

# Proposed NU Business Name : Messars Debnath Engineering



27<sup>th</sup> Design Lab

31 August 2014

# ***BRIEF BIO OF THE PROPOSED NOBIN UDYOKTA***

Name and address	:	Sujon Debnath Vill: Hakova, Post: Monirampur, Upazilla: Monirampur, District: Jessore
Age	:	24 Years
Marital status	:	Unmarried
Children	:	Nil
No. of siblings:	:	2 (two) brothers
Parent's and GB related Info (i) Who is GB member (ii) Mother's name (iii) Father's name (iv) GB member's info	:	Mother <input checked="" type="checkbox"/> Father <input type="checkbox"/> Soumitra Debnath Komal Debnath Branch: Monirampur, Centre # 62/mo, Loan no.: 5841, Member since: March 12, 2003, First loan: Tk. 10,000, Existing loan: Nil
Further Information: (v) Who pays GB loan installment (vi) Mobile lady (vii) Grameen Education Loan (viii) Any other loan like GCCN, GKF etc. (ix) Others	:	Nil Nil Nil Nil Nil
Education, till to date	:	HSC pass

## ***BRIEF BIO OF THE PROPOSED NOBIN UDYOKTA (CONT...)***

Present Occupation(Besides own business, i.e., persuading further studies, other business etc.)	:	Nil
Business Experiences and Training Info (years of experience, if s/he received any on- hand training, formal training, working experience as an apprentice etc.)	:	10 (ten) years experiences in this business, started business with BDT 150,000 (one lac fifty thousand).  : He has no training
Other Own/Family Sources of Income	:	Nil
Other Own/Family Sources of Liabilities	:	Nil
NU Project Source/Reference	:	Grameen Telecom Trust

# ***BRIEF HISTORY OF GB LOAN UTILIZATION BY FAMILY***

Since March 12, 2003 Entrepreneur's mother is GB member. At first his mother took GB loan BDT 10,000 (ten thousand). Then gradually Mother has taken several times GB loan, utilized loan to their own Messars Debnath Engineering business.

# **PROPOSED NOBIN UDYOKTA BUSINESS INFO**

Business Name	:	<b>Messrs Debnath Engineering</b>
Address/ Location	:	Rajgonj Road, Monirampur Bazar, Jessore
Total Investment in BDT	:	<b>BDT 6,16,400</b>
Financing	:	Self BDT 3,66,400 (from existing business) 36% Required Investment BDT 2,50,000 (as equity) 64%
Present salary/drawings from business (estimates)	:	BDT 8,000 (eight thousand)
Proposed Salary	:	BDT 8,000 (eight thousand)
Proposed Business Implementation Plan	:	
(i) % of present gross profit margin	(i)	On average 18%
(ii) Estimated % of proposed gross profit margin	(ii)	On average 18%
(iii) In future risk mgt. plan (from fire, disaster etc.)	(iii)	Keeping adequate sand and ensure fire extinguisher with precaution.

# ***INFO ON EXISTING BUSINESS OPERATIONS***

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Sales	5,000	130,000	1,560,000
Income of Servicing	800	20,800	249,600
<b>Total Sales/Servicing (A)</b>	<b>5,800</b>	<b>150,800</b>	<b>1,809,600</b>
<b>Less: Cost of sales:</b>			
Cost of Sales	4,500	117,000	1,404,000
Cost of Servicing	240	6,240	74,880
<b>Total Cost of Sales/Servicing (B)</b>	<b>4,740</b>	<b>123,240</b>	<b>1,478,880</b>
<b>Gross profit (GP) [C=(A-B)]</b>	<b>1,060</b>	<b>27,560</b>	<b>330,720</b>
<b>Less: Operating Costs:</b>			
Electricity bill		2,500	30,000
Generator bill		150	1,800
Shop Rent		2,000	24,000
Night guard bill		150	1,800
Entertainment		200	2,400
Mobile bill		300	3,600
Present salary/Drawings-self		8,000	96,000
salary-staff (3 persons)		12,000	144,000
Other Expenses		100	1,200
<b>Non Cash Item:</b>			
Depreciation Expenses		167	2,000
<b>Total Operating Costs (D)</b>		<b>25,567</b>	<b>306,800</b>
<b>(C-D)Net Profit:</b>		<b>1,993</b>	<b>23,920</b>



# **PRESENT & PROPOSED INVESTMENT BREAKDOWN**

<b>Particulars</b>	<b>Existing Business (BDT) (1)</b>	<b>Proposed (BDT) (2)</b>	<b>Total (BDT) (1+2)</b>
<b>Investments in different categories:</b>			
Steel angle, steel pipe, flatber iron, angle iron, sheet iron	94,400	-	94,400
Steel Pipe, Sheet, angle, Kobja, Hasbolt, design	-	225,000	225,000
welding machine (two)	25,000	-	25,000
Organ machine (two)	70,000	-	70,000
Cutter machine (one)	7,000	-	7,000
Hand granding (two)	5,000	-	5,000
Others equipments	15,000	-	15,000
Furniture and decoration	20,000	25,000	45,000
Advance shop rent	130,000	-	130,000
<b>Total Capital</b>	<b>366,400</b>	<b>250,000</b>	<b>616,400</b>

# FINANCIAL PROJECTION OF NU BUSINESS PLAN

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales	7,500	195,000	2,340,000	8,250	214,500	2,574,000	9,075	235,950	2,831,400	9,983	259,545	3,114,540
Estimated Income of Servicing	1,040	27,040	324,480	1,092	28,392	340,704	1,147	29,812	357,739	1,204	31,302	375,626
<b>Total Sales/Servicing (A)</b>	<b>8,540</b>	<b>222,040</b>	<b>2,664,480</b>	<b>9,342</b>	<b>242,892</b>	<b>2,914,704</b>	<b>10,222</b>	<b>265,762</b>	<b>3,189,139</b>	<b>11,186</b>	<b>290,847</b>	<b>3,490,166</b>
<b>Less: Cost of sales:</b>												
Estimated Cost of Sales	6,750	175,500	2,106,000	7,425	193,050	2,316,600	8,168	212,355	2,548,260	8,984	233,591	2,803,086
Estimated Cost of Servicing	312	8,112	97,344	328	8,518	102,211	344	8,943	107,322	361	9,391	112,688
<b>Total Cost of Sales/Servicing (B)</b>	<b>7,062</b>	<b>183,612</b>	<b>2,203,344</b>	<b>7,753</b>	<b>201,568</b>	<b>2,418,811</b>	<b>8,511</b>	<b>221,298</b>	<b>2,655,582</b>	<b>9,345</b>	<b>242,981</b>	<b>2,915,774</b>
<b>Gross profit (GP) [C=(A-B)]</b>	<b>1,478</b>	<b>38,428</b>	<b>461,136</b>	<b>1,589</b>	<b>41,324</b>	<b>495,893</b>	<b>1,710</b>	<b>44,463</b>	<b>533,557</b>	<b>1,841</b>	<b>47,866</b>	<b>574,392</b>
<b>Less: Operating Costs:</b>												
Electricity bill		2,500	30,000		2,550	30,600		2,570	30,840		2,600	31,200
Generator bill		150	1,800		170	2,040		190	2,280		210	2,520
Shop Rent		2,000	24,000		2,000	24,000		2,000	24,000		2,100	25,200
Night guard bill		150	1,800		170	2,040		190	2,280		190	2,280
Entertainment		200	2,400		220	2,640		220	2,640		250	3,000
Mobile bill (SMS & Reporting inclusive)		350	4,200		370	4,440		390	4,680		420	5,040
Investment repayment		-	-		4,167	50,000		4,167	100,000		4,167	100,000
Ownership Transfer Fee		-	-		833	10,000		1,667	20,000		1,667	20,000
Proposed salary-self		8,000	96,000		9,000	108,000		10,000	120,000		11,000	132,000
Proposed salary-staff (3 persons)		12,000	144,000		13,000	156,000		14,000	168,000		14,000	168,000
Other Expenses		100	1,200		150	1,800		170	2,040		200	2,400
<b>Non Cash Item:</b>												
Depreciation Expenses		375	4,500		375	4,500		375	4,500		375	4,500
<b>Total Operating Cost (D)</b>		<b>25,825</b>	<b>309,900</b>		<b>33,005</b>	<b>396,060</b>		<b>35,938</b>	<b>481,260</b>		<b>37,178</b>	<b>496,140</b>
<b>(C-D)Net Profit:</b>		<b>12,603</b>	<b>151,236</b>		<b>8,319</b>	<b>99,833</b>		<b>8,525</b>	<b>52,297</b>		<b>10,688</b>	<b>78,252</b>
<b>Retained Income:</b>			<b>151,236</b>			<b>251,069</b>			<b>303,366</b>			<b>381,619</b>

**Notes: 1. Agreed Grace period: 1<sup>st</sup> year.**

**2. Investment Payback schedule: Half yearly installment included ownership transfer fee from 2<sup>nd</sup> year**



# **CASH FLOW PROJECTION ON BUSINESS PLAN**

## **(REC. & PAY.)**

Sl #	<i>Particulars</i>	Year 1 (BDT)	Year 2 (BDT)	Year 3 (BDT)	Year 4 (BDT)
1.0	<b>Cash Inflow</b>				
1.1	Investment Infusion by Investor	250,000	-	-	-
1.2	Net Profit (Investment & ownership transfer fee added back 2nd, 3rd & 4th year)	151,236	159,833	172,297	198,252
1.3	Depreciation Expenses (Non Cash Item)	4,500	4,500	4,500	4,500
1.4	Opening Balance of Cash Surplus	-	155,736	260,069	316,866
	<b>Total Cash Inflow</b>	<b>405,736</b>	<b>320,069</b>	<b>436,866</b>	<b>519,619</b>
2.0	<b>Cash Outflow</b>				
2.1	Purchase of products	<b>225,000</b>	-	-	-
2.3	Furniture and decoration	<b>25,000</b>	-	-	-
2.4	Investment Pay Back including ownership transfer fee	-	60,000	120,000	120,000
	<b>Total Cash Outflow</b>	<b>250,000</b>	<b>60,000</b>	<b>120,000</b>	<b>120,000</b>
3.0	<b>Net Cash Surplus</b>	<b>155,736</b>	<b>260,069</b>	<b>316,866</b>	<b>399,619</b>

# SWOT ANALYSIS

## **S**TRENGTH

Present employment:

Self: 1    Family: 0

Others (beyond family): 3

Future employment: 1 (part time)

Skill and experience;

Good Reputation;

Ownership of Business: own

Keeping books of record

## **W**EAKNESS

Can not supply products as per demand.

## **O**PPORTUNITIES

Location of shop;

Fixed customer;

Capital of the entrepreneur will be BDT 748,019 after 4 years excluding investor's money.

## **T**HREATS

Local competitor

Health hazards

Presented at 27<sup>th</sup> SB Executive Design Lab on 31  
August, 2014 at YC

Thank you

Pictures







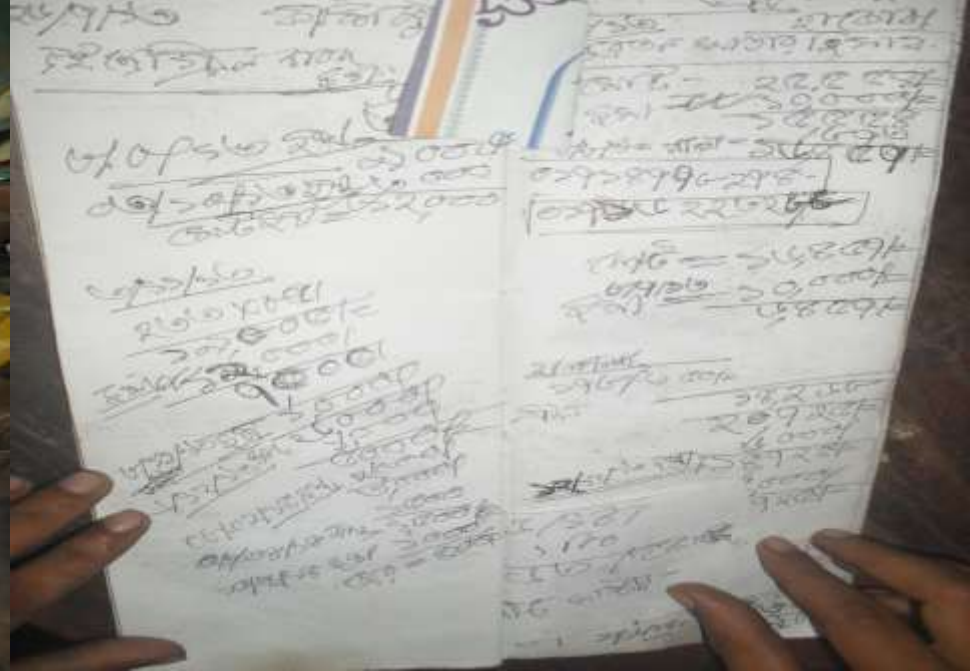


























**Thank You**