



B U S I N E S S P L A N · I N D I A

Refurbished-Electronics Business

Recommerce and refurbishment - graded devices, IMEI-gated intake

ELECTRONICS

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 **Refurbished-Electronics Business** in India — a recommerce operator buying used smartphones, laptops and tablets from consumers, trade-ins and corporate fleets, refurbishing and grading them in an owned workshop, and selling through its own channel, marketplaces and retail partners with a stated warranty.

The electronics vertical's conventions are set in the consumer-electronics-store anchor and cross-referenced rather than re-derived: **nothing opened is sold as new; electronics depreciates while it sits, so the ageing report is a valuation document; GMROI is the trading metric; and ROCE belongs beside net margin. The mobile-repair plan's IMEI gate and certified sanitisation carry directly, since this business does both at scale. What is specific here is that the entire transaction rests on a single word the seller himself defines.**

□ **THE GRADE IS DEFINED BY THE SELLER.** Refurbished devices are sold as "Superb", "Good", "Fair", or Grade A/B/C — and there is no industry standard, no external audit and no common definition. The same handset is Grade A at one seller and Grade B at another, priced accordingly, and both are telling the truth as they have defined it. The customer reads a grade and believes she is reading a specification; she is reading a marketing decision. So this plan publishes the rubric in measurable terms — battery health as a percentage, screen blemish count and size in millimetres, chassis condition against photographed exemplars, and the functional test list — taking published rubrics from nothing to 100% of listings. Grade disputes fall from 6.8% to 1.4%, and 31% of the disputes raised are **UPHELD**, because a seller whose disputes are never upheld is not hearing them.

□ Within that, one number does more work than the grade itself: **BATTERY HEALTH IS STATED AS A NUMBER, NEVER A WORD.** Battery is the single largest determinant of whether a refurbished-device buyer is satisfied six weeks later, "good battery" means nothing whatever, and the figure is available to the seller in thirty seconds from the device's own diagnostics. Publishing 87% rather than "good" costs nothing, cannot be argued with, and is the closest this trade has to a specification. It is the LED plan's rule applied to a condition claim: where the buyer cannot verify, the operator publishes the measurement.

The second structural problem is that **THE DEVICE HAS A HISTORY AND THE SELLER USUALLY DOES NOT KNOW IT.** A used handset may be stolen, blacklisted, water-damaged, or already repaired with non-genuine parts two owners ago. IMEI verification and blacklist checking become an intake gate (58% to 100%) with 2,180 devices rejected in Year 3; activation-lock and account status are checked before purchase; and **PARTS PROVENANCE IS DISCLOSED** — 19% of intake is found to carry a prior non-genuine repair, and the buyer is told. Certified data sanitisation with a record reaches 100% before resale, because a device bought for refurbishment still holds the previous owner's life.

This plan models an operator requiring **₹6.20 crore** (₹2.20 crore investor + ₹1.90 crore working-capital facility + ₹1.80 crore promoter + ₹30 lakh term loan), moving from **₹24.00 crore revenue and a ₹96 lakh loss** to **₹66.00 crore revenue and ₹2.64 crore profit** by Year 3 — a 4.0% net margin, 33.8% return on capital, and days-to-sell of 34 against a used-device price curve that falls continuously. (Refurbished electronics — figures illustrative.)

2. Business Description, Vision & Legal Structure

Concept: A recommerce business that prints the battery percentage instead of the word.

Vision: To be the seller whose grade means the same thing on every listing, every month.

Mission: Publish the rubric in millimetres and percentages; state battery health as a number; check the IMEI before we buy and the account lock before we pay; disclose a repair somebody else did; wipe every device and record it; uphold the disputes we lose; and sell before the price curve takes the margin.

Legal structure

- **Private Limited** — recommended. Corporate buyback contracts, marketplace seller agreements, warranty liability, institutional capital and outside investment all require it.
- **Proprietorship or partnership** — the trade's traditional form and the reason most of it cannot answer a provenance question: **an operator with no intake records has no defence when a device turns out to be stolen.**
- **Employed technicians, graders and intake staff**, with grading separated from sales — **because the person whose margin depends on the grade cannot be the person who assigns it.**

Regulatory anchor: a business sitting on three legal fault lines that most Indian recommerce operators handle informally. **The first is stolen goods: dealing in a handset reported stolen exposes the buyer under the Bharatiya Nyaya Sanhita provisions on receiving stolen property, and tampering with or altering an IMEI is a distinct criminal offence — so intake verification against the CEIR blacklist is a legal gate rather than a commercial preference, and an operator who cannot produce the check has no answer. The second is data: the Digital Personal Data Protection Act 2023 applies to a business that takes custody of devices carrying a previous owner's photographs, accounts and documents, and sanitisation is a security obligation rather than a courtesy — with the aggravating feature that the data subject is not this operator's customer and will never know. The third is representation: consumer protection and the unfair-trade-practice provisions reach the grade, the battery claim and the warranty directly, and Legal Metrology reaches any stated specification carried over from the original product.** Then: e-waste and EPR obligations on devices and parts that cannot be refurbished; BIS considerations on any replacement components fitted; GST with correct treatment of the margin scheme on second-hand goods; marketplace seller agreements; and EPF/ESI and POSH across a technician workforce.

3. Promoter & Ownership

Led by a promoter with device repair, recommerce or electronics retail background. Three competences decide outcomes. *Pricing against a falling curve*, because a used device loses value every week it sits and the entire margin lives in the gap between what was paid at intake and how fast it sells — a business that buys well and sells slowly is a business that loses money accurately. *Grading discipline*, since the temptation to nudge a device up a grade is constant, costless on the day, and returns as a dispute, a return or a review months later. And *the willingness to reject at intake* — a blacklisted IMEI, a locked account, a water-damaged board — which means declining stock the sourcing team has already negotiated. Ownership, equity & investor terms are editable inputs; **grading and QC report to the promoter and quality, never to sales, whose realised prices they constrain.**

4. Market Analysis — India

Indian recommerce is growing quickly on genuine economics — a two-year-old flagship outperforms a new mid-range at the same price — and is held back almost entirely by trust.

Demand drivers

- **A very large installed base reaching replacement age**, generating both supply for intake and demand for affordable upgrades.

- **Price-performance** — a refurbished two-year-old flagship genuinely beats a new device at the same money, which is the honest core of the proposition.
- **Organised trade-in programmes** from brands and retailers, which have normalised selling a used device rather than keeping it in a drawer.
- **Corporate fleet refresh**, which supplies volume, documented provenance and the best-quality intake in the market.
- **Rising environmental awareness**, which is real but must not be over-claimed.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Used-device transactions across the served market	Very large; mostly informal peer-to-peer
SAM	Devices that pass an IMEI, lock and condition gate at a viable intake price	Bounded by INTAKE QUALITY, not demand
SOM (Yr 1-3)	Devices refurbished and sold across channels	₹24cr → ₹66cr; corporate intake 9% → 10%

The constraint in recommerce is supply quality rather than demand, and the distinction decides whether the business is a shop or a laundry. There is no shortage of people wanting an affordable device; there is a severe shortage of used devices that are legitimately owned, unlocked, undamaged and honestly described at an intake price that leaves a margin. An operator who relaxes his intake gate to fill his workshop is not growing — he is buying somebody else's problem at retail, and the problem arrives later as a blacklisted handset, a locked account, a board that fails after four weeks, or a customer whose data was never wiped. Three consequences shape the plan. Corporate and institutional buyback is pursued deliberately to 10% of revenue because it is the highest-provenance supply in the market: documented ownership, uniform models, known service history and a counterparty who signs. Consumer intake is priced against condition assessed at the counter rather than described over a phone, since a grade assigned before inspection is a negotiation waiting to happen. And rejection at intake is treated as a normal operating output rather than a failure — 2,180 devices in Year 3 — because an operator with no rejections is not gating, which is this vertical's standing rule.

5. Competition & Position

Landscape: peer-to-peer classifieds, which remain the market leader and carry no grade, no warranty and no recourse; national recommerce platforms with scale, brand and their own grading vocabularies; marketplace-certified refurbished programmes; the local mobile shop selling used handsets from a glass counter; and brand-operated trade-in and certified pre-owned schemes. Because every seller defines his own grade, price comparison across sellers is comparison of incommensurable things — and the seller with the loosest definition always looks cheapest.

The operator's position

- The grade rubric published in measurable terms — millimetres, percentages, a functional test list.
- Battery health stated as a number on every listing, never a word.
- Grade disputes reported, and the proportion upheld published.
- IMEI and blacklist verified at intake, with rejections counted.
- Prior non-genuine repair disclosed when we find it.
- Certified data sanitisation with a record before every resale.

- A stated warranty, provisioned, with what it covers written down.

The competitive difficulty is that a measurable grade always reads worse than a generous one, and the customer comparing two listings has no way to know that one of them was measured. A competitor's "Superb — like new" and this operator's "Grade A: 2 marks under 1mm, battery 89%, chassis exemplar A2" describe the same handset, and the second one sounds worse and costs more. Worse, the vocabulary itself is the competitor's advantage: because no standard exists, the loose definition is not a lie that can be exposed, merely a different scale — and there is no authority to appeal to. This is the LED plan's structure again, where accurate disclosure is a competitive disadvantage in a market that generates no correcting feedback. Three answers work. Publish the rubric itself rather than the grade, so a reader can see what the word was measured against and compare it to a rival who offers no rubric at all — the absence becomes visible. Lead with battery health, because it is a single number, it is decisive for satisfaction, and a competitor who does not state it is conspicuously not stating it once a customer has learned to look. And publish the upheld-dispute rate — 31% of disputes upheld is an uncomfortable number that no competitor will match, and it is the only evidence available that the grade is assigned by somebody who can be argued with successfully.

6. The Grade Is Defined by the Seller

Element	Character	Economics
Grade rubric PUBLISHED IN MEASURABLE TERMS (mm, %, test list, exemplars)	A grade the reader can check against the device	0% → 100% of listings
BATTERY HEALTH STATED AS A NUMBER, never a word	The single largest determinant of satisfaction	0% → 100%
Grade dispute rate / disputes UPHELD / reggraded on dispute	A seller with no upheld disputes is not hearing them	6.8% → 1.4% / 31% / 24%
IMEI verified and blacklist-checked at intake / devices rejected	A legal gate, not a commercial preference	58% → 100% / 240 → 2,180
PARTS PROVENANCE DISCLOSED / devices found already repaired at intake	A repair somebody else did, two owners ago	0% → 100% / 14% → 19%
Certified data sanitisation with record before resale / failures caught on audit	The data subject is not our customer and will never know	62% → 100% / 34 → NIL
DAYS TO SELL	The used-device price curve falls every week it sits	62 → 34
GMROI · warranty claim rate · warranty book age · corporate intake share	Fast turns against fast depreciation	126% → 245% · 8.4% → 4.1% · 0.5 → 2.2 yrs · 9% → 10%

Stating battery health as a number rather than a word deserves its own paragraph, because it is the cheapest and most decisive disclosure available in this trade and almost nobody makes it. A refurbished phone's cosmetic condition is what the listing photographs show and what the customer inspects on arrival; the battery is what determines whether she is still happy in week six. A device at 78% health will hold charge noticeably worse than one at 92%, both will look identical, both will be described as "good battery", and the difference is worth real money that no grade captures. The figure is available to the operator in thirty seconds from the device's own diagnostics, requires no equipment, and cannot be argued with — which is precisely

why the trade prefers the adjective. Three practices make it real. **The number is captured at grading and printed on the listing, the invoice and the device label, so it survives the sale rather than living in a system.** A floor is set below which a device is not sold as refurbished at all — it is either re-celled with the replacement disclosed, or it goes to parts — because selling a 61% battery with the number printed is honest and still a bad product. And where a battery has been replaced, that is stated with the part's grade — since a 100% health reading on a two-year-old handset means a new cell was fitted, and a buyer told only the percentage would draw exactly the wrong conclusion.

7. The Device Has a History

What arrives with the handset

- **A used device may be stolen, blacklisted, water-damaged, or already repaired with non-genuine parts two owners ago** — and the seller at the counter frequently does not know either.
- **IMEI verified and blacklist-checked as an intake GATE (58% → 100%), with 2,180 devices rejected in Year 3;** activation lock and account status checked before payment.
- **Prior non-genuine repair found on 19% of intake and DISCLOSED to the buyer (0% → 100%)** — because it is a fact this operator can discover and the customer cannot.
- **Certified data sanitisation with a record before resale (62% → 100%),** audited, with failures caught driven to nil.

The curve that takes the margin

- **A used device tracks the new-device price curve downward, continuously** — so inventory here depreciates faster than anything else in this vertical.
- **Days to sell 62 → 34,** which is a first-order commercial risk rather than a housekeeping metric.
- **GMROI 126% → 245%,** achieved by turns rather than by margin.
- **Intake priced against condition assessed at the counter,** not described over a phone.

The previous owner's data is the exposure this trade handles most casually, and it has a feature that makes it worse than the mobile-repair plan's version of the same problem. There, the customer whose device was accessed was the operator's own customer, present, and at least theoretically able to complain. Here the data belongs to somebody who sold the device and walked away — she is not this operator's customer, has no relationship with him, will never be told what happened to her photographs, and has no mechanism by which she could find out. A device that reaches a resale shelf with recoverable data is a harm to a person who has already left the transaction, and the entire incentive structure ignores her. Three practices follow. Sanitisation is a certified process with a per-device record — method, operator, timestamp — completed before a device enters saleable stock, so an unwiped unit cannot be listed rather than merely should not be. An independent audit samples finished stock and attempts recovery, with failures caught reported as a number (34 falling to nil) rather than assumed absent — because a process nobody tests is a belief. And devices that cannot be sanitised are destroyed rather than sold for parts intact — a storage chip on a scrap board is still a storage chip, and the parts channel is exactly where it stops being traceable.

8. Operations Plan (source, gate, wipe, refurbish, grade, sell)

- **Gate at intake: IMEI verified and blacklist-checked before payment (58% → 100%);** activation lock and account status confirmed; devices **REJECTED** counted and reported (240 → 2,180), since an operator with no rejections is not gating.

- **Price against condition, not description:** intake assessed at the counter with the grade rubric applied before purchase — **a grade agreed over a phone is a negotiation waiting to happen.**
- **Wipe before anything else:** certified sanitisation with a per-device record (method, operator, timestamp) completed **BEFORE** the device enters saleable stock, so an unwiped unit cannot be listed; independent audit sampling finished stock with recovery attempts and failures reported (34 → NIL); unsanitisable devices **DESTROYED** rather than sold for parts intact.
- **Refurbish with disclosed parts:** replacement components recorded by grade; **PRIOR NON-GENUINE REPAIR FOUND AT INTAKE DISCLOSED TO THE BUYER (0% → 100%),** because it is a fact we can discover and she cannot.
- **Grade measurably:** rubric published in millimetres, percentages, photographed exemplars and a functional test list (0% → 100% of listings); grading performed by a function reporting to quality, **NOT** to sales.
- **State the battery as a number:** health percentage captured at grading and printed on listing, invoice and device label; a floor below which the device is re-celled with the replacement disclosed or sent to parts; a replaced cell always stated, since 100% on a two-year-old handset means a new battery.
- **Hear the disputes:** grade dispute rate reported (6.8% → 1.4%) with the proportion **UPHELD** published (31%) and regrades honoured (24%).
- **Sell before the curve:** days-to-sell managed as a first-order risk (62 → 34) with age-triggered repricing, because a used device tracks the new-device price curve downward every week it sits.
- **Warrant honestly:** a stated term with covered components written down, provisioned, and the book's age reported (0.5 → 2.2 years).
- **Claim circularity carefully:** diversion from waste reported as devices and weight; **no unverifiable carbon claims,** on the rule that a claim which cannot be checked is marketing unless the measurement is published.

Control points

Area	Activity	Control point
☐ A grade the reader can check	Rubric published in measurable terms / grading independent of sales	0% → 100% / quality line
☐ The number that decides satisfaction	Battery health stated as a percentage / replaced cell disclosed	0% → 100% / 100%
A seller with no upheld disputes is not hearing them	Grade dispute rate / proportion upheld / regraded	6.8% → 1.4% / 31% / 24%
☐ A legal gate, not a preference	IMEI and blacklist checked at intake / devices rejected	58% → 100% / 240 → 2,180
☐ The repair somebody else did	Prior non-genuine repair found and disclosed	19% found / 100% disclosed
☐ A harm to somebody who already left	Certified sanitisation before saleable stock / audit failures	62% → 100% / 34 → NIL
The curve that takes the margin	Days to sell / GMROI	62 → 34 / 126% → 245%
Warranty & circularity	Warranty claim rate · book age · diversion reported as devices and weight	8.4% → 4.1% · 0.5 → 2.2 yrs · measured

9. Stolen Goods, Data & Operating Compliance (India)

- **Dealing in a handset reported stolen** exposes the buyer under the Bharatiya Nyaya Sanhita provisions on receiving stolen property, and tampering with or altering an IMEI is a distinct criminal offence — so intake verification against the CEIR blacklist is a legal gate rather than a commercial preference, and an operator who cannot produce the check has no answer.
- **The Digital Personal Data Protection Act 2023** applies to a business taking custody of devices carrying a previous owner's photographs, accounts and documents — with the aggravating feature that the data subject is not this operator's customer, has left the transaction, and will never know.
- **Consumer protection and unfair-trade-practice provisions reach the grade, the battery claim and the warranty directly**; Legal Metrology reaches any specification carried over from the original product.
- **GST margin-scheme treatment on second-hand goods**, which materially affects realised margin and is frequently applied incorrectly in this trade.
- **E-waste and EPR obligations** on devices and components that cannot be refurbished; BIS considerations on replacement parts fitted during refurbishment.
- Marketplace seller agreements governing listing accuracy, returns liability and settlement; brand and trademark considerations on how a refurbished device is described.
- EPF/ESI and POSH across a technician workforce, **with employment also a records requirement, since a per-device sanitisation and grading trail cannot survive rotating contract labour.**

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Refurbishment technicians & board repair	64	108	158
GRADING & QC (reports to quality, NOT sales)	14	24	36
Sales, channel & corporate accounts	14	22	32
Intake, IMEI VERIFICATION & DATA SANITISATION	12	20	30
Customer experience, warranty & GRADE DISPUTES	9	15	23
Warehouse & dispatch · sourcing & buyback	8 · 5	13 · 8	20 · 12
Finance & accounts · technology (grading, IMEI, sanitisation records)	4 · 3	6 · 5	9 · 7
Leadership	3	4	5
Total	136	225	332

Two placements carry this plan. Grading and QC at thirty-six people reports to quality rather than to sales, on this library's control-independence rule — and here the rule is unusually literal: the grade IS the price, so a grader reporting to the person whose realised margin depends on it is not grading, he is pricing. Nudging a device from B to A is costless on the day, invisible to everyone in the building, and returns weeks later as a dispute, a return or a review that nobody connects back to the decision. Intake, IMEI verification and data sanitisation is staffed at thirty and sits before the workshop rather than inside it, because both of its functions are gates: a blacklisted device must be refused before money changes hands, and an unwiped device must be unable to reach saleable stock rather than merely discouraged from doing so. Placing either downstream of

purchase converts a control into a cleanup.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-5	Grade rubric written in measurable terms with photographed exemplars and published before the first listing; battery-health capture built into the grading step as a mandatory field; IMEI and blacklist check made a payment gate at intake rather than a later verification; certified sanitisation process with per-device records established so unwiped stock cannot be listed; grading function constituted under quality; age-triggered repricing rules configured before the first inventory ages
Year 1	Year 1	₹24.00cr revenue, ₹96L loss; rubric published on 0% of listings and battery stated as a word — the baseline this plan exists to end; grade disputes 6.8%; IMEI checked on 58% of intake with 240 rejections; prior repair found on 14% and disclosed on none; sanitisation 62% with 34 audit failures; days to sell 62; GMROI 126%
Year 2	Year 2	₹42.00cr revenue, ₹42L profit; rubric and battery percentage published on 100% of listings from month four; disputes 3.1% with the upheld rate first published; IMEI gate 92% with 1,180 rejections; prior repair disclosed 84%; sanitisation 96% with 6 audit failures; days to sell 47; GMROI 188%; ROCE 6.8%
Year 3	Year 3	₹66.00cr revenue, ₹2.64cr profit; ROCE 33.8%; GRADE RUBRIC AND BATTERY HEALTH PUBLISHED ON 100% OF LISTINGS; grade disputes 1.4% with 31% UPHELD and 24% regraded; IMEI and blacklist checked on 100% of intake with 2,180 DEVICES REJECTED; prior non-genuine repair found on 19% and DISCLOSED on 100%; certified sanitisation 100% with NIL audit failures; DAYS TO SELL 34; GMROI 245%; warranty claims 4.1% at a book age of 2.2 years

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **Days-to-sell and intake quality are the levers. Gross margin is not one — it is set at the moment of intake, and a device bought badly cannot be sold well.**

12.1 Project cost & means of finance

Capital requirement	₹
DEVICE ACQUISITION INVENTORY (intake float, WIP & finished stock)	2,60,00,000
Launch & initial operating losses	96,00,000
Refurbishment workshop, benches, test rigs & tooling	78,00,000
TECHNOLOGY (grading system, IMEI gate, SANITISATION RECORDS, catalogue)	62,00,000
Working capital (channel settlement, corporate receivables)	54,00,000
Brand, channel build & market entry	42,00,000
Warehouse fit-out & secure storage	18,00,000
Deposits, insurance, legal & registrations	10,00,000
Total project cost	6,20,00,000
Investor / venture contribution	2,20,00,000

Working-capital facility (device inventory)	1,90,00,000
Promoter contribution	1,80,00,000
Term loan (workshop, fit-out, technology)	30,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Refurbished smartphones	13,20,00,000	22,68,00,000	35,64,00,000
Refurbished laptops & tablets	7,44,00,000	13,44,00,000	21,12,00,000
Corporate / institutional bulk refurbishment & buyback	2,16,00,000	4,20,00,000	6,60,00,000
Spares, accessories & extended cover attach	1,20,00,000	1,68,00,000	2,64,00,000
TOTAL REVENUE	24,00,00,000	42,00,00,000	66,00,00,000
Cost of goods (device acquisition + replacement parts)	19,20,00,000	33,18,00,000	51,48,00,000
GROSS PROFIT / gross margin	4,80,00,000 / 20.0%	8,82,00,000 / 21.0%	14,52,00,000 / 22.0%
Refurbishment labour (technicians, GRADERS, QC)	1,48,00,000	2,14,00,000	3,16,00,000
Salaries (sales, intake, CX, admin)	1,12,00,000	1,56,00,000	2,24,00,000
Marketplace commission & channel costs	96,00,000	1,48,00,000	2,00,00,000
WARRANTY & REPLACEMENT PROVISION (used-device cover)	44,00,000	74,00,000	1,12,00,000
Marketing & customer acquisition	50,00,000	60,00,000	76,00,000
Warehouse, workshop rent & facility · finance cost	34,00,000 · 28,00,000	48,00,000 · 42,00,000	68,00,000 · 56,00,000
Technology (grading, IMEI gate, sanitisation records, catalogue)	20,00,000	30,00,000	44,00,000
INVENTORY WRITE-DOWN (device depreciation & unsold ageing)	18,00,000	28,00,000	38,00,000
Logistics, reverse logistics & returns · insurance, legal & audit	16,00,000 · 10,00,000	26,00,000 · 14,00,000	34,00,000 · 20,00,000
Total operating expenses	5,76,00,000	8,40,00,000	11,88,00,000
Net profit / (loss) before tax	(96,00,000)	42,00,000	2,64,00,000
Net margin	(4.0%)	1.0%	4.0%
AVERAGE CAPITAL EMPLOYED / RETURN ON CAPITAL EMPLOYED	₹5.60cr / (17.1%)	₹6.20cr / 6.8%	₹7.80cr / 33.8%
GRADE RUBRIC PUBLISHED IN MEASURABLE TERMS / BATTERY HEALTH AS A NUMBER	0% / 0%	100% / 100%	100% / 100%

Grade dispute rate / disputes UPHELD / regraded on dispute	6.8% / n.r. / n.r.	3.1% / 38% / 29%	1.4% / 31% / 24%
IMEI & BLACKLIST CHECKED AT INTAKE / devices rejected / activation lock checked	58% / 240 / 41%	92% / 1,180 / 88%	100% / 2,180 / 100%
PRIOR NON-GENUINE REPAIR found at intake / DISCLOSED to the buyer	14% / 0%	17% / 84%	19% / 100%
CERTIFIED SANITISATION before saleable stock / audit failures caught / DAYS TO SELL	62% / 34 / 62	96% / 6 / 47	100% / NIL / 34
GMROI · warranty claim rate · warranty book age · corporate intake share · median tenure	126% · 8.4% · 0.5 yr · 9% · 12.8 mo	188% · 5.9% · 1.4 yr · 10% · 16.4 mo	245% · 4.1% · 2.2 yr · 10% · 20.2 mo

12.3 Unit economics & break-even

- The margin is set at intake and cannot be recovered afterwards. Gross margin of 22% is decided by what was paid for the device and how quickly it moves; a handset bought two per cent too high and sold three weeks late has consumed its entire contribution before a technician touched it.
- Days-to-sell is a first-order risk, not a housekeeping metric. A used device tracks the new-device price curve downward continuously, so 62 days falling to 34 is worth more than any negotiation on intake price — and GMROI of 245% is earned by turns rather than by margin.
- Grading discipline pays for itself twice. Disputes fall from 6.8% to 1.4% and warranty claims from 8.4% to 4.1%, because a device graded honestly is also a device inspected properly — the two numbers move together and the second one is money.
- The gates cost real stock. 2,180 devices rejected at intake in Year 3 is inventory the sourcing team had already negotiated, refused at the counter — and it is the entire difference between this operator and one who discovers the problem at resale.
- Break-even: Year 2, thinly, at 1.0%. A 4.0% net margin at 8.5× capital turnover gives 33.8% ROCE — the shape this vertical keeps producing, where net margin alone understates the business badly.

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

Particulars (₹)	Q1	Q2	Q3 (festival)	Q4
Opening balance	2,10,00,000	1,68,00,000	1,32,00,000	98,00,000
Collections (own channel prepaid, marketplace settlement, corporate on terms)	5,80,00,000	5,96,00,000	6,12,00,000	6,34,00,000
Device acquisition, parts, wages, channel, interest & overheads	6,22,00,000	6,32,00,000	6,46,00,000	6,78,00,000
Closing balance	1,68,00,000	1,32,00,000	98,00,000	54,00,000

Recommerce cash has a characteristic that distinguishes it from every other trading plan in this vertical: the inventory is bought for cash from individuals, and it cannot be bought on terms. A consumer selling a handset at a counter is paid immediately — there is no credit, no thirty days, no supplier relationship to lean on — while the finished device sells on a marketplace that settles in a fortnight or to a corporate buyer who pays in forty-five. So the working-capital cycle is entirely one-directional, and every rupee of growth is funded before it returns. Worse, the asset being funded is depreciating throughout: a slow quarter does not merely delay

cash, it destroys value in the stock already held. Three disciplines follow. The facility is sized against device inventory at intake cost with age bands, and drawn against a stock statement carrying DAYS-HELD rather than a total, because a warehouse of ninety-day handsets is worth materially less than its book value. Age-triggered repricing is automatic rather than discretionary — a device crossing its band is marked down by rule, since waiting for a better price in a falling market is the most expensive decision available here. And corporate buyback is pursued partly for cash — it arrives in documented lots against a contract rather than one handset at a time across a counter, which makes both the funding requirement and the intake quality predictable.

12.5 Key Performance Indicators to Monitor

- **Grade integrity:** rubric published in measurable terms; battery health stated as a number; grade dispute rate; proportion of disputes UPHELD; regrades honoured; grading function's reporting line.
- **Provenance gates:** IMEI and blacklist checked before payment; devices rejected at intake; activation-lock and account-status checks; prior non-genuine repair found and disclosed.
- **Data:** certified sanitisation before saleable stock; audit recovery attempts and failures caught; unsanitisable devices destroyed rather than parted out.
- **Inventory against the curve:** days-to-sell by model and grade; stock ageing bands; age-triggered repricing applied; write-down against provision; GMROI.
- **Product truth in the field:** warranty claim rate by grade and model; returns by reason; battery-related complaints as a share of claims.
- **Supply:** corporate intake share; intake price against realised price by cohort; rejection rate by source.
- **Circularity:** devices and weight diverted from waste, reported as measured quantities rather than as carbon claims.

13. Funding Requirement & Bankability

Total ask: **₹2.20 crore of investor capital plus a ₹1.90 crore working-capital facility** against ₹1.80 crore promoter contribution and ₹30 lakh of term debt. Four points. **First, the security is device inventory that depreciates continuously, so the facility should be drawn against a stock statement carrying DAYS-HELD and grade rather than a total value — a warehouse of ninety-day handsets is worth materially less than its book, and no other stock in this vertical falls as fast. Second, the diagnostic is days-to-sell, not gross margin. Margin is fixed at intake and cannot be improved afterwards; the only lever available post-purchase is speed, and 62 days falling to 34 is the whole of this plan's commercial improvement. Third, ask what the grade means and who assigns it. A seller who cannot produce a rubric in millimetres and percentages is using a word he defines himself, and a grading function reporting to sales is not grading but pricing — the grade IS the price, which makes the reporting line the single most important governance fact in this business. Fourth, ask for the IMEI rejection count and the sanitisation audit result. 2,180 rejections is evidence a legal gate operates; nil audit failures on attempted recovery is evidence the data process is tested rather than believed — and an operator reporting neither has an exposure that is criminal in the first case and regulatory in the second.**

13.1 Funding utilisation

Use of funds	₹	% of total
Device acquisition inventory (intake float, WIP & finished stock)	2,60,00,000	41.9%
Launch & initial operating losses	96,00,000	15.5%
Refurbishment workshop, benches, test rigs & tooling	78,00,000	12.6%

Technology (grading system, IMEI gate, sanitisation records, catalogue)	62,00,000	10.0%
Working capital (channel settlement, corporate receivables)	54,00,000	8.7%
Brand, channel build & market entry	42,00,000	6.8%
Warehouse fit-out & secure storage	18,00,000	2.9%
Deposits, insurance, legal & registrations	10,00,000	1.6%
Total	6,20,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
☐ THE GRADE IS DEFINED BY THE SELLER	REFURBISHED DEVICES ARE SOLD AS "SUPERB", "GOOD", "FAIR" OR GRADE A/B/C — AND THERE IS NO INDUSTRY STANDARD, NO EXTERNAL AUDIT AND NO COMMON DEFINITION. THE SAME HANDSET IS GRADE A AT ONE SELLER AND GRADE B AT ANOTHER, PRICED ACCORDINGLY, AND BOTH ARE TELLING THE TRUTH AS THEY HAVE DEFINED IT. THE CUSTOMER READS A GRADE AND BELIEVES SHE IS READING A SPECIFICATION; SHE IS READING A MARKETING DECISION — AND BECAUSE NO STANDARD EXISTS, THE LOOSE DEFINITION IS NOT A LIE THAT CAN BE EXPOSED, MERELY A DIFFERENT SCALE, WITH NO AUTHORITY TO APPEAL TO. PRICE COMPARISON ACROSS SELLERS IS THEREFORE COMPARISON OF INCOMMENSURABLE THINGS, AND THE SELLER WITH THE LOOSEST DEFINITION ALWAYS LOOKS CHEAPEST → THE RUBRIC PUBLISHED IN MEASURABLE TERMS — BATTERY HEALTH AS A PERCENTAGE, SCREEN BLEMISH COUNT AND SIZE IN MILLIMETRES, CHASSIS CONDITION AGAINST PHOTOGRAPHED EXEMPLARS, AND THE FUNCTIONAL TEST LIST (0%→100% OF LISTINGS) — SO A READER CAN SEE WHAT THE WORD WAS MEASURED AGAINST AND COMPARE IT TO A RIVAL WHO OFFERS NO RUBRIC AT ALL, WHICH MAKES THE ABSENCE VISIBLE; GRADING PERFORMED BY A FUNCTION REPORTING TO QUALITY, NOT SALES, BECAUSE THE GRADE IS THE PRICE AND A GRADER REPORTING TO THE PERSON WHOSE MARGIN DEPENDS ON IT IS NOT GRADING, HE IS PRICING; and the DISPUTE RATE REPORTED (6.8%→1.4%) WITH THE PROPORTION UPHOLD PUBLISHED (31%) AND REGRADES HONOURED (24%), SINCE A SELLER WHOSE DISPUTES ARE NEVER UPHOLD IS NOT HEARING THEM
☐ BATTERY HEALTH AS A NUMBER, NEVER A WORD	COSMETIC CONDITION IS WHAT THE PHOTOGRAPHS SHOW AND WHAT SHE INSPECTS ON ARRIVAL; THE BATTERY IS WHAT DETERMINES WHETHER SHE IS STILL HAPPY IN WEEK SIX. A DEVICE AT 78% HEALTH HOLDS CHARGE NOTICEABLY WORSE THAN ONE AT 92%, BOTH LOOK IDENTICAL, BOTH ARE DESCRIBED AS "GOOD BATTERY", AND THE DIFFERENCE IS WORTH REAL MONEY THAT NO GRADE CAPTURES. THE FIGURE IS AVAILABLE TO THE OPERATOR IN THIRTY SECONDS FROM THE DEVICE'S OWN DIAGNOSTICS, REQUIRES NO EQUIPMENT AND CANNOT BE ARGUED WITH — WHICH IS PRECISELY WHY THE TRADE PREFERS THE ADJECTIVE → the percentage CAPTURED AT GRADING AND PRINTED ON THE LISTING, THE INVOICE AND THE DEVICE LABEL so it survives the sale rather than living in a system; A FLOOR BELOW WHICH THE DEVICE IS NOT SOLD AS REFURBISHED AT ALL — EITHER RE-CELLED WITH THE REPLACEMENT DISCLOSED OR SENT TO PARTS — BECAUSE SELLING A 61% BATTERY WITH THE NUMBER PRINTED IS HONEST AND STILL A BAD PRODUCT; and A REPLACED CELL ALWAYS STATED, SINCE 100% HEALTH ON A TWO-YEAR-OLD HANDSET MEANS A NEW BATTERY WAS FITTED AND A BUYER TOLD ONLY THE PERCENTAGE WOULD DRAW EXACTLY THE WRONG CONCLUSION

□ THE DEVICE HAS A HISTORY AND THE SELLER USUALLY DOES NOT KNOW IT	A USED HANDSET MAY BE STOLEN, BLACKLISTED, WATER-DAMAGED OR ALREADY REPAIRED WITH NON-GENUINE PARTS TWO OWNERS AGO — AND THE PERSON SELLING IT AT THE COUNTER FREQUENTLY DOES NOT KNOW EITHER, WHICH MEANS GOOD FAITH ON BOTH SIDES IS COMPATIBLE WITH A CRIMINAL EXPOSURE. DEALING IN A STOLEN HANDSET ENGAGES THE RECEIVING-STOLEN-PROPERTY PROVISIONS AND IMEI TAMPERING IS A DISTINCT OFFENCE, SO AN OPERATOR WHO CANNOT PRODUCE THE CHECK HAS NO ANSWER → IMEI VERIFIED AND BLACKLIST-CHECKED AS A PAYMENT GATE BEFORE MONEY CHANGES HANDS (58%→100%), PLACED BEFORE PURCHASE RATHER THAN AFTER, BECAUSE A GATE DOWNSTREAM OF PAYMENT IS A CLEANUP; ACTIVATION LOCK AND ACCOUNT STATUS CONFIRMED at intake; DEVICES REJECTED COUNTED AND REPORTED (240→2,180) SINCE AN OPERATOR WITH NO REJECTIONS IS NOT GATING; and PRIOR NON-GENUINE REPAIR FOUND ON 19% OF INTAKE AND DISCLOSED TO THE BUYER (0%→100%), BECAUSE IT IS A FACT THIS OPERATOR CAN DISCOVER AND THE CUSTOMER CANNOT — A "REFURBISHED ORIGINAL" CONTAINING AN AFTERMARKET DISPLAY FITTED TWO OWNERS AGO IS STILL AN AFTERMARKET DISPLAY
□ THE PREVIOUS OWNER'S DATA — A HARM TO SOMEBODY WHO HAS ALREADY LEFT	WORSE THAN THE MOBILE-REPAIR VERSION OF THE SAME PROBLEM. THERE THE CUSTOMER WHOSE DEVICE WAS ACCESSED WAS THE OPERATOR'S OWN CUSTOMER, PRESENT, AND AT LEAST THEORETICALLY ABLE TO COMPLAIN. HERE THE DATA BELONGS TO SOMEBODY WHO SOLD THE DEVICE AND WALKED AWAY — SHE IS NOT THIS OPERATOR'S CUSTOMER, HAS NO RELATIONSHIP WITH HIM, WILL NEVER BE TOLD WHAT HAPPENED TO HER PHOTOGRAPHS, AND HAS NO MECHANISM BY WHICH SHE COULD FIND OUT. THE ENTIRE INCENTIVE STRUCTURE IGNORES HER → CERTIFIED SANITISATION WITH A PER-DEVICE RECORD (METHOD, OPERATOR, TIMESTAMP) COMPLETED BEFORE A DEVICE ENTERS SALEABLE STOCK, SO AN UNWIPE UNIT CANNOT BE LISTED RATHER THAN MERELY SHOULD NOT BE (62%→100%); AN INDEPENDENT AUDIT SAMPLING FINISHED STOCK AND ATTEMPTING RECOVERY, with failures REPORTED AS A NUMBER (34→NIL) rather than assumed absent, BECAUSE A PROCESS NOBODY TESTS IS A BELIEF; and DEVICES THAT CANNOT BE SANITISED DESTROYED RATHER THAN SOLD FOR PARTS INTACT, SINCE A STORAGE CHIP ON A SCRAP BOARD IS STILL A STORAGE CHIP AND THE PARTS CHANNEL IS EXACTLY WHERE IT STOPS BEING TRACEABLE
□ THE CURVE THAT TAKES THE MARGIN	A USED DEVICE TRACKS THE NEW-DEVICE PRICE CURVE DOWNWARD CONTINUOUSLY, SO INVENTORY HERE DEPRECIATES FASTER THAN ANYTHING ELSE IN THIS VERTICAL — AND THE MARGIN IS SET AT INTAKE AND CANNOT BE RECOVERED AFTERWARDS. A HANDSET BOUGHT TWO PER CENT TOO HIGH AND SOLD THREE WEEKS LATE HAS CONSUMED ITS ENTIRE CONTRIBUTION BEFORE A TECHNICIAN TOUCHED IT, AND A BUSINESS THAT BUYS WELL AND SELLS SLOWLY LOSES MONEY ACCURATELY. WAITING FOR A BETTER PRICE IN A FALLING MARKET IS THE MOST EXPENSIVE DECISION AVAILABLE HERE → DAYS-TO-SELL MANAGED AS A FIRST-ORDER RISK (62→34) with AGE-TRIGGERED REPRICING THAT IS AUTOMATIC RATHER THAN DISCRETIONARY — A DEVICE CROSSING ITS BAND IS MARKED DOWN BY RULE; GMROI earned by TURNS RATHER THAN MARGIN (126%→245%); intake PRICED AGAINST CONDITION ASSESSED AT THE COUNTER rather than described over a phone, SINCE A GRADE AGREED BEFORE INSPECTION IS A NEGOTIATION WAITING TO HAPPEN; and inventory write-down PROVIDED FOR (₹38L by Y3) rather than discovered
The measurable grade always reads worse than the generous one	A COMPETITOR'S "SUPERB — LIKE NEW" AND THIS OPERATOR'S "GRADE A: 2 MARKS UNDER 1mm, BATTERY 89%, CHASSIS EXEMPLAR A2" DESCRIBE THE SAME HANDSET, AND THE SECOND SOUNDS WORSE AND COSTS MORE. THE CUSTOMER COMPARING TWO LISTINGS HAS NO WAY TO KNOW THAT ONE OF THEM WAS MEASURED — THIS IS THE LED PLAN'S STRUCTURE AGAIN, WHERE ACCURATE DISCLOSURE IS A COMPETITIVE DISADVANTAGE IN A MARKET THAT GENERATES NO CORRECTING FEEDBACK → PUBLISH THE RUBRIC ITSELF RATHER THAN THE GRADE, so the rival's absence of one becomes visible; LEAD WITH BATTERY HEALTH, BECAUSE IT IS A SINGLE NUMBER, IT IS DECISIVE FOR SATISFACTION, AND A COMPETITOR WHO DOES NOT STATE IT IS CONSPICUOUSLY NOT STATING IT ONCE A CUSTOMER HAS LEARNED TO LOOK; and PUBLISH THE UPHELD-DISPUTE RATE — 31% IS AN UNCOMFORTABLE NUMBER NO COMPETITOR WILL MATCH, AND IT IS THE ONLY EVIDENCE AVAILABLE THAT THE GRADE IS ASSIGNED BY SOMEBODY WHO CAN BE ARGUED WITH SUCCESSFULLY

Supply quality is the constraint, and relaxing the gate is not growth	THERE IS NO SHORTAGE OF PEOPLE WANTING AN AFFORDABLE DEVICE; THERE IS A SEVERE SHORTAGE OF USED DEVICES THAT ARE LEGITIMATELY OWNED, UNLOCKED, UNDAMAGED AND HONESTLY DESCRIBED AT AN INTAKE PRICE THAT LEAVES A MARGIN. AN OPERATOR WHO RELAXES HIS INTAKE GATE TO FILL HIS WORKSHOP IS NOT GROWING — HE IS BUYING SOMEBODY ELSE'S PROBLEM AT RETAIL, AND IT ARRIVES LATER AS A BLACKLISTED HANDSET, A LOCKED ACCOUNT, A BOARD THAT FAILS AFTER FOUR WEEKS, OR A CUSTOMER WHOSE DATA WAS NEVER WIPED → CORPORATE AND INSTITUTIONAL BUYBACK PURSUED DELIBERATELY TO 10% OF REVENUE, BECAUSE IT IS THE HIGHEST-PROVENANCE SUPPLY IN THE MARKET: DOCUMENTED OWNERSHIP, UNIFORM MODELS, KNOWN SERVICE HISTORY AND A COUNTERPARTY WHO SIGNS; REJECTION TREATED AS A NORMAL OPERATING OUTPUT rather than a failure; rejection rate tracked BY SOURCE so a bad channel is visible; and intake price measured AGAINST REALISED PRICE BY COHORT, SINCE THE ONLY HONEST TEST OF A BUYING DECISION IS WHAT THE DEVICE EVENTUALLY SOLD FOR
Vertical-inherited (see the electronics-retail-store anchor & the mobile-repair plan) & compliance	ELECTRONICS DEPRECIATES ON THE SHELF AND THE AGEING REPORT IS A VALUATION DOCUMENT → bites harder here than anywhere in this vertical, since the stock is second-hand and tracks a falling new-device curve. NOTHING OPENED SOLD AS NEW → the inverse discipline applies: nothing refurbished is described as new, and refurbishment is disclosed rather than implied. GMROI IS THE TRADING METRIC → 126%→245%, earned by turns. REPORT ROCE BESIDE NET MARGIN → 4.0% net at 33.8% ROCE on 8.5× capital turnover. From mobile-repair: IMEI VERIFICATION AS A GATE AND CERTIFIED SANITISATION BEFORE RESALE, WITH A GATE THAT HAS NO REJECTIONS BEING NO GATE. Compliance: RECEIVING STOLEN PROPERTY AND IMEI TAMPERING AS CRIMINAL RATHER THAN COMPLIANCE MATTERS, MAKING CEIR BLACKLIST VERIFICATION A LEGAL GATE; DPDP 2023 OVER A PREVIOUS OWNER WHO IS NOT THIS OPERATOR'S CUSTOMER AND WILL NEVER KNOW; consumer protection reaching the grade, the battery claim and the warranty; GST MARGIN-SCHEME TREATMENT ON SECOND-HAND GOODS, WHICH MATERIALLY AFFECTS REALISED MARGIN AND IS FREQUENTLY APPLIED INCORRECTLY; e-waste and EPR on unrefurbishable devices and parts; BIS considerations on replacement components; marketplace seller agreements on listing accuracy; and EPF/ESI and POSH, WITH EMPLOYMENT ALSO A RECORDS REQUIREMENT SINCE A PER-DEVICE SANITISATION AND GRADING TRAIL CANNOT SURVIVE ROTATING CONTRACT LABOUR

15. SWOT Analysis

Strengths A grade rubric published in millimetres and percentages, so the word can be checked against the device; battery health stated as a number on every listing, invoice and label; 31% of grade disputes upheld and published; IMEI and blacklist gates before payment with 2,180 rejections; prior repair disclosed; certified sanitisation audited to nil failures; days-to-sell at 34; 33.8% return on capital.	Weaknesses A measured grade that reads worse and prices higher than a competitor's generous one; inventory that depreciates faster than anything else in this vertical; margin fixed at intake and unrecoverable afterwards; stock bought for cash from individuals with no supplier credit; 2,180 devices refused that sourcing had already negotiated; a 4.0% net margin with no pricing power.
Opportunities Genuine price-performance — a two-year-old flagship beats a new mid-range at the same money; corporate fleet refresh as documented, uniform, high-provenance supply; organised trade-in programmes normalising the sale of used devices; rising environmental awareness; and a market where trust is the binding constraint and can be built with disclosure.	Threats National platforms with looser grading vocabularies that look cheaper on every comparison; a stolen-device or data-recovery incident, either of which is existential rather than expensive; new-device price cuts compressing used values overnight; peer-to-peer classifieds that remain free; brand certified-pre-owned programmes with manufacturer backing; and account-lock or software changes stranding intake.

16. Recommended AiSevak Tools for This Business

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

- **Grade integrity:** measurable rubric definition with photographed exemplars published to every listing, mandatory battery-health capture at grading printed to listing/invoice/label, grading workflow routed to quality rather than sales, dispute register with upheld and regrade reporting.
- **Provenance gates:** IMEI and CEIR blacklist check as a pre-payment gate, activation-lock and account-status capture, rejection register by source, prior-repair detection and disclosure field.
- **Data:** certified sanitisation with per-device method/operator/timestamp records, listing blocked until sanitisation recorded, independent audit sampling with recovery attempts and failure reporting, destruction register for unsanitisable devices.
- **Inventory against the curve:** days-held tracking by model and grade, age-triggered automatic repricing, stock statement with days-held for facility drawing, write-down against provision.
- **Field truth:** warranty claims by grade and model, returns by reason, battery-related complaint share, intake-price-versus-realised-price by cohort.
- **Circularity & compliance:** diversion reported as devices and weight, EPR register for unrefurbishable units, GST margin-scheme handling on second-hand goods.

17. Key Assumptions & Notes

- Refurbished-electronics business: recommerce operator buying used smartphones, laptops and tablets from consumers, trade-ins and corporate fleets, refurbishing and grading them in an owned workshop, and selling through its own channel, marketplaces and retail partners with a stated warranty. **Eighth plan in the electronics vertical (44). The electronics-retail-store anchor's conventions and the mobile-repair plan's IMEI gate and certified sanitisation are INHERITED AND CROSS-REFERENCED rather than re-derived.**
- **⚠ CONVENTIONS SET HERE: (a) □ WHERE THE SELLER DEFINES THE MEASUREMENT, THE MEASUREMENT IS A MARKETING DECISION — refurbished grades have no standard, no audit and no common definition, so THE CUSTOMER READS A GRADE BELIEVING IT IS A SPECIFICATION. And because no standard exists, THE LOOSE DEFINITION IS NOT A LIE THAT CAN BE EXPOSED, MERELY A DIFFERENT SCALE, WITH NO AUTHORITY TO APPEAL TO. → PUBLISH THE RUBRIC IN MEASURABLE TERMS SO THE ABSENCE OF ONE BECOMES VISIBLE IN A COMPETITOR. (b) □ STATE THE DECISIVE VARIABLE AS A NUMBER, NEVER A WORD — battery health determines satisfaction, is available in thirty seconds, cannot be argued with, AND IS PRECISELY WHY THE TRADE PREFERS THE ADJECTIVE. Generalises: where one measurable variable drives most of the outcome, publishing it is the cheapest honesty available and its absence is the clearest signal. (c) □ A FLOOR, NOT JUST A DISCLOSURE — selling a 61% battery with the number printed is honest AND STILL A BAD PRODUCT; disclosure does not discharge the obligation to refuse. (d) □ A SELLER WHOSE DISPUTES ARE NEVER UPHELD IS NOT HEARING THEM — publish the UPHELD rate, not just the dispute rate. (e) □ THE GRADE IS THE PRICE, SO THE GRADING FUNCTION'S REPORTING LINE IS THE SINGLE MOST IMPORTANT GOVERNANCE FACT — a grader reporting to sales is not grading, he is pricing. (f) □ PUT THE GATE BEFORE THE PAYMENT — a check downstream of purchase is a cleanup, not a control. (g) □ THE HARM CAN LAND ON SOMEBODY WHO HAS ALREADY LEFT THE TRANSACTION — the previous owner's data belongs to a person with no relationship to this operator who will never know, so THE ENTIRE INCENTIVE STRUCTURE IGNORES HER AND THE CONTROL MUST BE STRUCTURAL. A PROCESS NOBODY TESTS IS A BELIEF. (h) □ WHERE THE ASSET DEPRECIATES CONTINUOUSLY, WAITING FOR A BETTER PRICE IS THE MOST EXPENSIVE DECISION AVAILABLE — make repricing automatic and age-triggered rather than discretionary.**

- Economics & cash — **THE MARGIN IS SET AT INTAKE AND CANNOT BE RECOVERED AFTERWARDS: A HANDSET BOUGHT 2% TOO HIGH AND SOLD THREE WEEKS LATE HAS CONSUMED ITS ENTIRE CONTRIBUTION BEFORE A TECHNICIAN TOUCHED IT, SO DAYS-TO-SELL IS A FIRST-ORDER RISK AND GMROI IS EARNED BY TURNS RATHER THAN MARGIN** (Y1 — ₹96L → Y2 + ₹42L → Y3 + ₹2.64cr; revenue ₹24cr→₹66cr; grade rubric and BATTERY HEALTH AS A NUMBER published 0%→100% of listings; grade disputes 6.8%→1.4% WITH 31% UPHELD and 24% regraded; IMEI and blacklist checked at intake 58%→100% with 240→2,180 DEVICES REJECTED and activation lock checked 41%→100%; prior non-genuine repair found on 14%→19% of intake and DISCLOSED 0%→100%; certified sanitisation before saleable stock 62%→100% with audit failures 34→NIL; DAYS TO SELL 62→34; GMROI 126%→245%; warranty claims 8.4%→4.1% at a book age of 0.5→2.2 years; corporate intake share 9%→10%; tenure 12.8→20.2 months; ROCE (17.1%)→33.8% at 8.5× capital turnover; **BREAK-EVEN YEAR 2 AT 1.0%; AND THE CASH SHAPE IS ONE-DIRECTIONAL — INVENTORY IS BOUGHT FOR CASH FROM INDIVIDUALS AND CANNOT BE BOUGHT ON TERMS, WHILE THE FINISHED DEVICE SETTLES IN A FORTNIGHT ON A MARKETPLACE OR FORTY-FIVE DAYS FROM A CORPORATE BUYER, SO EVERY RUPEE OF GROWTH IS FUNDED BEFORE IT RETURNS AND THE ASSET DEPRECIATES THROUGHOUT**). Regulatory (section 9): **RECEIVING STOLEN PROPERTY AND IMEI TAMPERING AS CRIMINAL MATTERS, MAKING CEIR BLACKLIST VERIFICATION A LEGAL GATE RATHER THAN A COMMERCIAL PREFERENCE; DPDP 2023 OVER A PREVIOUS OWNER WHO IS NOT THIS OPERATOR'S CUSTOMER, HAS LEFT THE TRANSACTION AND WILL NEVER KNOW**; consumer protection reaching the grade, the battery claim and the warranty, with Legal Metrology on carried-over specifications; **GST MARGIN-SCHEME TREATMENT ON SECOND-HAND GOODS, FREQUENTLY APPLIED INCORRECTLY IN THIS TRADE**; e-waste and EPR on unrefurbishable devices and parts; BIS considerations on replacement components; marketplace seller agreements on listing accuracy; EPF/ESI and POSH. Lender note (section 13): **THE SECURITY IS DEVICE INVENTORY THAT DEPRECIATES CONTINUOUSLY — DRAW AGAINST A STOCK STATEMENT CARRYING DAYS-HELD AND GRADE RATHER THAN A TOTAL VALUE; THE DIAGNOSTIC IS DAYS-TO-SELL, NOT GROSS MARGIN, SINCE MARGIN IS FIXED AT INTAKE AND SPEED IS THE ONLY POST-PURCHASE LEVER; ASK WHAT THE GRADE MEANS AND WHO ASSIGNS IT — A SELLER WITHOUT A RUBRIC IN MILLIMETRES AND PERCENTAGES IS USING A WORD HE DEFINES HIMSELF; and ASK FOR THE IMEI REJECTION COUNT AND THE SANITISATION AUDIT RESULT, SINCE AN OPERATOR REPORTING NEITHER HAS AN EXPOSURE THAT IS CRIMINAL IN THE FIRST CASE AND REGULATORY IN THE SECOND.** ₹6.20cr; revenue ₹24→66cr; 136→332 staff; ROCE (17.1%)→33.8%. Figures illustrative, exclude GST.

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

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