THE MORNING** → stated plainly: **THE CENTRAL DISCIPLINE OF THIS PLAN IS SIMULTANEOUSLY ITS LEGAL OBLIGATION, ITS ONLY GENUINE MOAT, AND THE THING THAT COSTS IT SALES TO NON-COMPLIANT COMPETITORS EVERY SINGLE DAY** (Schedule H without prescription: **NIL**; refusals 620→2,600 reported as a positive). Operational answer learned from boarding: **REFUSING WITHOUT OFFERING A ROUTE SIMPLY LOSES THE CUSTOMER — REFUSING WITH A ROUTE TO A PRESCRIBER CONVERTS THEM** (teleconsult tie-ups, partner-vet referral, prescription retrieval; 34%→74% return with a prescription).
- **ANTIMICROBIAL RESISTANCE GIVES THIS PLAN A PUBLIC-HEALTH DIMENSION NO OTHER BUSINESS IN THE VERTICAL CARRIES, STATED AS AN OBLIGATION RATHER THAN A MARKETING POSITION** — many companion-

animal antimicrobials belong to the same classes used in human medicine, and **RESISTANCE SELECTED IN A HOUSEHOLD PET DOES NOT STAY IN THAT HOUSEHOLD; A PHARMACY THAT SELLS A COURSE OF ANTIBIOTICS TO AN OWNER WHO HAS DECIDED THEIR DOG "HAS AN INFECTION" IS PARTICIPATING IN THAT, AND THE FACT THAT THE TRANSACTION IS ROUTINE IN INDIA DOES NOT MAKE IT HARMLESS** → no antimicrobial without prescription ever, no partial courses, completion counselling, and **ANTIMICROBIAL SHARE OF REVENUE REPORTED AND EXPECTED TO FALL (14.2%→11.8%→9.6%)** — the measure that matters commercially, because **IT REMOVES ANY INCENTIVE TO QUIETLY GROW THE LINE: A PHARMACY THAT TREATS ANTIBIOTIC SALES AS A GROWTH CATEGORY HAS AN INTEREST IN A PROBLEM IT SHOULD BE HELPING TO CONTAIN.**

- **THE STRUCTURAL DIFFICULTY OF THE MARKET, WHICH DETERMINES THE WHOLE STRATEGY: IN VETERINARY PRACTICE THE PRESCRIBER IS USUALLY ALSO THE DISPENSER** — the clinic plan in this vertical showed pharmacy at roughly a fifth of ITS revenue, **AN ARRANGEMENT THAT IN HUMAN MEDICINE WOULD BE RECOGNISED AS A CONFLICT OF INTEREST AND IS ENTIRELY NORMAL HERE → THE MOST VALUABLE PRESCRIPTIONS NEVER LEAVE THE CLINIC, AND A MODEL ASSUMING OTHERWISE WILL FAIL** What remains is substantial: **clinics dispense the ACUTE course and rarely manage the SIXTIETH MONTH of a chronic therapy; they stock what they commonly prescribe, not the unusual drug; ALMOST NONE OF THEM COMPOUND; and their counter closes at eight in the evening → THE INDEPENDENT PHARMACY'S MARKET IS CONTINUATION RATHER THAN INITIATION — AND THAT IS A BETTER BUSINESS, BECAUSE A CHRONIC PATIENT ON MANAGED REFILLS IS WORTH MANY TIMES AN ACUTE COURSE.**
- **CHRONIC THERAPY IS WHERE THIS BUSINESS ACTUALLY LIVES** — an acute course is one dispensing, seven days, relationship over; **a cat diagnosed hyperthyroid at nine may take medication daily for four more years, and a cardiac dog on three drugs is a monthly dispensing indefinitely** → if the pharmacy owns the refill cycle (knowing when medication runs out, contacting before it does, coordinating renewal with the vet) **IT HOLDS THAT PATIENT FOR THE LIFE OF THE THERAPY;** and the clinical case is stronger than the commercial one — **CHRONIC MEDICATION FAILURE IN ANIMALS IS OVERWHELMINGLY AN ADHERENCE FAILURE, NOT A DRUG FAILURE, and owners stop for entirely human reasons (the bottle finished on a Sunday, the pet seemed better, the clinic was far) → MOVING ON-TIME REFILL ADHERENCE FROM 61% TO 87% IS A GENUINELY CLINICAL OUTCOME THAT HAPPENS TO BE THE MOST DURABLE REVENUE IN THE PLAN** (340→2,100 chronic patients, 18.7%→26.6% of revenue; **the refill coordinator is the highest-return position in the business — one person whose entire job is noticing that a medication is running out**).
- **THE SPECIES CHECK IS THE CLINICAL REASON A REGISTERED PHARMACIST STANDS BEHIND THIS COUNTER, AND IT IS THE DIFFERENCE BETWEEN DISPENSING AND SELLING** — veterinary pharmacology is full of traps that are LETHAL rather than merely suboptimal: **PARACETAMOL IS FATAL TO CATS AT ORDINARY DOSES; PERMETHRIN, ROUTINE IN DOG FLEA PRODUCTS, KILLS CATS; IBUPROFEN AND OTHER HUMAN NSAIDs CAUSE GASTRIC ULCERATION AND RENAL FAILURE IN DOGS; AND DOSE-PER-KILOGRAM ERRORS MATTER ENORMOUSLY IN A THREE-KILOGRAM ANIMAL IN A WAY THEY DO NOT IN A SEVENTY-KILOGRAM ADULT** — an owner buying a "flea spot-on" for the household and applying it to both animals **MAY KILL THE CAT BY SUNDAY; A COUNTER ASSISTANT READING A PRODUCT NAME CANNOT CATCH THAT; A PHARMACIST CHECKING SPECIES CAN** (flags 84→310, the pharmacist's work made visible). Second invisible risk — **COLD CHAIN FAILS IN EXACTLY THE SHAPE THE PET FOOD PLAN DESCRIBED: A VACCINE THAT HAS BEEN WARM STILL LOOKS ENTIRELY NORMAL AND SIMPLY DOES NOT WORK, AND NOBODY DISCOVERS THE FAILURE AT THE COUNTER — IT IS DISCOVERED MONTHS LATER WHEN A VACCINATED ANIMAL CONTRACTS THE DISEASE** → continuous logging, backup power and documented excursion response matter more than the refrigerator itself (excursions 6→2→0).
- Regulatory: **Drugs & Cosmetics Act 1940 / Rules 1945 — retail drug licence and THE PHYSICAL PRESENCE of a registered pharmacist (PRESENCE, NOT EMPLOYMENT ON PAPER, WHICH IS PRECISELY THE POINT DRUG INSPECTORS EXAMINE); Schedule H/H1 against a registered veterinary practitioner's prescription with prescriptions retained and H1 entries made AT THE COUNTER rather than reconstructed later; NDPS licensing, secure**

custody and register reconciliation for controlled analgesics; validated cold chain with records; **authorised distributors only with invoices retained — the control against counterfeit and diverted stock**; human formulations for animal use only under a vet's written direction; and **THE LICENCE CAN BE SUSPENDED, AND A SUSPENDED LICENCE IS NOT A FINE — IT IS THE END OF TRADING**. Growth discipline: **the approach to avoid is the obvious one — DRIVING VOLUME BY BEING ACCOMMODATING ABOUT PRESCRIPTIONS**. It works immediately and destroys the business **IN THE ORDER THAT MATTERS: THE VETERINARIANS STOP TRUSTING THE PHARMACY FIRST** (a prescriber who learns their patient obtained a further course without asking **WILL NOT WRITE THERE AGAIN**), **THE LICENCE RISK FOLLOWS, AND THE COMPOUNDING AND CHRONIC BUSINESS — BOTH ENTIRELY DEPENDENT ON CLINICAL CREDIBILITY — GO WITH THEM**. A **PHARMACY THAT DISPENSES FREELY IS COMPETING WITH THE PET SHOP NEXT DOOR ON PRICE, HAVING SPENT ₹52 LAKH ON A LICENCE IT IS NOT USING**. On online competition: **part of the price advantage is REAL and part of the volume advantage is COMPLIANCE THEATRE — the "upload a prescription" field that accepts any photograph, is rarely verified against a registered veterinarian, and functions as a formality rather than a control; a pharmacy verifying properly WILL LOSE PRICE-SENSITIVE CUSTOMERS AND THERE IS NO CLEVER ANSWER TO IT** → defensible ground is that **online sellers CANNOT COMPOUND, CANNOT RELIABLY HOLD COLD CHAIN TO A DOORSTEP IN AN INDIAN SUMMER, CANNOT CATCH A SPECIES-INAPPROPRIATE PRESCRIPTION, AND CANNOT NOTICE THAT A DIABETIC CAT'S INSULIN REFILL IS ELEVEN DAYS LATE — each worth more to the animal than the price difference, an argument that can be made honestly to owners and, more importantly, TO THE VETERINARIANS WHO DECIDE WHERE PRESCRIPTIONS GO**. Cash collects at the counter so difficulty is all stock-side, and **pharmaceutical inventory is harder than ordinary retail stock in three ways: IT EXPIRES ON A PRINTED DATE** (slow lines convert to write-off rather than to patience), **RANGE DEPTH IS A COMPETITIVE REQUIREMENT RATHER THAN A CHOICE** (much of the advantage is stocking the drug the clinic did not, meaning deliberately carrying items that move twice a year), and **COLD-CHAIN LINES TIE UP CAPITAL A SINGLE POWER FAILURE CAN DESTROY** → negotiate distributor credit, **cap the "must stock even if slow" list EXPLICITLY** so range depth is a considered cost rather than an accumulating one, and **process returns WITHIN DISTRIBUTOR WINDOWS**, because missing them **CONVERTS A RECOVERABLE COST INTO A TOTAL ONE — THE QUIET WAY PHARMACY MARGINS DISAPPEAR** (turns 5.2→7.5, expiry 2.7%→1.7%). Lender note: **the licence is the asset AND the risk — a suspension ENDS TRADING rather than producing a penalty, so compliance record is a CREDIT question, not an operational footnote**; underwrite **CHRONIC PATIENTS ON MANAGED REFILL**, because a pharmacy's revenue can look identical whether built on 2,100 recurring patients or on walk-in volume, **AND ONLY ONE OF THOSE SURVIVES A COMPETITOR OPENING NEARBY**; and ask directly — **WHAT PROPORTION OF SCHEDULE H SALES ARE DISPENSED AGAINST A RETAINED, VERIFIABLE PRESCRIPTION? A pharmacy whose answer is anything other than ALL OF THEM is carrying a licence-suspension exposure no revenue growth compensates for — and is, incidentally, NOT RUNNING THE BUSINESS THIS PLAN DESCRIBES**. ₹52L, ~19,000→48,000 dispensings, 340→2,100 chronic patients, rev 1.82→4.06cr, Y1 — ₹5L → Y3 ₹41L. Figures illustrative, exclude GST.

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