**I wish to develop a business contributing towards the make-in-India concept. The business will aim at manufacturing handicrafts in India, which will indeed promote the long-existing craftsmanship of ancient India. The business will create new jobs as well as wealth for the people.**

**Business Idea - I am a business incorporation namely "SHRI\_SUSHJEET PVT LMT".**

**The business is to manufacture Rocksalt Handicrafts and sell them to the buyers in India who will further export the products to cold places like Canada.**

**There are three categories of products-**

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* **Himalayan natural rock salt lamps (5kg product) item code- SJ1**

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* **Himalayan rock salt name in the shape of a cross (5 kg product) item code - SJ2**

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* **Himalayan rock salt lamps in the shape of Buddha (5 kg product) item code - SJ3**

**We import the raw material i.e., huge stones of Himalayan rock salt from "HIMSALT PVT LMT"**

**We sell our finished goods to "HANDICRAFTS\_INB PVT LMT"**

**Our products have various advantages i.e.,**

* **Cleans and deodorizes the air.**
* **Helps relieve asthma and allergy symptoms.**
* **Produces beneficial negative ions.**
* **Improves sleep.**
* **Reduce stress and many more advantages.**

**I am planning to start my business with 1.5cr equity and an additional 2500000 RUPEES, a 5-year loan from HDFC @12% PA; the principal amount of the loan is to be paid 500000 per year. I plan to purchase the equipment worth 800000 rupees, and furniture and fixtures worth rupees 200000; Both these fixed assets are to depreciate by 12% (WDM).**

|  |  |  |
| --- | --- | --- |
| **No. ADM employees** | **2** | **To increase by 20% P.A** |
| **Salary** | **30000/month** | **To grow by 12% pa** |
| **No of SJ1 Produced** | **375/month** | **To grow by 5% PA** |
| **No of SJ2 Produced** | **250/month** | **To grow by 6% PA** |
| **No of SJ3 Produced** | **250/month** | **To grow by 6% PA** |
| **Production cost of SJ1/Unit** | **1200 RS.** | **To Grow by 5%** |
| **Production cost of SJ2/Unit** | **1400 RS** | **To grow by 6%** |
| **Production cost of SJ3/Unit** | **1600 RS** | **To grow by 6%** |
| **Selling price/unit SJ1** | **2500** | **To grow by 7%** |
| **Selling price/unit SJ2** | **2800** | **To grow by 7%** |
| **Selling price/unit SJ3** | **3000** | **To grow by 7%** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sales as % of total Units available for sale** | **Y1** | **Y2** | **Y3** | **Y4** | **Y5** |
| **SJ1** | **70%** | **72%** | **75%** | **80%** | **85%** |
| **SJ2** | **75%** | **78%** | **80%** | **85%** | **85%** |
| **SJ3** | **75%** | **75%** | **78%** | **83%** | **85%** |

|  |  |  |
| --- | --- | --- |
| **Income Tax** | **25%** |  |
| **Incorporation (one time)** | **25000** |  |
| **Other one-time expense** | **20000** |  |
| **Legal fees (one time)** | **25000** |  |
| **Insurance** | **50000 for 5 years** | **10000 per Anum** |
| **Advertising** | **30000 PA** | **TO grow by 10% PA** |
| **Housekeeping** | **20000 PA** | **To grow by 5% PA** |
| **Repairs** | **40000 PA** | **To grow by 12% PA** |
| **Utility exp** | **25000 PA** | **To grow by 10% PA** |
| **Carriage outwards/transport** | **18000/month** | **To grow by 15% PA** |
| **Rent** | **50000/month** |  |

|  |  |
| --- | --- |
| **Debtors** | **1month** |
| **Outstanding expense** | **10 Days** |

**The above assumptions are derived through a detailed study of an existing business. The debt repayment, fixed assets depreciation, and tax rates are all realistic to the real market.**

**I have assumed the salaries of employees to be more than the per capita income of India. And I have kept in mind that the growth rate of salaries is more than the inflation rate.**

**I have also assumed the production cost of the various articles that have taken into consideration all the factory expenses, wages, and other direct expenses. Keeping in mind the increasing prices of raw materials, wages, and transport I have allocated the suitable growth rate of production costs.**

**I have kept the production units realistic so that the craftsmen can meet the targets easily.**

**I have maintained a good inventory to meet the sudden rise in the prices of raw materials.**

**The operating expenses are real of a company’s working experience, and I have included 11 such items that are pivotal for a business like this.**

**Explanation of ratios -**

**The ratios calculations have depicted that my business has excellent debt-paying capacity. The sales growth of my business is very positive, and the P&L and cash flows are robust. The profitability of the business is very impressive, and the return of capital employed and return on equity has shown projections which could be a game changer for a business like this.**