

BUSINESS PLAN FORMAT

1.0 GENERAL

Name of the Firm: _____

Product: _____

Location: _____

Type of the organization: Proprietary/Partnership

Address: _____

Name of the Chief Promoter(s): _____

Birth Date: _____

1.1. EDUCATIONAL QUALIFICATIONS

SSC or Below	Degree/Diploma	Institute	Major Subject	Year of Passing

1.2 SPECIAL TRAINING

Training in	Institute	Duration	Achievement/Remarks

1.3 WORK EXPERIENCE (Past and Present)

Organisation	Position	Nature of Work	Duration

1.4 (i) Promoter's annual income : Rs. (Last year)

(ii) Assets Owned by the Promoter(s) : Movable Rs. _____
Immovable Rs. _____

2.0 DETAILS OF THE PROPOSED PROJECT: Manufacturing / Servicing

2.1 INTRODUCTION:

- Product
- Manufacturing process (please add flow chart)
- Production Capacity (installed)
- Uses of the product
- Users of the product
- Proposed market area
- Assumptions
- Marketing strategy

2.2 PRODUCTION PROGRAMME AND SALES REVENUE (100% CAPACITY)

Sl No.	Particulars	Quantity		Value	
		Month	Annum	Month	Annum
	Total				

2.3 REQUIREMENT OF RAW MATERIALS AND OTHER CONSUMABLES (100% CAPACITY)

Sl No.	Particulars	Quantity		Value	
		Month	Annum	Month	Annum
	Total				

2.4 REQUIREMENT OF UTILITIES AT 100% CAPACITY UTILIZATION

Sl No.	Particulars	Quantity		Value	
		Month	Annum	Month	Annum
1	Electricity				
2	Water				
3	Fuel				
4	Total				

2.5 REQUIREMENT OF MANPOWER AT 100% CAPACITY UTILIZATION

Sl No.	Particulars	Numbers required	Salary	Total Salary	
				Month	Annum
1.	Skilled				
2.	Helpers				
3	Accountant				
4	Security				
5.	Sales personnel				
	Total				

2.6 REQUIREMENT OF PLANT AND MACHINERY

Sl #	Particulars	Numbers required	Value	Total Value
1.				
2.				

Explanatory Note:

Value of Plant and Machinery should include value of basic plant and machinery, transportation cost, taxes, erection and commissioning charges, electrification charges and expenses on foundation for machinery.

Add 10% contingency on value of Plant and Machinery.

2.7 TOTAL COST OF THE PROJECT

A. Land and building

Sl #	Particulars	Extent (Area)	Amount
1.	Land		
2.	Building		
3.	Other civil works (like compound)		
4.	Foundation for machinery		
5.	Water supply system		
	Total		

B. FIXED CAPITAL

Sl #	Particulars	Amount
1.	Land and building	
2.	Plant & Machinery	
3.	Misc. Fixed Assets	
4.	Contingency @ 10% of the above	
	Total:	

C. DEPOSITS

Sl #	Particulars	Amount
1	To Electricity Board	
2	Towards building	
3	Towards water supply	
	Total	

D. PRELIMINARY & PRE-OPERATIVE EXPENSES

E.

Sl #	Particulars	Amount
1	Interest during implementation and pre commissioning period	
2	Legal expenses	
3	Training and travel	
4	Trial production	
5	Inauguration	
	Total	

F. Working Capital Requirement @ 100% capacity utilization

Sl #	Particulars	Duration	Amount	Promoter's margin	Bank Loan
1	Raw material				
2	Goods in process				
3	Finished goods				
4	Bills Receivable				
5	Production expenses				
	Total				

Explanatory Note:

- Value of goods in process = (Value of raw material per day + expenses on utilities per day) x processing time in days
- Finished goods value = (Value of raw material per day + expenses on utilities per day) x finished goods stocking period
- Bills receivable = Sales revenue per day x credit period

G. COST OF THE PROJECT

Sl #	Particulars	Amount
1	Fixed capital	
2	Margin towards working capital	
3	Deposits	
4	Preliminary & pre-operative expenses	
	Total	

2.8 MEANS OF FINANCE

Sl #	Particulars	Amount
1	Term loan	
2	Equity	
3	Subsidy	
4	Seed capital	
	Total	

Explanatory Note:

- Term loan = Fixed capital x 0.75
- Equity = Total cost of the project x 0.25 - Total cost of the project x 0.1
- Seed capital = Total cost of the project x 0.1

2.9 PROJECT PROFITABILITY ANALYSIS @ 100% CAPACITY UTILIZATION PER ANNUM

A) Sales revenue

B) Expenses

- i) Raw materials and consumables
- ii) Utility
- iii) Salary
- iv) Wages
- v) Administrative
- vi) Interest on term loan
- vii) Interest on working capital loan
- viii) Depreciation
- ix) Repair and maintenance
- x) Selling and distribution

Total

C) Profit = (A-B)

Explanatory Note :

- Administrative expenses include expenses on Telephone, Postage, entertainment, office rent, insurance and subscriptions. Generally it will be 3% on sales turnover = $0.03 \times \text{sales revenue per annum}$
- Depreciation is generally taken at 10% of the value of fixed assets = Fixed capital $\times 0.1$
- Repair and maintenance is taken at 3% of the value of plant and machinery and every year 10% of this value (3% of the value of plant and machinery) is added
- Selling and distribution expenses is taken @ 5% of the value of total sales = $0.05 \times \text{sales revenue per annum}$
- Wages is taken @ Rs.80/- per ton of the material handled.

3.0 BREAKEVEN ANALYSIS

A) Sales revenue

B) Variable cost

- i) Raw material consumables
 - ii) Utility
 - iii) Wages
 - iv) Interest on working capital loan
 - v) Selling and distribution
- Total

C) Fixed cost

- i) Salary
 - ii) Interest on term loan
 - iii) Administrative expenses
 - iv) Repair and maintenance
 - v) Depreciation
- Total

D) Contribution = A-B

E) Breakeven = C/D x capacity utilization

3.1 RETURN ON INVESTMENT (ROI)

- i) Profit
- ii) Depreciation
- iii) Interest on term loan and working capital loan
- iv) Cost of the project

$$\text{ROI} = \frac{\text{a+b+c}}{\text{d}} \times 100$$

3.2 PROFIT ADEQUACY RATIO (PAR)

$$\text{PAR} = \frac{\text{Profit + depreciation}}{\text{Term loan repayment per year}}$$

