

**BUSINESS PLAN FORMAT FOR MSMEs
(Manufacturing Industries)**

1.0

Name of the Firm	ABIYAA PIPES COMPANY
Name of business/project	PVC PIPE, HDPE PIPE MANUFACURING
Location	POTHIRAMANGALAM, CUDDALORE
Type of Organization (Proprietary/Partnership)	PROPERITORY
Address (with Phone,e-mail)	50/3A1,50/4,VRIDHACHALAM TO THITTAKUDI MAIN ROAD, POTHIRAMANGALAM CUDDALORE DISTRICT CELL:9842359738, MAIL:krishn1921@gmail.com.
Name of the Chief Promoter(s)	KRISHNAN N
Date of Birth	11.11.1982
Names of Partners	NIL

1.1. Educational Qualification:

Course (from SSLC/Diploma)	School/University/Institute	Major Subject	Yr. of Passing
SSLC	GOVT HR SCHOOL.	---	1997
B.B.A	ALAGAPPA UNIVERSITY	ACCOUNTS	2008

1.2. Special Training:

Training in	Institute	DATE.OF. PASSING	Achievment/Remark
TALLY	INSYS	05/12/2005	

1.3. Work experience (Past & Present):

Organisation	Position	Nature of work	Duration
VALLALAR ELECTRICALS	SUPERVISOR	ELECTRICAL & MOTOR WORK	1997-2005
TIRUPATHI PIPES	MARKETING MANAGER	SALES	2005 TO 2014

1.4

Promoter's Annual Income (Last Year)	120000
Assets owned by the promoter (s)	500000
Movable	
Immovable	

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

<ul style="list-style-type: none"> • I Achived For Main Competation Of Finolex Pipes • Path of Achived,Good Packing & Quick Delivery.

1.6. FINANCIAL GOALS:

a. To have a sales revenue amounting to	Rs. 70,00,000 by
b. To obtain a profit margin of30.....%
c. To obtain a profit per business partner of	Rs.

1.7 DESCRIPTION OF THE PRODUCT or SERVICE:

<ul style="list-style-type: none"> • GOOD QUALITY RESIN PVC PIPES • CORRECT WEIGHT MAINTAINING
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1.8 IDENTIFICATION OF THE CUSTOMERS:

* AGRICULTURERS * TRADERS * DOMESTICS * BUILDERS
Needs satisfied by the product or service: BOTH PRODUCT & SERVICE

1.9. IDENTIFICATION OF THE COMPETITION (Major competitors):

* FINOLEX * AVONPLAST * GODAVARI HDPE * ASTRAL						
Strengths/weakness of the competition:						
<table border="1"><thead><tr><th>Strength</th><th>Weakness</th></tr></thead><tbody><tr><td>LONG STANDING</td><td>NOT TIME DELIVERY</td></tr><tr><td></td><td>GOOD PACKING</td></tr></tbody></table>	Strength	Weakness	LONG STANDING	NOT TIME DELIVERY		GOOD PACKING
Strength	Weakness					
LONG STANDING	NOT TIME DELIVERY					
	GOOD PACKING					

1.10. ADVANTAGES AND DISADVANTAGES OF THE PRODUCT AND YOUR COMPANY

Price	BEST PRICE
Quality	FINE
Terms of Delivery	OWN VECHILE DELIVERY
Payment Methods	ON DELIVERY
Customer Service	BEST SERVICE IS MY MOTO
Others:	LONG STAND MARKETING

1.11. MESSAGE TO BE COMMUNICATED TO THE CUSTOMERS:

- * FACE TO FACE.
- * ADD FOR MEDIA
- * PACKING VIA ADD

1.12. MARKETING AND MEANS OF COMMERCIALIZATION:

Present demand & supply	60%
Competition	FINOLEX
Target clients	BUILDERS
Marketing strategy (USP)	GOOD QUALITY & SERVICE

1.13. Manufacturing Process:

Technical know-how availability	AVAILABLE KNOWN
Step-by-step description of the manufacturing process (raw material-finished goods)	INPUT RAW METERIALS & MIXING NEXT CONVEY VIA PIPE TO MACHINE OUTPUT FOR REQUIRED PIPE WITH USE REQUIRED DIE.

1.14. Production Programme:

No. of woking days/annum	:300		
No. of working shifts (8hrs)/day	:1 DAYS		
Installed capacity (annual)	:700 TONNES		
Utilised capacity (%)			
Year - I	: 70%		
Year - II	: 85%		
Year - III	: 100%		
S.No	Item(s)	Quantity Produced/Yr	Capacity Utilisation(%)
1	CASING PIPE	125 TONNES	85%
2	U PVC PIPE	80 TONNES	70%
3	HDPE PIPE	150 TONNES	70%
4	PLUMBING PIPE	150 TONNES	85%

2.0 Details of the Proposed Project: MANUFACTURING OF ALL SIZE PVC PIPE

2.1 Land and Building:

S.No	Particulars	Area required	Total value	Remarks
1	Land Lease	3760 SQ.FEET	50000	--
2	Building Lease	2700 SQ.FEET	50000	--
TOTAL			100000	--

2.2. Machineries/Equipments:

S.No	Description	Nos. required	Rate(Rs)in Lakhs	Total value(Rs) in Lakhs
1	DRIVE	2	7.50	15.00
2	EXTRUSION	2	40.00	80.00
3	MIXER GRINDER	1	7.00	7.00
TOTAL				102.00

2.3. Misc. Fixed Assets:

S.No	Particulars	Nos.required	Rate (Rs)	Total value(Rs)
1	COMPUTER & PRINTER	1 SET	25000	25000
2	CAMERA	4 SET	1000	4000
3	OFFICE TABLE & EXTRA	1SET	2000	2000
TOTAL				29000

2.4. Preliminary and Pre-operative Expenses:

S.No	Particulars	Amount (Rs)	Remarks
1	Interest during implementation	75000	
2	Establishment expenses	15000	
3	Start-up expenses	5000	
4	Misc. expenses	29000	
Total		124000	

2.5. Working Capital:

S.No	Item	Duration	Total Value (Rs)in Lakhs.				
			Ist YR	IIInd YR	IIIrd YR	IVth YR	Vth YR
1.	Raw-material stock	30 Days	3.00	4.00	5.00	6.00	7.00
2	Semi-finished goods	--	--	--	--	--	--
3	Finished goods stock	30 Days	2.00	3.00	4.00	5.00	6.00
4	Sales on credit	30 Days	5.00	6.00	7.00	8.00	9.00
5	Production expenses	30Days	1.00	1.50	2.00	2.25	2.50
6	Total		11.00	14.50	18.00	21.25	24.50

2.6. Total Cost of the Project:

S.No	Particulars	Total value (Rs)in Lakhs
1	Fixed Capital (sum of 2.1+2.2+2.3)	103
2	Working Capital (Sum of 2.5)	11
3	Preliminary & Preoperative Expenses (sum of 2.4)	2.5
Total		113.5

2.7. Means of Finance:

Rs.in Lakhs

S.No	Particulars	Amount (Rs)	Remarks
1	Own Investment/Equity	21.50	
2	Term Loan	70.00	
3	Working capital Loan	0.00	
4	Any other source (subsidy etc)	25.00	
Total		116.50	

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

S.No	Items (s)	Quantity Sold/Yr	Rate/Unit (Rs) in Lakhs	Sales Realisation (Rs)in Lakhs
1	PVC PIPE	125 Tonnes	1.08	135
2	U PVC PIPE	80 Tonnes	1.20	96
3	HDPE PIPE	150 Tonnes	1.14	171
4	PLUMBING PIPE	150 Tonnes	1.08	162
	Total			564

4.1. Raw material (annual) Requirement:

S.No	Item (s)	Quantity	Rate (Rs) in Lakhs	Total value (Rs) in Lakhs
1	U Pvc meterials	70 TONNES	0.90	63
2	Rigid pvc resin	250 TONNES	0.91	227
3	HDPE Meterials	150 TONNES		153
	Total			443

4.2. Utilities:

Rs. in Lakhs

S.No	Particulars	Annual Expenditure	Remarks
1	Power/electricity	4.7	--
2	Water	--	--
3	Coal/Oil/Steam	--	--
4	Transport	4.0	--
5	Any other item		--
	Total	8.7	--

4.4. Man Power (Salaries/Wages):

S.No	Particulars	No.	Wages/Salary p.m (Rs)	Annual expenses (Rs)
1	Skilled	2	20000	4,80,000
2	Semi-skilled	--	--	--
3	Unskilled	6	5000	3,60,000
4	Office staff	--	--	--
5	Anyother	--	--	--
Total				8,40,000

4.5 Repairs and Maintenance:

S.No	Particulars	Amount (Rs)
1	MACHINES	15000
Total		15000

4.6. Selling and Distribution Expenses: p.annam

S.No	Particulars	Amount (Rs)	Remarks
1	Publicity expenses	25,000	--
2	Traveling	25,000	--
3	Freight	1,80,000	--
4	Commission	--	--
5	Misc.	10,000	--
Total		2,40,000	--

4.7. Administrative Expenses: p.annam

S.No	Particulars	Amount (Rs)	Remarks
1	Stationery & Printing	--	--
2	Post/telephone	12000	--
3	Entertainment Expenses	10000	--
4	Miscellaneous	--	--
Total		22000	--

4.8. Interest:

Year	Loan amount Outstanding (Rs)	Interest (Rs)	Installment (Rs)	Balance (Rs)
1	100.00	14.50	20.00	80.00
2	80.00	11.60	20.00	60.00
3	60.00	8.70	20.00	40.00
4	40.00	5.80	20.00	20.00
5	20.00	2.90	20.00	0.00
Total		43.50	100.00	0.00

4.9. Depreciation:

RS.in Lakhs

S.No	Type of Asset	Cost of Asset	Expected Life	Depreciation
1	MACHINES	102	1YEAR	15.30
			2YEAR	13.00
			3YEAR	11.00
			4YEAR	9.40

5.1. Pricing: P. tonnes in Lakhs.

	Product 1 Amount	Product 2 Amount	Product3 Amount
Total product cost per unit (fixed cost/unit+variable /unit)+tax	95.00	105.00	110.00
Desired Profit	27.50	31.50	33.00
Sale Price (including tax)	122.50	136.50	143.00

Profitability Projections:

S.No	Particulars	Amount (Rs)in Lakhs				
		Year-1	Year-2	Year-3	Year-4	Year-5
A	Sales realization	56.40	98.68	108.20	125.40	145.90
B	Cost of producing					
	1 Raw materials	30.00	40.00	46.00	56.00	60.00
	2 Utilities	8.70	9.00	9.20	9.50	10.00
	3 Salaries/wages	4.00	4.20	4.40	4.50	4.60
	4 Repairs & maintenance	0.15	0.18	0.19	2.10	2.50
	5 Selling& distribution expenses	2.40	2.80	3.20	3.50	4.00
	6 Administrative expenses	0.22	0.25	0.50	1.00	0.90
	7 Interest	4.83	10.00	8.50	6.90	5.98
	8 Rent	0.24	1.00	1.10	1.70	2.30
	9 Misc. expenses	0.29	0.15	0.10	0.10	0.10
	TOTAL –B (1 TO 9)	50.83	67.58	73.69	85.20	90.38
C	Gross Profit/Loss (A-B)	5.57	31.10	34.51	40.20	55.32
D	Less: Depreciation	3.20	15.30	13.00	11.00	9.40
E	Income-tax	.007	1.40	2.00	3.07	4.82
F	Net profit/loss (C- (D+E))	2.36	14.40	19.51	26.13	41.30
G	Repayment	2.00	13.00	18.00	26.00	41.00
H	Retained surplus	0.36	1.40	1.51	0.13	0.30