

## BUSINESS PLAN FORMAT FOR MSMEs (Manufacturing Industries)

1.0

Name of the Firm	Latha Packaging Industries
Name of business/project	Manufacturing of corrugated boxes
Location	Chennai
Type of Organization (Proprietary/Partnership)	Proprietary
Address (with Phone,e-mail)	No 25, 4 <sup>th</sup> street Vaishnavi Nagar, Chennai – 600109. Mob 9841622324 , e-mail <a href="mailto:lathamanikandan500@gmail.com">lathamanikandan500@gmail.com</a>
Name of the Chief Promoter(s)	Latha Manikandan
Date of Birth	12-08-1973
Names of Partners	Nill

1.1. Educational Qualification:

Course (from SSLC/Diploma)	School/University/Institute	Major Subject	Yr. of Passing
Xstd	G.k.shetty Vivekananda Vidyalaya ,Ambattur		1987
XII std	Immaculate Heart of Mary's HSS, Avadi	commerce	1989
B.A.Corporate Secretaryship	Anna Adarsh college , Chennai – 40 Madras University	Accounts, Taxation, B Law	1993
M.A.Corporate Secretaryship	Alagappa University	Advance Accts, Management	1995

1.2. Special Training:

Training in	Institute	Duration	Achievment/Remark
-------------	-----------	----------	-------------------

Typewriting Junior	Pitman Institute	1990	
Short term comp course	C.S.C	2001	

### 1.3. Work experience (Past & Present):

Organisation	Position	Nature of work	Duration
Industria Feeders	Production co-or	Incharge for product output	1996-98
ABL Biotech Ltd.,	Marketing incharge	Responsible for sales & Marketing	1998-2002
Vaigai Sanitations	Marketing Mangr	Leading marketing team & incharge for sales turnover	2002-2006

### 1.4

Promoter's Annual Income (Last Year)	Nil
Assets owned by the promoter (s)	Rs. 3,26,100
Movable	
Immovable	Nil

### 1.5 COMPANY'S MAIN OBJECTIVE (Why does the company exist?):

To manufacture qualitative boxes and give delivery at prompt time and competitive price to the domestic customers and exporters.
--

### 1.6. FINANCIAL GOALS:

a. To have a sales revenue amounting to	Rs. 145 lacs by 2019
b. To obtain a profit margin of	15.....%
c. To obtain a profit per business partner of	Rs . --

### 1.7 DESCRIPTION OF THE PRODUCT or SERVICE:

Corrugated boxes are the one used for packing in all sectors and export oriented business which is eco-friendly, easy to transport , very flexible and light weighted. Sizes of the boxes are manufactured according to the specifications requested by the customers.

### 1.8 IDENTIFICATION OF THE CUSTOMERS:

Automobile industry, Textile Industry, Pharmaceutical, Engineering goods manufacturers, consumer durables, Domestic packers and Exporters etc.,

Needs satisfied by the product or service:  
yes

### 1.9. IDENTIFICATION OF THE COMPETITION (Major competitors):

No particular major competitors in this field because there is high demand for the product in the market.

Strengths/weakness of the competition:

Strength	Weakness
We aim to give more quality product and timely delivery with competitive price.	We restrict the maximum credit period to 30 days.

### 1.10. ADVANTAGES AND DISADVANTAGES OF THE PRODUCT AND YOUR COMPANY

Price	- competitive
Quality	- superior
Terms of Delivery	- as per terms
Payment Methods	- Max 30 days credit
Customer Service	- customer friendly
Others:	- Eco friendly and light weight easy to transport and less space occupies

### 1.11. MESSAGE TO BE COMMUNICATED TO THE CUSTOMERS:

We want to communicate that we would treat the customers as God and assure them to give quality product at the correct time.

### 1.12. MARKETING AND MEANS OF COMMERCIALIZATION:

Present demand & supply	Demand is plenty and supply is limited in selected segments.
Competition	Nominal
Target clients	Automobiles, Anxillary, Garments, Pharmacy Fmcg etc.,
Marketing strategy (USP)	Directing marketing

### 1.13. Manufacturing Process:

Technical know-how availability	Experience in production of corrugated boxes
Step-by-step description of the manufacturing process (raw material-finished goods)	Bundles of paper rolls are inserted to get the required ply and it is pasted with the gum after which printing is done if necessary then it is cut in to slots according to the specifications and finally stapled.

### 1.14. Production Programme:

No. of woking days/annum		- 300 working days	
No. of working shifts (8hrs)/day		- Single shift	
Installed capacity (annual)		- 2000 tons	
Utilised capacity (%)			
Year - I		- 70 %	
Year - II		- 85%	
Year - III		- 100%	
S.No	Item(s)	Quantity Produced/Yr	Capacity Utilisation(%)
1.	Corrugated boxes	1400 tones	70%
2.	Corrugated boxes	1700 tones	85%
3.	Corrugated boxes	2000 tones	100%

### 2.0 Details of the Proposed Project:

#### 2.1 Land and Building:

S.No	Particulars	Area required	Total value Rs.	Remarks
1	Land			
2	Building	1800 sqft	1,20,000	Annual rent.
TOTAL			1,20,000	

#### 2.2. Machineries/Equipments:

S.No	Description	Nos. required	Rate (Rs)	Total value(Rs)
1.	Single face Heavy duty corrugation machine	1 No	8,36,000	8,36,000
2.	Sheet Cutter	1No	3,74,000	3,74,000
3.	Four bar Rotary cutting and greasing	1 No	3,02,500	3,02,500
4.	Eccentric Slotter	1 No	3,03,400	3,03,400
5.	Sheet pasting	1 No	90,000	90,000
6.	Board cutter	1 No	79,750	79,750
7.	Double colour sheet printer	1 No	8,10,000	8,10,000
8.	Box stiching machine	2 Nos	75,350	1,50,700
	Total			29,46,350

### 2.3. Misc. Fixed Assets:

S.No	Particulars	Nos.required	Rate (Rs)	Total value(Rs)
1.	Computer	2 Nos	40,000	80,000
2.	Printer	1 No	20,000	20,000
3.	Furnitures		12,500	12,500
	Total			1,12,500

### 2.4. Preliminary and Pre-operative Expenses:

S.No	Particulars	Amount (Rs)	Remarks
1	Interest during implementation	25,000	
2	Establishment expenses	50,000	
3	Start-up expenses	20,000	
4	Misc. expenses	5,000	
	Total	1,00,000	

### 2.5. Working Capital:

S.No	Item	Duration	Total Value (Rs)				
			Ist YR	IIInd YR	IIIrd YR	IVth YR	Vth YR
1.	Raw-material stock	Annual	1200000	1260000	1323000	1389150	1458908
2	Semi-finished goods		0	0	0	0	0
3	Finished goods stock		0	0	0	0	0
4	Sales on	Annual	983255	1335232	1323000	1689150	2024528

	credit						
5	Production expenses	Annual	1224000	1285200	1349460	1391934	1388086
6	Total		3407255	3880432	3995460	4470234	4871522

## 2.6. Total Cost of the Project:

S.No	Particulars	Total value (Rs)
1	Fixed Capital (sum of 2.1+2.2+2.3)	31,78,850
2	Working Capital (Sum of 2.5)	34,07,255
3	Preliminary & Preoperative Expenses (sum of 2.4)	1,00,000
Total		66,86,105

## 2.7. Means of Finance:

S.No	Particulars	Amount (Rs)	Remarks
1	Own Investment/Equity	5,13,605	
2	Term Loan	34,37,500	
3	Working capital Loan	15,00,000	
4	Any other source (subsidy etc)	12,35,000	
Total		66,86,105	

## 3.1. Sales Revenue: (Please refer item No. 5.1 (Pricing))

S.No	Items (s)	Quantity Sold/Yr	Rate/Unit (Rs)	Sales Realisation (Rs)
1.	Corrugated boxes	3,42,858 k9	35	1,20,00000
	Total			1,20,00000

#### 4.1. Raw material (annual) Requirement:

S.No	Item (s)	Quantity	Rate (Rs)	Total value (Rs)
1.	Paper Rolls	480000	20	96,00,000
2.	consumables	500	48	24,000
	Total			96,24,000

#### 4.2. Utilities:

S.No	Particulars	Annual Expenditure	Remarks
1	Power/electricity	3,00,000	
2	Water	24,000	
3	Coal/Oil/Steam	-----	
4	Transport	3,00,000	
5	Any other item	-	
Total		6,24,000	

#### 4.4. Man Power (Salaries/Wages):

S.No	Particulars	No.	Wages/Salary p.m (Rs)	Annual expenses (Rs)
1	Skilled	3	10,000	3,60,000
2	Semi-skilled	2	7,000	1,68,000
3	Unskilled	2	4500	1,08,000
4	Office staff			
5	Anyother			
Total				6,36,000



#### 4.5 Repairs and Maintenance:

S.No	Particulars	Amount (Rs)
1.	Machinery and general maintenance	37,320

#### 4.6. Selling and Distribution Expenses:

S.No	Particulars	Amount (Rs)	Remarks
1	Publicity expenses	---	
2	Traveling	33,600	
3	Freight	--	
4	Commission	---	
5	Misc.	12,000	
	Total	45,600	

#### 4.7. Administrative Expenses:

S.No	Particulars	Amount (Rs)	Remarks
1	Stationery & Printing	12,000	
2	Post/telephone	61,200	
3	Entertainment Expenses	75,000	
4	Miscellaneous	12,000	
Total		1,60,200	

#### 4.8. Interest:

Year	Loan amount Outstanding (Rs)	Interest (Rs)	Installment (Rs)	Balance (Rs)
I yr	24,28,125	3,06,987	6,70,452	20,64,660
II Yr	20,64,660	2,54,561	6,70,452	16,48,769
III yr	16,48,769	1,94,573	6,70,452	11,72,890
IV yr	11,72,890	1,25,932	6,70,452	6,28,370
V Yr	6,28,370	42,082	6,70,452	NIL
Total				

#### 4.9. Depreciation:

S.No	Type of Asset	Cost of Asset	Expected Life	Depreciation
	Machinery	31,25,000	10 yrs	15%
	Furniture	12,500	10 yrs	10%
	Computer	1,00,000	3 yrs	60%

#### 5.1. Pricing:

	Product 1 Amount	Product 2 Amount	Product3 Amount
Total product cost per unit (fixed cost/unit+variable /unit)+tax	29		
Desired Profit	6		
Sale Price (including tax)	35		

## Profitability Projections:

S.No		Particulars	Amount (Rs)in lakhs				
			Year-1	Year-2	Year-3	Year-4	Year-5
<b>A</b>		<b>Sales realization</b>	120.00	126	132.30	138.92	145.89
<b>B</b>		<b>Cost of producing</b>					
	1	Raw materials	96.00	88.80	93.24	97.90	102.71
	2	Utilities	0.24	0.25	0.26	0.28	0.29
	3	Salaries/wages	6.00	6.3	6.62	6.70	6.29
	4	Repairs & maintenance	0.37	0.39	0.41	0.43	0.45
	5	Selling& distribution expenses	0	0	0	0	0
	6	Administrative expenses	2.90	3.58	3.79	4.01	4.23
	7	Interest	3.06	2.55	1.94	1.26	0.42
	8	Rent	1.20	1.32	1.42	1.52	1.62
	9	Misc. expenses	0.05	0.06	0.08	0.10	0.12
		<b>TOTAL –B (1 TO 9)</b>	109.82	103.25	107.76	112.20	116.13
C		Gross Profit/Loss (A-B)	13.08	26.33	28.33	26.72	33.99
D		Less: Depreciation	5.30	4.24	3.49	2.93	2.47
E		Income-tax	2.94	3.91	4.60	5.37	6.35
F		Net profit/loss (C- (D+E)	4.84	18.18	20.24	18.42	25.17
G		Repayment	2.23	6.70	6.70	6.70	6.70
H		Retained surplus	2.61	11.48	13.54	11.72	18.47

Attach P/L Projections, Balance Sheet Projections, Cash Flow Projections generated through software