



BUSINESS PLAN · INDIA

Water-Purifier Sales & Service

RO, UV and UF purifiers - sales, installation, AMC and service

HOME SERVICES

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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 **Water-Purifier Sales & Service** business in India — a multi-brand operator across one city selling and installing RO, UV and UF purifiers, holding an annual maintenance book, and supplying cartridges, membranes and spares, with employed technicians, traceable consumables and a returned-cartridge policy on every service visit.

The vertical's structural facts are set out in the home-cleaning plan and are not re-derived here: **the technician enters the home and the risk runs both ways; route density decides the margin; classification is the fault line and this plan employs its technicians; attrition is structural; and the informal competitor is permanent. What is different here is that this is the vertical's purest information asymmetry, and the industry has built a piece of theatre to fill the gap where evidence should be.**

☐ **THE FILTER THAT WAS NEVER CHANGED.** A technician opens a housing, may or may not fit a new cartridge, closes it, and the water tastes identical either way. There is no performance signal, no noise, no visible change — the appliance-repair asymmetry with the last remaining clue removed, because at least a repaired refrigerator either cools or does not. The answer is the appliance-repair plan's returned part, transplanted, and it works better here than anywhere else in this library: **THE OLD CARTRIDGE IS RETURNED OR FORMALLY OFFERED ON EVERY SERVICE VISIT, from nothing to 100%.** A used sediment filter is visibly filthy and a new one is white — so this is the one trade in the vertical where the artefact handed over can actually be evaluated by the person receiving it. Behind it sit the batch and date codes of the fitted cartridge and membrane, photographed and recorded, and a monthly reconciliation of cartridges issued against visits invoiced, reporting to finance.

☐ The second finding is sharper and is new to this library: **THE TDS METER IS A THEATRICAL VERIFICATION DEVICE.** "Look — your water is 480 TDS, it isn't safe" is the standard Indian sales demonstration, performed in millions of kitchens, and it is scientifically hollow. Total dissolved solids measures dissolved minerals and salts; it does not measure bacteria, viruses, or heavy metals like arsenic and lead. A high reading may indicate perfectly safe hard water, and a low reading proves nothing whatever about pathogens. The demonstration looks like evidence, is universally trusted, and answers a different question from the one the customer is asking. So this plan states in writing to every buyer what TDS does and does not measure, offers an actual laboratory test where it matters, and drives sales made on a TDS demonstration alone from 78% to nil.

Two further positions follow from taking that seriously, and both cost money. If TDS is not the test, then a great many households on treated municipal supply do not need reverse osmosis at all — an RO strips essential minerals and discards two to three litres for every litre it purifies, and the honest recommendation is frequently a UV or UF unit, or none. Units recommended **DOWN** from RO reach 1,840 by Year 3, at ₹62 lakh of forgone revenue. And where an RO is genuinely warranted, the reject water is plumbed to reuse at installation rather than mentioned in passing, rising from 4% to 58%, with the recovery ratio reported. Alongside these, the maintenance book is treated as the pest-control plan established: billed in advance, delivered over visits, recognised on delivery, with visits delivered against contracted rising from 68% to 97%.

This plan models an operator requiring **₹3.20 crore** (₹1.40 crore promoter + ₹80 lakh term loan + ₹80 lakh working-capital facility + ₹20 lakh investor), moving from **₹7.40 crore revenue and a ₹46 lakh loss** to **₹21.80 crore revenue and ₹1.85 crore profit** by Year 3 — *an 8.5% net margin and 28.0% return on capital, with the annuity rather than the hardware carrying the business. (Water-purifier sales and service — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A purifier business that hands back the filter it says it changed.

Vision: To be the operator who will tell a customer she does not need the machine.

Mission: Return the old cartridge on every visit; record the date code of what went in; say in writing what TDS does and does not measure; test the water properly where it matters; recommend the smaller machine or none at all when that is the answer; plumb the reject water to reuse; and recognise the maintenance fee when the visit actually happens.

Legal structure

- **Private Limited** — recommended. Brand dealerships, consumables credit lines, institutional contracts, product liability and outside capital all point the same way.
- **LLP** — workable for a single service franchise, weak for multi-brand dealership and institutional supply.
- **Employed technicians** — the vertical's classification rule, and here operationally necessary: **a contractor cannot be held to a cartridge reconciliation, and the entire integrity of this business rests on one.**

Regulatory anchor: a trade selling a health claim with remarkably little standing behind it. **BIS certification exists for household water treatment — IS 16240 for RO systems and IS 14724 for UV — and a very large share of Indian purifiers are unbranded units assembled from imported components in small workshops, carrying no certification at all, sold on a doorstep demonstration and serviced by whoever answers the phone.** This plan sells BIS/ISI-certified units only, taking that share from 63% to 100%. Then: **consumer protection reaching the health representation directly — telling a customer her water is unsafe is a statement she relies on to spend money, and doing it on the strength of a TDS reading is a representation the operator cannot support;** the Legal Metrology position on the meter itself if used as a measuring instrument in a sale; **BIS drinking-water standard IS 10500, which defines acceptable and permissible limits and is the reference an honest conversation about water quality should start from;** product liability where a unit or a fitted component causes damage or illness; **e-waste and membrane disposal, since a spent RO membrane and a used carbon block are not general waste;** state pollution-board and groundwater rules where reject water is discharged in volume; GST on goods and services, taxed differently and invoiced separately; and the vertical's shared obligations — classification with EPF/ESI, POSH at the customer's premises, and DPDP over addresses and access.

3. Promoter & Ownership

Led by a promoter with water-treatment, appliance-service or consumer-durables background. Three competences decide outcomes. *Technical literacy about water*, because a promoter who cannot explain the difference between TDS, hardness, turbidity and microbiological contamination will end up selling what the industry sells. *Consumables discipline*, since the entire profit of this business sits in cartridges and the entire integrity risk sits in whether they were fitted. And *the willingness to lose a sale on principle* — to tell a customer on good municipal supply that she needs a UV unit costing a third as much, or nothing at all — which is the clearest test of whether the stated position survives a sales target. Ownership, equity & investor terms are editable inputs; **cartridge reconciliation and the water-testing function report to finance and the promoter, never to sales or service operations.**

4. Market Analysis — India

Indian household water-purifier demand is driven by distrust of the supply rather than by measurement of it, which is both the market's engine and its central problem.

Demand drivers

- **Genuine and widespread water-quality variability** across Indian municipal and borewell supply, including real contamination in many areas.
- **An installed base now large enough that service and consumables demand exceeds new-unit demand — the structural shift that makes this an annuity business rather than an appliance business.**
- **Borewell and tanker dependence** in peri-urban and unserved areas, where treatment is genuinely necessary rather than optional.
- **Health anxiety and social proof**, which sell purifiers in areas where the municipal supply is demonstrably fine.
- **Institutional demand** — schools, offices, clinics and restaurants — which buys on specification and tests its water.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Households and premises in the served city	Very large; penetration still rising
SAM	Premises where treatment is actually warranted, plus the installed base needing service	Bounded by NEED and by the SERVICEABLE BASE
SOM (Yr 1-3)	Units installed and AMC contracts held	34,000 → 88,000 units; 42,000 → 1.48 lakh AMCs

The sizing question this industry avoids is how much of the demand is warranted, and the honest answer is that a material share is not. In cities with treated municipal supply meeting IS 10500, reverse osmosis is unnecessary — it removes calcium and magnesium the household needs, discards two to three litres for every litre it produces, and costs several thousand rupees a year to maintain, in order to solve a problem the water did not have. That demand exists anyway, because it is created by a demonstration rather than by a test, and an operator can serve it profitably for years without ever making a false statement — he simply never makes a true one either. Sizing a plan on total households therefore sizes it on the industry's persuasion rather than on the country's water. Three consequences follow. **The serviceable market is defined as premises where treatment is warranted plus the installed base needing service, and the second of those is now larger than the first — which is why this plan's profit comes from the annuity rather than from the box.** Institutional demand is pursued deliberately, because schools, clinics and food businesses test their water, buy against a specification, and cannot be sold on a doorstep meter. And the plan reports the units it recommended **DOWN** — 1,840 by Year 3 at ₹62 lakh of forgone revenue — because a business whose stated position is that many customers do not need its main product must be able to show how often it said so.

5. Competition & Position

Landscape: national purifier brands with their own service networks and direct-selling arms; a very large unorganised sector assembling unbranded RO units from imported components, sold door-to-door on a TDS demonstration and serviced informally; independent technicians servicing any brand with whatever cartridges are available; e-commerce selling units without installation or service; and, at the institutional end, water-treatment engineering firms. Because a serviced purifier gives no performance signal, price competition in the service market rewards whoever charges least and fits least.

The operator's position

- **The old cartridge returned or formally offered on every service visit.**

- Batch and date codes of the fitted cartridge and membrane recorded.
- A written statement of what TDS does and does not measure, given to every buyer.
- A real laboratory test offered where the question actually matters.
- The smaller machine, or none, recommended when that is the answer — and the count published.
- Reject water plumbed to reuse at installation, with the recovery ratio reported.
- BIS/ISI-certified units and genuine traceable consumables, with the cost stated.

The competitive difficulty is that the dishonest sale is not merely cheaper — it is more persuasive, because it comes with a demonstration and this operator's honest alternative comes with a caveat. A door-to-door seller dips a meter in a glass, reads 480, and the customer can see the number; the honest operator says that the number does not measure what she thinks it measures, offers to send a sample to a laboratory, and may then recommend a cheaper machine. One of those is a closing technique and the other is a homework assignment, and in a doorstep sale the meter wins. Worse, the honest position is unfalsifiable to the customer in the moment — she cannot tell which of the two men in front of her is right, and the confident one is usually more convincing. Three answers work. Sell where the buyer tests rather than trusts — institutions, food businesses, clinics and societies with a water report — since a specification defeats a demonstration. Make the service book the business rather than the sale: the installed base is now larger than the new-unit market, and a customer whose old cartridge has been handed to her three times does not change operator over a hundred rupees. And publish the recommended-down count, because a claim that this operator will advise against his own product is worth nothing as an assertion and a great deal as a number — which is also why competitors do not make it.

6. The Filter That Was Never Changed

Element	Character	Economics
Old cartridge returned or formally offered on every service visit	The one artefact in this vertical the customer CAN evaluate	0% → 100%
Batch / date code of fitted cartridge and membrane recorded	Proof that something equivalent went in	0% → 100%
Cartridges issued reconciled to AMC visits invoiced (monthly, to finance)	Arithmetic rather than suspicion	0% → 100%; 14 → 2 variances
Genuine, traceable cartridges and membranes	A counterfeit membrane still produces water that tastes fine	71% → 100%; ₹34L a year
AMC visits DELIVERED against contracted	The AMC is an unearned liability (pest-control convention)	68% → 97%
Sales made on a TDS demonstration alone	A measurement that answers a different question	78% → NIL
Units recommended DOWN from RO to UV/UF or none	The position that costs the sale	0 → 1,840; ₹62L forgone
Recovery ratio · reject water plumbed to reuse · leakage	Leakage bounded by CARTRIDGE AND MEMBRANE ACCESS	26% → 41% · 4% → 58% · ~10%

Returning the old cartridge deserves its own paragraph because it is the strongest version of this library's returned-artefact control, and the reason is that the artefact speaks for itself. When the appliance-repair plan required a technician to hand back a compressor, the customer holding it could tell that something had come out but not much else — she cannot read a compressor. A spent sediment filter is different: after six months it is brown, silted and unmistakable, and a new one is white. Any customer in India can look at the two and know instantly whether a change happened, which makes this the only control in the whole vertical where the evidence requires no expertise to interpret. And its absence is close to universal, because nobody has ever been asked for it. Three refinements make it real. The offer is made and recorded on every visit rather than when the customer asks, since a control that depends on her knowing to ask protects only the informed — the library's rule, and it applies with force in a trade where most customers have no idea what is inside the machine. The date code of the cartridge fitted is photographed, because the returned filter proves something came out and only the code proves something new went in. And the monthly reconciliation of cartridges issued against visits invoiced runs behind both, reporting to finance rather than to service operations — since a technician drawing four cartridges for eleven visits shows up as a number rather than as a suspicion two seasons later.

7. The TDS Meter, the Unit She May Not Need, and the Reject Water

The demonstration that proves nothing

- **TDS measures dissolved minerals and salts. It does not measure bacteria, viruses, arsenic or lead.**
- **A high reading may be safe hard water; a low reading proves nothing whatever about pathogens** — and an RO's output reads low because it removed the minerals, not because it removed a danger.
- **Sales made on a TDS demonstration alone: 78% → NIL**, with a written statement of what the meter measures given to every buyer (0% → 100%).
- **A laboratory test — microbiological and heavy metals — offered on every enquiry (0% → 100%) and taken up by 31%**, against IS 10500 rather than against a number on a screen.

The unit she may not need, and the water it wastes

- **On treated municipal supply meeting IS 10500, an RO is unnecessary and strips calcium and magnesium the household needs.**
- **Units recommended DOWN from RO to UV/UF or to nothing at all: 1,840 by Year 3, ₹62 lakh of revenue forgone.**
- **An RO discards two to three litres for every litre purified**, in cities that ration water — recovery ratio 26% → 41%.
- **Reject water plumbed to reuse at installation rather than mentioned: 4% → 58%**, because a suggestion made and not fitted is a suggestion nobody acts on.

The TDS meter deserves to be named for what it is, because it is the clearest case this library has found of a measurement that functions as proof while answering a different question — and the whole industry, including its honest operators, uses it. Its power comes from the fact that it is a real instrument giving a real reading of a real property. Nobody is lying: the water genuinely does contain 480 milligrams per litre of dissolved solids. The deception is in the inference, which is left entirely to the customer and which she will always draw in the same direction — that a big number means danger and a small number means safety. In fact the mineral content she is being shown is largely calcium and magnesium, IS 10500 permits up to 2,000 mg/l where no alternative source exists, and the pathogens that would actually make her ill are invisible to the meter completely. Three things follow, and the third is the general lesson. The statement of what TDS does and does not

measure is given in writing at the point of sale rather than explained verbally, because a caveat delivered in conversation loses to a number on a screen. A real test is offered — and only 31% take it up, which is reported rather than hidden, because the honest position is that most customers will still buy on the demonstration and the operator's obligation is to have told them. And the rule this generalises to, which applies well beyond purifiers: **ASK WHETHER THE INDUSTRY'S STANDARD PROOF MEASURES THE THING IT IS OFFERED AS PROOF OF** — because a trade that has settled on a convenient instrument rarely revisits whether it answers the question.

8. Operations Plan (test, recommend, install, service, reconcile, renew)

- **Test before recommending:** a laboratory test (microbiological and heavy metals) offered on every enquiry (0% → 100%), assessed against IS 10500; the written TDS statement given to every buyer.
- **Recommend honestly:** UV or UF specified where RO is unnecessary, or no unit at all; units recommended **DOWN** counted and published (1,840) with revenue forgone stated (₹62L).
- **Sell certified hardware:** BIS/ISI-certified units only (63% → 100%), against an unorganised sector assembling uncertified boxes in workshops.
- **Install for the water, not the wall:** reject water plumbed to reuse at installation (4% → 58%); recovery ratio reported (26% → 41%); pre-filtration specified where the input demands it.
- **Service with evidence:** the old cartridge **RETURNED OR FORMALLY OFFERED** on every visit (0% → 100%), the offer recorded rather than made on request; batch and date codes of what was fitted photographed.
- **Reconcile:** cartridges and membranes issued against AMC visits invoiced, monthly, reporting to **FINANCE** not service operations (variances 14 → 2).
- **Consumables integrity:** genuine and traceable only (71% → 100%) with the cost stated (₹34L a year), because a counterfeit membrane still produces water that tastes fine and a customer will never know.
- **The annuity as a delivered service:** AMC visits delivered against contracted (68% → 97%); revenue recognised **ON DELIVERY** (0% → 100%); the unperformed-visit liability reported monthly beside cash.
- **Route density:** service visits clustered; **an AMC visit outside a cluster consumes the same technician-day at the same fee, every cycle, for the life of the contract.**
- **Waste:** spent membranes and carbon blocks routed under the e-waste and solid-waste rules, **never left with the customer as her problem or dropped in general waste.**

Control points

Area	Activity	Control point
☐ The filter that was never changed	Old cartridge returned or offered / date code of fitted part recorded	0% → 100% / 0% → 100%
Something equivalent went in	Cartridges issued reconciled to visits invoiced (monthly, to finance)	0% → 100%; 14 → 2
☐ The proof that measures something else	Sales on a TDS demonstration alone / written TDS statement issued	78% → NIL / 0% → 100%
The question actually asked	Laboratory test offered / taken up	0% → 100% / 31%
☐ The machine she may not need	Units recommended DOWN from RO / revenue forgone	0 → 1,840 / ₹62,00,000

Two to three litres discarded per litre	Recovery ratio / reject water plumbed to reuse at installation	26% → 41% / 4% → 58%
The counterfeit that tastes fine	Genuine traceable consumables / BIS-certified units sold	71% → 100% / 63% → 100%
The annuity	AMC visits delivered vs contracted · revenue recognised on delivery	68% → 97% · 0% → 100%

9. Certification, Water Quality & Operating Compliance (India)

- **BIS certification for household water treatment — IS 16240 (RO) and IS 14724 (UV) — against a very large unorganised sector assembling unbranded units from imported components in small workshops, carrying no certification, sold on a doorstep demonstration and serviced by whoever answers the phone.**
- **IS 10500, the drinking-water standard — acceptable and permissible limits, and the reference an honest conversation about water quality should start from rather than a meter reading.**
- **Consumer protection reaching the health representation directly — telling a customer her water is unsafe is a statement she relies on to spend money, and making it on the strength of a TDS reading is a representation the operator cannot support.**
- **Product liability** where a unit or a fitted component causes damage or illness — the sharp end of the genuine-consumables position.
- **E-waste and solid-waste rules on spent membranes and carbon blocks**, which are not general waste and must not be left with the customer.
- State pollution-board and groundwater rules where reject water is discharged in volume, particularly on institutional installations; GST on goods and services, taxed differently and invoiced separately.
- **Vertical-shared (see the home-cleaning plan):** classification with EPF/ESI; POSH at the customer's premises; DPDP over addresses and access.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Service technicians & installers (EMPLOYED)	74	132	208
Contact centre, AMC SCHEDULING & renewals	12	21	33
Sales & institutional accounts	9	15	23
Supervisors & area managers	8	14	22
Warehouse, stores & CARTRIDGE CONTROL	5	9	14
QUALITY & CARTRIDGE RECONCILIATION (independent of service)	3	5	8
Finance & accounts	3	5	7
Training, certification & WATER TESTING	2	4	6
Technology (job records, cartridge traceability, AMC)	2	3	5
Leadership	2	3	4
Total	120	211	330

Two features carry the plan's argument. Quality and cartridge reconciliation is small, independent, paid on neither the visit nor the consumable, and reports to finance and the promoter rather than to service operations — the control-independence rule this library applies throughout, and unavoidable here because the manager whose completion numbers improve when a visit is closed quickly is not the person to audit whether a cartridge was fitted. The contact centre is heavier than the unit sales alone would justify, at thirty-three people, because it runs the AMC book: scheduling, renewals and the delivered-visit record are what convert a maintenance contract from an unearned liability into a business. And the shape of the table is itself the argument — 208 technicians against 23 salespeople by Year 3, because the installed base has become larger than the new-unit market and this is a service business that also sells hardware, not the reverse. An operator staffing it the other way round has mis-read which half of his revenue is durable.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–4	Cartridge-return policy and date-code capture built into the job-closing workflow from the first service visit; the written TDS statement drafted and made a mandatory attachment to every quotation; laboratory testing arrangement in place before the first sale; BIS-certified-only sourcing established; reject-water reuse designed into the standard installation rather than offered as an option; technician pay structured with no element linked to consumable value; AMC delivery capture and delivery-based revenue recognition live from the first contract
Year 1	Year 1	34,000 units, 42,000 AMCs; ₹7.40cr revenue, ₹46L loss; cartridge return 0% and 78% of sales made on a TDS demonstration alone — the baseline this plan exists to end; AMC visits delivered 68%; genuine consumables 71%; BIS-certified units 63%; recovery ratio 26%; reject reuse 4%
Year 2	Year 2	58,000 units, 92,000 AMCs; ₹13.60cr revenue, ₹52L profit; cartridge return 84% with date codes captured; TDS-only sales down to 21% and the written statement issued on 96% of sales; 640 units recommended down; visits delivered 88% with delivery-based recognition live; genuine consumables 93%; reject reuse 34%; ROCE 11.8%
Year 3	Year 3	88,000 units, 1.48 lakh AMCs; ₹21.80cr revenue, ₹1.85cr profit; ROCE 28.0%; old cartridge returned or offered on 100% of visits with date codes recorded 100%; cartridge reconciliation live with variances down to 2; TDS-only sales NIL and the written statement issued 100%; laboratory test offered 100% and taken up 31%; 1,840 units recommended DOWN at ₹62L forgone; AMC visits delivered 97%; genuine consumables 100% at ₹34L a year; BIS-certified units 100%; recovery ratio 41% and reject reuse 58%

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **AMC visits delivered and consumable reconciliation are the levers. Unit sales are not — a business whose profit leans on the box has mis-modelled a trade in which the installed base is now larger than the new-unit market.**

12.1 Project cost & means of finance

Capital requirement	₹
Inventory (units, cartridges, membranes — opening stock + van stock)	88,00,000
Launch & initial operating losses	66,00,000

Working capital (AMC cycle, payroll, institutional receivables)	58,00,000
Vehicles & field logistics	38,00,000
Technology (job records, CARTRIDGE TRACEABILITY, AMC book)	30,00,000
Customer acquisition, showroom & market entry	20,00,000
Warehouse, store & workshop fit-out	12,00,000
Training, certification & WATER-TESTING capability	5,00,000
Deposits, insurance, legal & registrations	3,00,000
Total project cost	3,20,00,000
Promoter contribution	1,40,00,000
Term loan (vehicles, technology, fit-out)	80,00,000
Working-capital facility (inventory & AMC cycle)	80,00,000
Investor / angel contribution	20,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
UNITS INSTALLED / AMC CONTRACTS HELD / TECHNICIANS	34,000 / 42,000 / 74	58,000 / 92,000 / 132	88,000 / 1,48,000 / 208
Purifier unit sales (RO/UV/UF, installed)	3,86,00,000	6,84,00,000	10,52,00,000
AMC contracts & service visits (THE ANNUITY)	2,18,00,000	4,26,00,000	7,08,00,000
Cartridges, membranes & spares supplied	1,04,00,000	2,04,00,000	3,42,00,000
Commercial & institutional systems	32,00,000	46,00,000	78,00,000
TOTAL REVENUE	7,40,00,000	13,60,00,000	21,80,00,000
Cost of units, cartridges & membranes (GENUINE, TRACEABLE ONLY)	3,48,00,000	5,96,00,000	9,32,00,000
Technician & installer wages, EPF/ESI (EMPLOYED, no consumable-linked element)	1,52,00,000	2,62,00,000	4,02,00,000
Customer acquisition & marketing	66,00,000	96,00,000	1,28,00,000
Travel, vehicles & field logistics	42,00,000	66,00,000	1,00,00,000
Contact centre, AMC SCHEDULING & renewals	30,00,000	50,00,000	76,00,000
Supervisors & area managers	28,00,000	46,00,000	70,00,000
Head-office salaries (finance, HR, operations, leadership)	26,00,000	40,00,000	60,00,000
Technology (job records, cartridge traceability, AMC)	16,00,000	26,00,000	40,00,000
Warehouse, store & office rent	16,00,000	24,00,000	36,00,000

WATER-TEST PROVISION & LABORATORY TESTING BORNE	10,00,000	16,00,000	26,00,000
Warranty & free-callback provision	10,00,000	17,00,000	26,00,000
Training & technician certification	10,00,000	17,00,000	25,00,000
Finance cost · insurance	8,00,000 · 6,00,000	11,00,000 · 10,00,000	11,00,000 · 16,00,000
Depreciation · bad debt & refunds · legal, statutory & audit	6,00,000 · 6,00,000 · 6,00,000	10,00,000 · 11,00,000 · 10,00,000	15,00,000 · 18,00,000 · 14,00,000
Total expenses	7,86,00,000	13,08,00,000	19,95,00,000
Net profit / (loss) before tax	(46,00,000)	52,00,000	1,85,00,000
Net margin	(6.2%)	3.8%	8.5%
AVERAGE CAPITAL EMPLOYED / RETURN ON CAPITAL EMPLOYED	₹3.20cr / (14.4%)	₹4.40cr / 11.8%	₹6.60cr / 28.0%
OLD CARTRIDGE RETURNED OR FORMALLY OFFERED / date code of fitted part recorded	0% / 0%	84% / 84%	100% / 100%
CARTRIDGES ISSUED RECONCILED TO VISITS INVOICED / variances	0% / n.a.	100% / 14	100% / 2
SALES MADE ON A TDS DEMONSTRATION ALONE / written TDS statement issued	78% / 0%	21% / 96%	NIL / 100%
LABORATORY WATER TEST OFFERED / taken up by the customer	0% / n.a.	96% / 24%	100% / 31%
UNITS RECOMMENDED DOWN FROM RO (cumulative) / revenue forgone	0 / n.a.	640 / ₹21,00,000	1,840 / ₹62,00,000
AMC VISITS DELIVERED vs CONTRACTED / revenue recognised on delivery	68% / 0%	88% / 100%	97% / 100%
GENUINE TRACEABLE CONSUMABLES / stated annual cost / BIS-certified units sold	71% / n.a. / 63%	93% / ₹21,00,000 / 88%	100% / ₹34,00,000 / 100%
Recovery ratio · reject water plumbed to reuse · leakage (bounded by CARTRIDGE ACCESS) · tenure	26% · 4% · ~10% · 11.6 mo	34% · 34% · ~10% · 15.2 mo	41% · 58% · ~10% · 18.8 mo

12.3 Unit economics & break-even

- The annuity is the business and the box is the entry ticket. AMC and consumables together reach 48% of revenue by Year 3 at materially better margins than hardware, and a plan showing hardware-led profit has mis-modelled the trade — the installed base is now larger than the new-unit market and that gap widens every year.
- The consumable line is the plan's central number in both directions. It is the profit, and a fall in cartridges issued per AMC visit is the first evidence that a filter was not changed — which is precisely why the reconciliation reports to finance rather than to the manager whose visit-completion numbers it constrains.
- The honest positions cost ₹96 lakh a year by Year 3 — ₹62 lakh of units recommended down and ₹34 lakh for genuine consumables — against a ₹1.85 crore profit. That is 52% of profit, surrendered in the two places where the customer could never have found out: she cannot read a membrane and she does not

know she was sold the wrong machine.

- **Leakage runs at about 10% and is bounded by cartridge and membrane access** — the appliance-repair barrier in a milder form, since an independent technician can service an RO but genuine date-coded membranes are harder to obtain, which is why this earns 8.5% where carpentry earns 5.8%.
- **Break-even: Year 2.** The Year-1 loss is a technician base and an inventory built before the AMC book exists — and the AMC book, once built, is the most durable revenue in this vertical provided the visits are actually delivered.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	80,00,000	68,00,000	58,00,000	50,00,000
Collections (units on sale, AMC in advance, institutional on terms)	1,68,00,000	1,78,00,000	1,90,00,000	2,06,00,000
Inventory, wages, travel, marketing, testing, interest & overheads	1,80,00,000	1,88,00,000	1,98,00,000	2,14,00,000
Closing balance	68,00,000	58,00,000	50,00,000	42,00,000

The cash characteristics here are the most attractive in this vertical and they conceal the same trap the pest-control plan identified, magnified by scale. Units are paid for on installation and AMCs are collected annually in advance, so an operator with a growing book is strongly cash-generative from an early stage — and every rupee of that advance is an obligation to send a technician three or four times over the following year. An operator who reads the balance as profit staffs and spends accordingly, and discovers in month fifteen that a hundred thousand visits are owed against a technician base sized for sixty thousand. Recognising revenue on visit delivery makes the first two years look worse and the business real, and reporting the unperformed-visit liability beside cash monthly is the only way to see them moving in opposite directions. Three further disciplines apply. The facility is sized against inventory and the AMC cycle together — ₹80 lakh, matching the term loan — because consumable stock and a growing service obligation both consume cash ahead of revenue. Technician hiring is planned against the AMC book's delivery requirement rather than against unit sales, since the visits owed are a contractual certainty and the next quarter's sales are not. And institutional receivables are capped as a share of revenue — schools and offices buy well, specify properly and pay slowly, which is a good trade only up to a point.

12.5 Key Performance Indicators to Monitor

- **Service integrity:** old cartridge returned or offered; date code of fitted cartridge and membrane recorded; cartridges issued reconciled to visits invoiced and variances; consumables per AMC visit (a fall is a warning).
- **Sales honesty:** sales made on a TDS demonstration alone (must reach nil); written TDS statement issued; laboratory test offered and taken up; units recommended DOWN and revenue forgone.
- **The annuity:** AMC visits delivered against contracted; revenue recognised on delivery; unperformed-visit liability beside cash; renewal rate read together with delivery rate.
- **Product & water:** BIS-certified units sold; genuine traceable consumables and stated cost; recovery ratio; reject water plumbed to reuse; membrane and carbon-block disposal routed lawfully.
- **Productivity:** visits per technician-day inside versus outside clusters; first-visit resolution; van-stock hit rate; revenue per technician-day.
- **People:** technician tenure and cost to replace; certification currency; earnings linked to consumable value (must be nil).

- **Vertical basics (see the home-cleaning anchor):** two-way verification, withdrawal right, allegation process with the worker's account recorded first, and DPDP over addresses and access.

13. Funding Requirement & Bankability

Total ask: **₹80 lakh term loan plus an ₹80 lakh working-capital facility** against ₹1.40 crore promoter contribution and ₹20 lakh of investor money. Four points. **First, this is a securable business by the standards of this vertical — units, cartridges and membranes are real, stockable and financeable — but the collateral is consumable inventory that turns quickly, so the facility should be sized against the AMC cycle as well as the stock. Second, the diagnostic is AMC visits delivered against contracted, not contracts signed. A book growing faster than the technician base is an unearned liability accumulating in plain sight, and an operator with a 90% renewal rate and a 70% delivery rate has customers who have not noticed yet. Third, ask for consumables issued per AMC visit and treat a falling number as a warning rather than an efficiency. Cartridges have no learning curve; if the ratio drops while margins improve, filters are not being fitted, and a promoter who cannot produce a monthly reconciliation cannot tell a lender — or himself — whether the parts he invoiced went into the machines. Fourth, ask what the honest positions cost: ₹96 lakh a year, 52% of Year-3 profit, given up in the two places where the customer could never have found out. A promoter who has not quantified them has not adopted them.**

13.1 Funding utilisation

Use of funds	₹	% of total
Inventory (units, cartridges, membranes — opening + van stock)	88,00,000	27.5%
Launch & initial operating losses	66,00,000	20.6%
Working capital (AMC cycle, payroll, institutional receivables)	58,00,000	18.1%
Vehicles & field logistics	38,00,000	11.9%
Technology (job records, cartridge traceability, AMC book)	30,00,000	9.4%
Customer acquisition, showroom & market entry	20,00,000	6.3%
Warehouse, store & workshop fit-out	12,00,000	3.8%
Training, certification & water-testing capability	5,00,000	1.6%
Deposits, insurance, legal & registrations	3,00,000	0.9%
Total	3,20,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
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☐ THE FILTER THAT WAS NEVER CHANGED	THIS IS THE VERTICAL'S PUREST INFORMATION ASYMMETRY. A TECHNICIAN OPENS A HOUSING, MAY OR MAY NOT FIT A NEW CARTRIDGE, CLOSES IT, AND THE WATER TASTES IDENTICAL EITHER WAY — THERE IS NO PERFORMANCE SIGNAL, NO NOISE AND NO VISIBLE CHANGE, WHICH IS THE APPLIANCE-REPAIR ASYMMETRY WITH THE LAST REMAINING CLUE REMOVED, SINCE AT LEAST A REPAIRED REFRIGERATOR EITHER COOLS OR DOES NOT → THE OLD CARTRIDGE RETURNED OR FORMALLY OFFERED ON EVERY SERVICE VISIT (0%→100%) — THE STRONGEST VERSION OF THIS LIBRARY'S RETURNED-ARTEFACT CONTROL, BECAUSE THE ARTEFACT SPEAKS FOR ITSELF: A SPENT SEDIMENT FILTER IS BROWN, SILTED AND UNMISTAKABLE AND A NEW ONE IS WHITE, SO ANY CUSTOMER IN INDIA CAN LOOK AT THE TWO AND KNOW INSTANTLY WHETHER A CHANGE HAPPENED. IT IS THE ONLY CONTROL IN THE WHOLE VERTICAL WHERE THE EVIDENCE REQUIRES NO EXPERTISE TO INTERPRET, AND ITS ABSENCE IS CLOSE TO UNIVERSAL BECAUSE NOBODY HAS EVER BEEN ASKED FOR IT; the offer MADE AND RECORDED ON EVERY VISIT rather than when asked, SINCE A CONTROL THAT DEPENDS ON HER KNOWING TO ASK PROTECTS ONLY THE INFORMED — AND MOST CUSTOMERS HAVE NO IDEA WHAT IS INSIDE THE MACHINE; the DATE CODE OF THE FITTED CARTRIDGE AND MEMBRANE PHOTOGRAPHED, BECAUSE THE RETURNED FILTER PROVES SOMETHING CAME OUT AND ONLY THE CODE PROVES SOMETHING NEW WENT IN; a MONTHLY RECONCILIATION of cartridges issued against visits invoiced REPORTING TO FINANCE (variances 14→2); and technician earnings LINKED TO CONSUMABLE VALUE HELD AT NIL
☐ THE TDS METER IS A THEATRICAL VERIFICATION DEVICE	"LOOK — YOUR WATER IS 480 TDS, IT ISN'T SAFE" IS PERFORMED IN MILLIONS OF INDIAN KITCHENS AND IS SCIENTIFICALLY HOLLOW. TOTAL DISSOLVED SOLIDS MEASURES DISSOLVED MINERALS AND SALTS; IT DOES NOT MEASURE BACTERIA, VIRUSES, ARSENIC OR LEAD. A HIGH READING MAY BE PERFECTLY SAFE HARD WATER AND A LOW READING PROVES NOTHING ABOUT PATHOGENS — AND AN RO'S OUTPUT READS LOW BECAUSE IT REMOVED MINERALS, NOT BECAUSE IT REMOVED A DANGER. ITS POWER COMES FROM BEING A REAL INSTRUMENT GIVING A REAL READING OF A REAL PROPERTY: NOBODY IS LYING, AND THE DECEPTION IS IN THE INFERENCE, WHICH IS LEFT ENTIRELY TO THE CUSTOMER AND WHICH SHE WILL ALWAYS DRAW THE SAME WAY. IS 10500 PERMITS UP TO 2,000 mg/l WHERE NO ALTERNATIVE SOURCE EXISTS, AND THE ORGANISMS THAT WOULD ACTUALLY MAKE HER ILL ARE INVISIBLE TO THE METER COMPLETELY → a WRITTEN STATEMENT OF WHAT TDS DOES AND DOES NOT MEASURE GIVEN AT THE POINT OF SALE (0%→100%), IN WRITING RATHER THAN VERBALLY, BECAUSE A CAVEAT DELIVERED IN CONVERSATION LOSES TO A NUMBER ON A SCREEN; A REAL LABORATORY TEST OFFERED ON EVERY ENQUIRY (0%→100%) AND ASSESSED AGAINST IS 10500, WITH THE 31% TAKE-UP REPORTED RATHER THAN HIDDEN, SINCE MOST CUSTOMERS WILL STILL BUY ON THE DEMONSTRATION AND THE OPERATOR'S OBLIGATION IS TO HAVE TOLD THEM; SALES MADE ON A TDS DEMONSTRATION ALONE DRIVEN 78%→NIL; and the general rule — ASK WHETHER THE INDUSTRY'S STANDARD PROOF MEASURES THE THING IT IS OFFERED AS PROOF OF, BECAUSE A TRADE THAT HAS SETTLED ON A CONVENIENT INSTRUMENT RARELY REVISITS WHETHER IT ANSWERS THE QUESTION

□ THE MACHINE SHE MAY NOT NEED, AND THE WATER IT WASTES	ON TREATED MUNICIPAL SUPPLY MEETING IS 10500, REVERSE OSMOSIS IS UNNECESSARY: IT REMOVES CALCIUM AND MAGNESIUM THE HOUSEHOLD NEEDS, DISCARDS TWO TO THREE LITRES FOR EVERY LITRE IT PRODUCES IN CITIES THAT RATION WATER, AND COSTS SEVERAL THOUSAND RUPEES A YEAR TO MAINTAIN IN ORDER TO SOLVE A PROBLEM THE WATER DID NOT HAVE. THAT DEMAND EXISTS ANYWAY BECAUSE IT IS CREATED BY A DEMONSTRATION RATHER THAN A TEST — AND AN OPERATOR CAN SERVE IT PROFITABLY FOR YEARS WITHOUT EVER MAKING A FALSE STATEMENT; HE SIMPLY NEVER MAKES A TRUE ONE EITHER → UV OR UF SPECIFIED WHERE RO IS UNNECESSARY, OR NO UNIT AT ALL, with UNITS RECOMMENDED DOWN COUNTED AND PUBLISHED (0→1,840) AND THE REVENUE FORGONE STATED (₹62L) — BECAUSE A BUSINESS WHOSE STATED POSITION IS THAT MANY CUSTOMERS DO NOT NEED ITS MAIN PRODUCT MUST BE ABLE TO SHOW HOW OFTEN IT SAID SO, AND THE CLAIM IS WORTH NOTHING AS AN ASSERTION AND A GREAT DEAL AS A NUMBER; RECOVERY RATIO REPORTED (26%→41%); and REJECT WATER PLUMBED TO REUSE AT INSTALLATION (4%→58%) RATHER THAN MENTIONED, SINCE A SUGGESTION MADE AND NOT FITTED IS A SUGGESTION NOBODY ACTS ON
□ THE COUNTERFEIT THAT TASTES FINE, AND THE BOX WITH NO CERTIFICATE	THE INDIAN MARKET IN SPURIOUS CARTRIDGES AND MEMBRANES IS LARGE, CHEAP AND VISUALLY INDISTINGUISHABLE — AND UNLIKE A COUNTERFEIT APPLIANCE PART, A FAKE MEMBRANE DOES NOT FAIL CONSPICUOUSLY: IT PRODUCES WATER THAT LOOKS AND TASTES EXACTLY THE SAME WHILE NOT DOING WHAT IT WAS BOUGHT TO DO, IN A PRODUCT WHOSE ENTIRE PURPOSE IS A HEALTH OUTCOME THE CUSTOMER CANNOT OBSERVE. MEANWHILE A VERY LARGE SHARE OF INDIAN PURIFIERS ARE UNBRANDED UNITS ASSEMBLED FROM IMPORTED COMPONENTS IN SMALL WORKSHOPS, CARRYING NO BIS CERTIFICATION AT ALL, SOLD ON A DOORSTEP DEMONSTRATION AND SERVICED BY WHOEVER ANSWERS THE PHONE → GENUINE AND TRACEABLE CONSUMABLES ONLY (71%→100%) with the cost STATED rather than absorbed (₹34L a year), AND NO EXCEPTION FOR A PART THAT IS MERELY DIFFICULT TO OBTAIN, BECAUSE THAT IS PRECISELY WHEN A SPURIOUS SUBSTITUTE APPEARS; BIS/ISI-CERTIFIED UNITS ONLY (63%→100%) under IS 16240 and IS 14724; product-liability cover behind the position; and spent membranes and carbon blocks ROUTED UNDER THE E-WASTE AND SOLID-WASTE RULES, NEVER LEFT WITH THE CUSTOMER AS HER PROBLEM
□ THE AMC IS THE BUSINESS AND AN UNEARNED LIABILITY	UNITS ARE PAID FOR ON INSTALLATION AND AMCs COLLECTED ANNUALLY IN ADVANCE, SO AN OPERATOR WITH A GROWING BOOK IS STRONGLY CASH-GENERATIVE FROM AN EARLY STAGE — AND EVERY RUPEE OF THAT ADVANCE IS AN OBLIGATION TO SEND A TECHNICIAN THREE OR FOUR TIMES OVER THE FOLLOWING YEAR. AN OPERATOR WHO READS THE BALANCE AS PROFIT STAFFS AND SPENDS ACCORDINGLY AND DISCOVERS IN MONTH FIFTEEN THAT A HUNDRED THOUSAND VISITS ARE OWED AGAINST A TECHNICIAN BASE SIZED FOR SIXTY THOUSAND — THE PEST-CONTROL FINDING, MAGNIFIED BY SCALE → AMC VISITS DELIVERED AGAINST CONTRACTED REPORTED (68%→97%); REVENUE RECOGNISED ON DELIVERY NOT COLLECTION (0%→100%), WHICH MAKES THE FIRST TWO YEARS LOOK WORSE AND THE BUSINESS REAL; the UNPERFORMED-VISIT LIABILITY REPORTED MONTHLY BESIDE CASH; TECHNICIAN HIRING PLANNED AGAINST THE BOOK'S DELIVERY REQUIREMENT RATHER THAN AGAINST UNIT SALES, SINCE THE VISITS OWED ARE A CONTRACTUAL CERTAINTY AND NEXT QUARTER'S SALES ARE NOT; and the diagnostic that A 90% RENEWAL RATE WITH A 70% DELIVERY RATE MEANS CUSTOMERS WHO HAVE NOT NOTICED YET

The dishonest sale is more persuasive, not merely cheaper	A DOOR-TO-DOOR SELLER DIPS A METER IN A GLASS, READS 480, AND THE CUSTOMER CAN SEE THE NUMBER; THE HONEST OPERATOR SAYS THE NUMBER DOES NOT MEASURE WHAT SHE THINKS, OFFERS TO SEND A SAMPLE TO A LABORATORY, AND MAY THEN RECOMMEND A CHEAPER MACHINE. ONE OF THOSE IS A CLOSING TECHNIQUE AND THE OTHER IS A HOMEWORK ASSIGNMENT, AND IN A DOORSTEP SALE THE METER WINS — WORSE, THE HONEST POSITION IS UNFALSIFIABLE TO HER IN THE MOMENT, SINCE SHE CANNOT TELL WHICH OF THE TWO MEN IN FRONT OF HER IS RIGHT AND THE CONFIDENT ONE IS USUALLY MORE CONVINCING → SELL WHERE THE BUYER TESTS RATHER THAN TRUSTS — institutions, food businesses, clinics and societies with a water report — SINCE A SPECIFICATION DEFEATS A DEMONSTRATION; MAKE THE SERVICE BOOK THE BUSINESS RATHER THAN THE SALE, BECAUSE THE INSTALLED BASE IS NOW LARGER THAN THE NEW-UNIT MARKET AND A CUSTOMER WHOSE OLD CARTRIDGE HAS BEEN HANDED TO HER THREE TIMES DOES NOT CHANGE OPERATOR OVER A HUNDRED RUPEES; and PUBLISH THE RECOMMENDED-DOWN COUNT, WHICH IS ALSO WHY COMPETITORS DO NOT MAKE THE CLAIM
Route density on a standing service obligation	AN AMC VISIT OUTSIDE A CLUSTER CONSUMES THE SAME TECHNICIAN-DAY AT THE SAME FEE — EVERY CYCLE, FOR THE LIFE OF THE CONTRACT — WHICH IS THE ANCHOR PLAN'S RULE APPLIED TO A REPEATING COMMITMENT RATHER THAN A ONE-OFF BOOKING, AND IT COMPOUNDS: AN OPERATOR WHO SIGNS SCATTERED CONTRACTS TO GROW THE BOOK HAS BOUGHT A PERMANENT ROUTING PROBLEM AT THE PRICE OF ONE YEAR'S REVENUE → contracts SOLD AND SCHEDULED INTO CLUSTERS with isolated sites priced accordingly or declined at renewal; visits per technician-day tracked inside versus outside clusters; van stock composed from the operator's own failure and consumption data so FIRST-VISIT RESOLUTION holds (the appliance-repair lesson); and travel reported as a share of the technician-day, SINCE IT APPEARS IN NO REVENUE LINE AND IS THE DIFFERENCE BETWEEN A PROFITABLE BOOK AND A LARGE ONE
Vertical-inherited risks (see the home-cleaning anchor)	THE TECHNICIAN ENTERS THE CUSTOMER'S HOME AND THE RISK RUNS BOTH WAYS → two-way verification, the NO-QUESTIONS WITHDRAWAL RIGHT at no cost to the worker, concerns logged as a number that must rise; the allegation treated as a when not an if, the worker's account recorded BEFORE any decision, outcomes published upheld : not upheld : INCONCLUSIVE, no removal without a finding. CLASSIFICATION IS THE FAULT LINE — THE LABEL DOES NOT DECIDE THE RELATIONSHIP, THE CONTROL DOES → technicians EMPLOYED with EPF/ESI, AND HERE OPERATIONALLY NECESSARY, BECAUSE A CONTRACTOR CANNOT BE HELD TO A CARTRIDGE RECONCILIATION AND THE ENTIRE INTEGRITY OF THIS BUSINESS RESTS ON ONE; the cost of employing stated in the wage line; attrition reported honestly (tenure 11.6→18.8 months). POSH at the customer's premises; DPDP over addresses and access. Plus CONSUMER PROTECTION REACHING THE HEALTH REPRESENTATION ITSELF — TELLING A CUSTOMER HER WATER IS UNSAFE IS A STATEMENT SHE RELIES ON TO SPEND MONEY, AND MAKING IT ON THE STRENGTH OF A TDS READING IS A REPRESENTATION THE OPERATOR CANNOT SUPPORT; and GST charged correctly on goods and services, which are taxed differently and INVOICED SEPARATELY

15. SWOT Analysis

Strengths The old cartridge returned on every visit — the one artefact in this vertical a customer can evaluate without expertise; date codes recorded and consumables reconciled monthly to finance; a written TDS statement and a real laboratory test offered; units recommended down with the count published; reject water plumbed to reuse; BIS-certified hardware and genuine consumables with the cost stated; an AMC book recognised on delivery.	Weaknesses An honest sale that is less persuasive than a meter demonstration at the doorstep; ₹96 lakh a year of forgone revenue — 52% of Year-3 profit — surrendered where the customer could never have found out; consumable inventory tying up working capital; a service book that becomes a liability if the technician base lags; dependence on genuine consumable supply lines.
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Opportunities An installed base now larger than the new-unit market, making service and consumables the durable revenue; institutional buyers who test their water and buy on specification; genuine contamination in borewell and peri-urban supply where treatment is truly warranted; reject-water reuse as a saleable retrofit in water-stressed cities; and an unorganised sector whose customers become serviceable once their units fail.	Threats Unbranded uncertified units sold on a demonstration this operator refuses to make; spurious cartridges and membranes that are visually identical and fail invisibly; national brands' own service networks bundling AMC's at marginal cost; independent technicians servicing the same installed base at a fraction of the price; consumable price inflation through a third of the cost base; and a health incident traced to a fitted component.
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16. Recommended AiSevak Tools for This Business

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

- **Service integrity:** old-cartridge return prompt and record on every visit, date-code capture for fitted cartridges and membranes, monthly cartridges-issued-to-visits-invoiced reconciliation reporting to finance, consumables-per-visit trend alerting on a fall.
- **Sales honesty:** written TDS statement as a mandatory quotation attachment, laboratory-test offer and take-up tracking against IS 10500, recommended-down register with revenue forgone, TDS-only sale flagging driven to nil.
- **The annuity:** AMC scheduling and delivery capture, delivery-based revenue recognition, unperformed-visit liability reporting beside cash, renewal-versus-delivery diagnostics, technician-capacity planning against visits owed.
- **Product & water:** BIS-certification register by model, genuine-consumable traceability with invoice linkage, recovery-ratio and reject-reuse capture at installation, membrane and carbon-block disposal register.
- **Productivity:** cluster-based AMC scheduling, visits per technician-day inside versus outside clusters, van-stock composition from consumption data, first-visit resolution.
- **Vertical basics:** two-way verification, no-questions withdrawal log, allegation workflow capturing the worker's account first, tenure tracking, DPDP controls over addresses and access.

17. Key Assumptions & Notes

- Water-purifier sales & service: multi-brand operator across one city selling and installing RO, UV and UF purifiers, holding an annual maintenance book and supplying cartridges, membranes and spares, with employed technicians, traceable consumables and a returned-cartridge policy on every service visit. **Eleventh and CLOSING plan of the homeservices vertical (43). The home-cleaning anchor's conventions are INHERITED AND CROSS-REFERENCED, and the appliance-repair returned-part control and pest-control AMC-liability convention adopted whole rather than re-derived.**
- **△ CONVENTIONS SET HERE: (a) □ THE FILTER THAT WAS NEVER CHANGED — the vertical's purest asymmetry, THE APPLIANCE-REPAIR PROBLEM WITH THE LAST CLUE REMOVED, since a repaired refrigerator at least either cools or does not. (b) □ THE RETURNED ARTEFACT IS STRONGEST WHEN IT SPEAKS FOR ITSELF — a customer cannot read a compressor, but a spent sediment filter is brown and a new one is white, SO THIS IS THE ONE CONTROL IN THE VERTICAL WHERE THE EVIDENCE NEEDS NO EXPERTISE TO INTERPRET. GENERALISE: WHEN CHOOSING WHICH ARTEFACT TO HAND BACK, CHOOSE THE ONE THE CUSTOMER CAN ACTUALLY READ. (c) □ THE TDS METER IS A THEATRICAL VERIFICATION DEVICE — THE LIBRARY'S FIRST. A REAL INSTRUMENT GIVING A REAL READING OF A REAL PROPERTY, UNIVERSALLY**

TRUSTED, ANSWERING A DIFFERENT QUESTION FROM THE ONE ASKED; NOBODY IS LYING AND THE DECEPTION IS ENTIRELY IN THE INFERENCE, WHICH IS LEFT TO THE CUSTOMER AND WHICH SHE WILL ALWAYS DRAW THE SAME WAY. GENERAL RULE: ASK WHETHER THE INDUSTRY'S STANDARD PROOF MEASURES THE THING IT IS OFFERED AS PROOF OF — A TRADE THAT HAS SETTLED ON A CONVENIENT INSTRUMENT RARELY REVISITS WHETHER IT ANSWERS THE QUESTION. (d) □ GIVE THE CAVEAT IN WRITING, BECAUSE A CAVEAT DELIVERED IN CONVERSATION LOSES TO A NUMBER ON A SCREEN. (e) □ REPORT THE TAKE-UP OF THE HONEST OPTION (31%) RATHER THAN HIDING IT — most customers will still buy on the demonstration, and the operator's obligation is to have told them. (f) □ COUNT AND PUBLISH THE SALES YOU TALKED DOWN — a claim that you will advise against your own product IS WORTH NOTHING AS AN ASSERTION AND A GREAT DEAL AS A NUMBER, WHICH IS ALSO WHY COMPETITORS DO NOT MAKE IT. (g) □ A SUGGESTION MADE AND NOT FITTED IS A SUGGESTION NOBODY ACTS ON — plumb the reject-water reuse at installation rather than mentioning it. (h) □ PLAN CAPACITY AGAINST OBLIGATIONS OWED, NOT AGAINST NEXT QUARTER'S SALES — the visits owed are a contractual certainty and the sales are not. (i) □ A FALLING CONSUMABLE-PER-VISIT RATIO IS A WARNING, NOT AN EFFICIENCY, WHERE THE CONSUMABLE HAS NO LEARNING CURVE.

- **Economics & cash — THE ANNUITY IS THE BUSINESS AND THE BOX IS THE ENTRY TICKET: AMC AND CONSUMABLES REACH 48% OF REVENUE BY Y3 AT MATERIALLY BETTER MARGINS THAN HARDWARE, AND A PLAN SHOWING HARDWARE-LED PROFIT HAS MIS-MODELLED A TRADE IN WHICH THE INSTALLED BASE IS NOW LARGER THAN THE NEW-UNIT MARKET AND THE GAP WIDENS EVERY YEAR (Y1 → ₹46L → Y2 → ₹52L → Y3 → ₹1.85cr; revenue ₹7.40cr → ₹21.80cr; units 34,000 → 88,000 and AMCs 42,000 → 1.48 lakh; technicians 74 → 208 against 23 salespeople, THE SHAPE OF THE HEADCOUNT BEING THE ARGUMENT; cartridge return 0% → 100% with date codes recorded and reconciliation variances 14 → 2; TDS-only sales 78% → NIL with the written statement 0% → 100%; laboratory test offered 0% → 100% and TAKEN UP BY 31%, REPORTED; units recommended DOWN 0 → 1,840 at ₹62L forgone; AMC visits delivered 68% → 97% with revenue recognised on delivery; genuine consumables 71% → 100% at ₹34L a year; BIS-certified units 63% → 100%; recovery ratio 26% → 41% and reject reuse 4% → 58%; leakage ~10% BOUNDED BY CARTRIDGE AND MEMBRANE ACCESS — the appliance-repair barrier in a milder form, WHICH IS WHY THIS EARNS 8.5% WHERE CARPENTRY EARNS 5.8%; tenure 11.6 → 18.8 months; ROCE (14.4%) → 28.0%; **BREAK-EVEN YEAR 2; THE HONEST POSITIONS COST ₹96 LAKH A YEAR — 52% OF Y3 PROFIT — SURRENDERED IN THE TWO PLACES WHERE THE CUSTOMER COULD NEVER HAVE FOUND OUT: SHE CANNOT READ A MEMBRANE AND SHE DOES NOT KNOW SHE WAS SOLD THE WRONG MACHINE; AND THE CASH IS THE MOST ATTRACTIVE IN THIS VERTICAL WHILE CONCEALING THE PEST-CONTROL TRAP MAGNIFIED BY SCALE — UNITS PAID ON INSTALLATION AND AMCs COLLECTED IN ADVANCE MAKE A GROWING BOOK STRONGLY CASH-GENERATIVE, AND EVERY RUPEE IS AN OBLIGATION TO SEND A TECHNICIAN THREE OR FOUR TIMES).** Regulatory (section 9): **BIS IS 16240 (RO) AND IS 14724 (UV) AGAINST A LARGE UNORGANISED SECTOR ASSEMBLING UNCERTIFIED BOXES IN WORKSHOPS;** IS 10500 as the reference an honest water conversation should start from; **CONSUMER PROTECTION REACHING THE HEALTH REPRESENTATION, SINCE TELLING A CUSTOMER HER WATER IS UNSAFE ON THE STRENGTH OF A TDS READING IS A REPRESENTATION THE OPERATOR CANNOT SUPPORT;** product liability on fitted components; e-waste and solid-waste rules on spent membranes and carbon blocks; pollution-board and groundwater rules on reject discharge at institutional scale; GST on goods and services invoiced separately; plus vertical-shared classification with EPF/ESI, POSH-at-customer-premises and DPDP. Lender note (section 13): **SECURABLE BY THIS VERTICAL'S STANDARDS BUT THE COLLATERAL TURNS QUICKLY — SIZE THE FACILITY AGAINST THE AMC CYCLE AS WELL AS THE STOCK; THE DIAGNOSTIC IS AMC VISITS DELIVERED AGAINST CONTRACTED, NOT CONTRACTS SIGNED; ASK FOR CONSUMABLES ISSUED PER AMC VISIT AND TREAT A FALLING NUMBER AS A WARNING — CARTRIDGES HAVE NO LEARNING CURVE, AND A PROMOTER WHO CANNOT PRODUCE A MONTHLY RECONCILIATION CANNOT TELL A LENDER, OR HIMSELF, WHETHER THE PARTS HE INVOICED WENT INTO THE MACHINES; and ASK WHAT THE HONEST POSITIONS COST, BECAUSE A****

PROMOTER WHO HAS NOT QUANTIFIED THEM HAS NOT ADOPTED THEM. ₹3.20cr; units 34,000→88,000; revenue ₹7.40→21.80cr; 120→330 staff; ROCE (14.4%)→28.0%. Figures illustrative, exclude GST.

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

Every tool referenced in this plan is available on aisevak.in. Open the [Home Services toolkit](https://aisevak.in/verticals/homeservices) to browse and use them all at <https://aisevak.in/verticals/homeservices> — or go straight to any specific tool at <https://aisevak.in/service/<tool-name>>. No signup needed to explore; each tool guides you step by step.

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