

TAMIL NADU RURAL TRANSFORMATION PROJECT

Business Plan for Bread Unit

1. Village Panchayat:	AA
2. Block:	BB
3. District:	DD
4. Applicant:	Mr. AAA
5. Activity:	Bread making unit
6. Classification:	MSME - Manufacturing
7. Sector classification (TNRTP)	Small
8. Purpose of Note: To recommend for sanction of the following limits: Term Loan/Working Capital Demand Loan/Composite Loan (Rs. In Lakhs)	
9. Nature of Facility	Term loan – Composite loan
10. Purpose	For establishing Bread Production unit.
11. Limit required	Rs.16.92 lakhs.
12. Margin	10% of the project cost of Rs.18.80 lakhs i.e Rs.1.88 Lakhs

Introduction: (Details of Promoter name, age, qualification and experience, activity to be financed, existing or new unit, any existing facilities with Banks etc. The present request for loan and purpose.)

Mr. AAA, aged 45 years, is an Engineering graduate. He is engaged in manufacturing and sale of bread and has above 5 years of experience in this field of activity. The name of the unit is M/s. BBB Bread House. He had earlier availed a cash credit limit of Rs.2 lakhs with ABC Bank and at present the outstanding is NIL. The present request is request is for term loan of Rs.16.92 lakhs under TNRTP matching grant Programme for the purpose of purchase of equipment's for expansion of unit as well as for working capital.

About the product:

Bread is one of the oldest and largest foodstuff consumed by all age groups all over the world. It has been a popular food in various parts of the world and is one of the oldest man-made foods, having been of great significance since the dawn of agriculture. The basic dietary minerals, mainly magnesium, calcium, potassium, sodium, and iron, are also given by bread.

Market

The Indian bread market stood at \$640.73 million in 2017, and is projected to rise to \$1024.54 million by 2024 at a CAGR of over 10.70 percent, in value terms, during 2019-2024. Market factors and demographic patterns are increasingly affecting supply and demand; India's bread market is aided

by an expanding working population and a rising number of health-conscious consumers.. The bread industry in India is dominated by unorganized players, leading to about 55% of the total market.

II. Category of Loan : Small (Above Rs.15 lakhs)

1. Profile of the Entrepreneur

Name	Mr.AAA
Spouse Name	
Age	45
Education	BE
Aadhaar Card Number	86XXXX111111
Address	
Phone Number	-
Mobile Number	9111111111
Email ID	-
Number of Years of Experience in Business	5 yrs and 6 months
Trainings attended (No and Hours)	2 days Bakery production training.
Spouse's Occupation	House wife
If Special Category	Nil

2. Enterprise Profile

Name of the Enterprise	M/S. BBB Bread House
Legal Form of Enterprise	Proprietorship
Registration Number	Nil
Registration Date	Nil
Registered with Whom	Nil
GST No (If available)	Nil
UDYAM Registration Number No (If available)	2222222222

3. Bank Linkage Details

Whether the enterprise has separate bank account	Yes A/C No Details 111BBBB111
If any bank credit availed	Yes – Rs.200000/- (CC)
Name of the bank and Branch Details	ABC Bank, AA village
Nature of the bank facility	Cash credit facility
Limit Sanctioned	Rs.500000/-
Balance outstanding as on date	0

4. Enterprise Nature

Type of Enterprise	Manufacturing
Product to be produced:	Different types of Bread such as Sweet Bread, Wheat Bread, Sandwich Bread etc.,
Service to be offered:	<ol style="list-style-type: none">1. Retail Sales2. Institutional Sales3. Wholesale Supply4. Door Delivery
Present Demand	<ul style="list-style-type: none">❖ The bread unit is located in a central place in the kodaikanal main road, well connected to the road and easy approach to the consumers.❖ Further since this is the only unit in the village panchayat and nearby villages/town, there is good demand for the product especially in hotels, hospitals, educational institutions and local retailers.
Current Supply	The capacity of the unit is production of 800 kgs per day with production of 55% of installed capacity in the I year. The raw materials required are available in the whole sale market. Hence no issues are envisaged in the production and supply.

III. TECHNICAL FEASIBILITY:

Location / Infrastructure:	
1. Location Brief on Location – Whether well connected to market by road etc.,	The bread unit is located in a central place in the kodaikanal main road, well connected to the road and easy approach to the consumers.
2. Land Extent of Land, sq.ft. Panchayat approval, own/leased	The business is run in a leased premises. Lease rent is borne by the applicant.
3. Building Approved plan from local body, sq,ft, whether sufficient for the proposed activity	The approximate total area required for complete small scale factory setup is 800-1000 square feet for smooth production including storage area. The premises will be on rental.
4. Power Whether required power connection is available	The required power for the bread unit will be 10 KW and the power connection is obtained.
5. Water Whether adequate water is available.	Adequate water required for the Bakery unit is available. Good potable water can also be purchased in the market nearby.
6. Approval Pollution control Board/GST/FSSAI approvals or any other approval is required. Present Status	The applicant has applied for GST and FSSAI approvals. The approvals are expected soon. Follow up is being made by the applicant. The applicant has registered under UDYAM. The Registration Number No is 222222222
7. Materials Needed Quantity / Cost / Availability / Delivery Time to be discussed. a. Raw materials : b. Equipment : c. Technology :	<u>Raw-materials</u> The following raw-materials are essential: 1. Flour 2. Gluten powder 3. Bread Improver 4. Sugar 5. Salt 6. Oil.

	<p>These raw materials are available at wholesale prices in the market/shandy. The average requirement will be 800 kgs/day based on the full capacity. In the first year it is assumed at 55% which is 440 kgs. Average raw material cost will be Rs.30/- – Rs.40/- per kg.</p> <p>Equipment: The following machines are required:</p> <ol style="list-style-type: none"> 1. Dough Kneading 2. Mixer machine 3. Moulding frames 4. Leavening 5. Baking oven 6. Bread Slicing machine 7. Impulse sealer <p>Technology: The applicant has undergone the necessary training required for Bread unit.</p>
<p>8. Cost of capital assets: Details of equipment/machinery with cost of individual item required along with quotations.</p>	<p>As per Annexure A.</p>
<p>10. Cost of working capital for one operating cycle</p> <ol style="list-style-type: none"> d. raw-materials, e. Semi-finished goods, f. finished goods, g. receivables outstanding h. Total working capital needs <p>(The value of raw-materials, semi-finished goods, finished goods, receivables outstanding to be arrived)</p>	<p>The working capital requirement is arrived at Rs.4 lakhs as per Annexure C.</p>
<p style="text-align: center;">OR</p>	

<p>25% of projected annual sales turnover if necessary. (The projected annual sales should be reasonable and acceptable)</p>	<p>The assessment has been done as per holding levels detailed in annexure C.</p>
<p>Skills Requirements: skilled labour available / Not available</p> <p>If not available: whether people can be trained? If so, training period and training facility?</p>	<p>The promoter is well experienced in the line of activity for more than 5 years. As most of the processes are automated, dependence on skilled labour is minimal.</p>
<p>Production Process:</p>	
<p>c. Production Plan/cycle (operating cycle may be one-day / week / month or one year as per the activity selected):</p>	<ul style="list-style-type: none"> • The production of bread begins with mixing of the ingredients. For this purpose, 32-45% Maida, 50-64% water, 2% yeast, 2% salt and optionally fat, emulsifiers and sugar are combined. • After mixing the ingredients, the dough is kneaded after the components have been combined. The dough creates the gluten network and creates air bubbles that can absorb carbon dioxide (Co₂), created by fermentation. • Proofing is the process of leaving the dough in the machine for 30 to 50 minutes at a steady temperature of 27°C. • The rising of the dough will take about 30 minutes, at a humidity of 85% and a temperature of 34°C. During this process the dough can rest and this will make it easier to (pre) shape later.

	<ul style="list-style-type: none"> • After the folding, the dough is shaped for use in a baking tin. The forming of the dough into a long roll is called shaping. During the shaping process the dough ball is rolled into a slab. This slab is then rolled back to fit into the baking tin. • The bread needs to cool down before it is cut and packed. Packing it before the bread is cooled down will lead to condensation in the bag. <p>The operating cycle is assumed at 33 days for the unit as detailed in Annexure C.</p>
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IV. COMMERCIAL FEASIBILITY:

<p>Marketing strategy :</p> <p>a. Direct to customers :</p> <p>b. Bulk to Institutions :</p> <p>c. Through Retailers / Wholesalers:</p> <p>d. Through Online:</p>	<p>There is considerable scope in view of the central location. It is proposed to allocate a small counter for direct sales to customers. As this is the only unit in the village and nearby panchayats, there will be demand for the product. Further tie up arrangements are to be made with 3 star hotels in the nearby areas such as SSS Rock, VVV Resort, TTT inn as well as hospitals, hostels etc for supply of bread in bulk.</p>
<p>d. Pricing & Discounts :</p>	<p>One Kg of bread is to be priced at Rs.50/- Breads are to be packed either in KG packs or lesser quantity and to be priced proportionately. Bulk supply and immediate cash payment will be encouraged with a discount in price.</p>

e. Market promotion strategies:	Advertisement through pamphlets and in local dailies are planned.
f. Physical and digital connectivity:	While the payments are also accepted by way of cash, digital payments will be encouraged with appropriate equipment installed and cost will be borne by the applicant.
g. Risks and risk mitigation planned:	Risk assessment details as per annexure E.

V. ENVIRONMENT ASSESSMENT

To be entered as per the required				
Category of the enterprise proposed: Green / Orange / Red				
Environment Issue identified	Environment Guidelines or mitigation measures Integrated (Please tick)	Greening Measures identified (for green, orange and red categories)	Support needed	
			Implement the mitigation measures	Implement the greening measures
Exploitation of local resources (water and energy)	<ul style="list-style-type: none"> •Water •Wood •Electricity 	To ensure adequate measures for Proper disposal of Smoke and waste water	NA	NA
Waste generation and disposal	<ul style="list-style-type: none"> •Dust/air pollutants •Disposal of waste water 	To ensure adequate measures for Proper disposal of Smoke and waste water	NA	NA
Worker and Community safety	<ul style="list-style-type: none"> •Safety measures / gadgets 	Fire extinguishers to be fixed in sensitive places in the unit. Full fire	NA	NA

		protection dresses and gloves for workers		
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Whether the activity proposed is in the negative list: No

VI. FINANCIAL VIABILITY

1. Cost of the project and Means of the project:

a. Cost of the Project:	(Rs in lakhs)
i. Fixed capital Cost of all the equipments/machinery/construction(excluding land cost)	Machineries - 13.60 Misc.Assets - 1.20
h. Working capital	Working capital 4.00
i. Pre-operative expenses	Nil
Total cost of the project (i + ii + iii)	18.80
b. Means of the project:	
i. Loan from financial Institution / Bank (95% or 90%):	16.92
i. Margin money -Borrower's contribution (5% or 10%):	1.88
Total means of the project (i + ii)	18.80
c. Matching grant from the project**	5.08
Whether the entrepreneur has the sufficient means to bring in the margin money and has enough buffer to manage any cost escalations	Yes. The applicant has deposit to the extent of Rs.2 lakhs in the Bank.

**Matching Grant is @30% of the total cost of the project (excluding pre-operative expenses, land cost, lease). As Matching Grant will be kept in a "Subsidy Reserve Fund" account of the bank as a back-ended grant, it is not shown under the Means of the project. The matching grant to be adjusted as below:

	(Rs in Lakhs)
Loan initially disbursed by the Bank	- 16.92
Less 30% matching grant	- 5.08
Balance principal amount to be repaid by Borrower	- 11.84

Upon completion of minimum period of 18 months and upon repayment of principal amount of Rs.11.84 lakhs and the interest portion, the matching grant of Rs.5.08 lakhs can be adjusted to the loan account of the borrower and the loan account can be closed.

2. Repayment Capacity:

Debt Service Coverage Ratio: DSCR to be calculated for the entire repayment period and average DSCR to be considered. (Profitability projections and presumptions as per Annexure B)

$$\text{DSCR} = \frac{\text{Profit after tax (Net Profit) + Depreciation + Interest}}{\text{Principal + Interest}}$$

The basic presumptions and profitability projections are as per annexure B.

	YEAR 1(6 M)	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Net profit after tax	55500	244000	349000	422000	580000
Depreciation	108000	184000	157000	134000	114000
Interest	65142	111328	69968	28608	747
Cash surplus A	228642	539328	575968	584608	694747
Principal Repayment	0	375996	375996	375996	56412
Interest	65142	111328	69968	28608	747
Repayment obligation B	65142	487324	445964	404604	57159
DSCR A/B	3.51	1.11	1.29	1.44	12.15
Average DSCR			3.90		

*Details of interest calculation and repayment are available in Annexure D.

*For the first year of operation, the values are taken for 6 months for FY 21-22, since the loan is expected to be availed in September 2021.

3.Current Ratio

Current assets / Current liabilities

(To assess whether the enterprise has sufficient liquidity for the payments that are due within 12 months. Current ratio should be more than 1.25.)

Current Assets					
Particulars	I Year	II Year	III Year	IV Year	V Year
Sundry Debtors	2.11	2.47	2.69	2.97	3.37
Stock in hand	3.20	3.72	4.07	4.51	5.12
Cash at Bank	0.52	0.58	0.56	0.94	1.14
Total Current Assets(A)	5.83	6.77	7.32	8.42	9.63
Current Liabilities					
Sundry Creditors	1.32	1.54	1.69	1.87	2.13
Provision	0.40	0.50	0.60	0.72	0.86
Total Current Liabilities(B)	1.72	2.04	2.29	2.59	2.99
Current Ratio A/B	3.39	3.31	3.20	3.25	3.22

The Current ratio is comfortable and above the minimum required ratio of 1.25 in all the years.

4.Debt/Equity ratio (DER)

The debt equity ratio is to find out the leverage of the owners capital.

DER: Total liabilities / Total equity

Debt					
Particulars	I Year	II Year	III Year	IV Year	V Year
Term Loan	16.92	13.16	9.40	5.64	0
Current Liabilities	1.72	2.04	2.29	2.59	2.99
Total Debt	18.64	15.20	11.69	8.23	2.99
Equity					
Capital	1.88	1.88	1.88	1.88	1.88
Net profit	0.55	2.44	3.49	4.22	5.80
Grant	5.08	5.08	5.08	5.08	5.08
Total Equity	7.51	9.40	10.45	11.18	12.76
Debt Equity Ratio	2.48	1.62	1.12	0.74	0.23






Debt to Equity Ratio is comfortable and is within the level of 3:1 in all the years.



Recommendation:

As the proposal is viable and complies with the guidelines in respect of Matching Grant Programme, we may recommend to the concerned Bank.

ANNEXURE - A

MACHINERY & EQUIPMENTS

S.No	Machine	Purpose	Image
1,	Dough Kneading	To knead bread dough. Alternatively we can go with a heavy duty stand mixer with a dough hook attachment	
2.	Mixer machine	A mixer, depending on the type also called a hand mixer or stand mixer, is a kitchen device that uses a gear-driven mechanism to rotate a set of "beaters" in a bowl.	
3.	Moulding frames	The container used to give the dough of the breads shape	
4.	Leavening	One of a number of substances that cause foaming results in dough and batters that lighten and soften the mixture.	
5,	Baking oven	An oven is a thermally insulated chamber used for the heating, baking, or drying of a substance	

6.	Bread Slicing machine	Bread slicing machine, Cut loaves of bread evenly use for bread slicing machine. Bread slicing machines represent a milestone in the food processing business	
7.	Impulse sealer	Impulse sealing is typically used to seal the barrier sacks and sack bags with many layers, metal and oxygen	

Machine	Unit	Rate	Price
Dough Kneading (25 Kg)	4	60,000	2,40,000
Mixer machine (Capacity - 50 Kg)	2	2,00,000	4,00,000
Moulding Frames	100	450	45,000
Leavening (12 Trays)	3	42,000	1,26,000
Baking oven (36 Trays)	1	5,00,000	5,00,000
Bread Slicing machine (36 Slices)	1	48,000	48,000
Impulse sealer (50 pouches per hour)	1	1,499	1,499
Total			13,60,499

Cost of the machinery is approx. Rs.13.60 Lakhs excluding GST and other transportation cost

Miscellaneous Assets at a cost of Rs.1.20 lakhs.

- Electricity Connection & Fitting
- Furniture & Equipment's

Annexure B

BASIS & PRESUMPTIONS

1. Production Capacity of Bread taken is 800 Kgs per day. First year, Capacity has been taken @ 55%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock holding is for 20 days and finished goods Closing Stock holding has been taken for 3 days (due to perishable nature of product).
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 10 days.
6. Interest on working Capital Loan and Term loan has been taken at 11%.
7. Power Consumption has been taken at 10 KW.
8. Selling Prices has been fixed at Rs.50/- per KG & Raw material cost at Rs.30/- per kg for the first year and estimated to increase by 5% & 5% respectively in the subsequent years.

COMPUTATION OF PRODUCTION OF BREAD

Items to be Manufactured	
Bread	
Machine capacity Per hour	100 Kgs
Total working Hours	8
Machine capacity Per Day	800 Kgs
Working days in a month	25 Days
Working days per annum	300 Days
Wastage Considered	3%
Raw material requirement	240000 Kgs
Final Output per annum after wastage	232800 Kgs
Final Product to be packed in 1 kg Packet	
Number of Packets per annum	232800 Nos.

Production of Bread

Production	Capacity	KG
1st year	55%	1,28,040
2nd year	60%	1,39,680
3rd year	62%	1,44,336
4th year	65%	1,51,320
5th year	70%	1,62,960

Raw Material Cost

Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	55%	30.00	39.60
2nd year	60%	32.00	46.08
3rd year	62%	34.00	50.59
4th year	65%	36.00	56.16
5th year	70%	38.00	63.84

COMPUTATION OF SALE

Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	1,280	1,397	1,443	1,513
Production	1,28,040	1,39,680	1,44,336	1,51,320	1,62,960
Less : Closing Stock	1,280	1,397	1,443	1,513	1,630
Net Sale	1,26,760	1,39,564	1,44,289	1,51,250	1,62,844
sale price per packet	50.00	53.00	56.00	59.00	62.00
Sales (in Lacs)	63.38	73.97	80.80	89.24	100.96

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	55%	60%	62%	65%	70%
SALES (Rupees in Lacs)					
Gross Sale					
Bread	63.38	73.97	80.80	89.24	100.96
Total	63.38	73.97	80.80	89.24	100.96
COST OF SALES					
Raw Material Consumed	39.60	46.08	50.59	56.16	63.84
Electricity Expenses	2.40	2.76	3.17	3.65	4.02

Depreciation	2.16	1.84	1.57	1.34	1.14
Wages & labour	5.76	6.34	6.97	7.53	8.13
Repair & maintenance	1.58	1.85	2.02	2.23	2.52
Packaging	4.44	5.55	5.49	6.07	6.87
Cost of Production	55.94	64.41	69.82	76.98	86.52
Add: Opening Stock /WIP	-	0.56	0.64	0.70	0.77
Less: Closing Stock /WIP	0.56	0.64	0.70	0.77	0.87
Cost of Sales	55.38	64.33	69.77	76.91	86.42
GROSS PROFIT	8.00	9.64	11.03	12.33	14.54
	12.62%	13.03%	13.66%	13.82%	14.40%
Salary to Staff	0.90	1.04	1.27	1.46	1.61
Interest on Term Loan	1.30	1.11	0.70	0.28	0.01
Rent	3.00	3.38	3.99	4.65	5.62
selling & adm exp	1.69	1.67	1.53	1.63	1.14
TOTAL	6.89	7.20	7.49	8.02	8.38
NET PROFIT	1.11	2.44	3.54	4.31	6.16
	1.75%	3.29%	4.39%	4.83%	6.10%
Taxation	-	-	0.05	0.09	0.36
PROFIT (After Tax)	1.11	2.44	3.49	4.22	5.80

PROJECTED BALANCE SHEET			(in Lacs)		
PARTICULARS	1st year(6 M)	2nd year	3rd year	4th year	5th year
Liabilities					
Capital					
opening balance	0	2.43	4.87	8.36	12.58
<i>Add:- Own Capital</i>	1.88	0	0	0	0
Add:- Net Profit after tax	0.55	2.44	3.49	4.22	5.80
Less:- Drawings	-	-	-	-	-
Subsidy/grant	0	0	0	0	5.08
Closing Balance	2.43	4.87	8.36	12.58	23.46
Term Loan (composite)	16.92	13.16	9.40	5.64	-
Sundry Creditors	1.32	1.54	1.69	1.87	2.13
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	21.07	20.07	20.05	20.81	26.45
Assets					
Fixed Assets (Gross)	14.80	14.80	14.80	14.80	14.80
Gross Dep.	2.16	4.00	5.57	6.91	8.06
Net Fixed Assets	12.64	10.80	9.23	7.89	6.74
Non Current Assets(Investments)	2.60	2.50	3.50	4.50	10.08
Current Assets					
Sundry Debtors	2.11	2.47	2.69	2.97	3.37
Stock in Hand	3.20	3.72	4.07	4.51	5.12
Cash and Bank	0.52	0.58	0.56	0.94	1.14
TOTAL :	21.07	20.07	20.05	20.81	26.45

Annexure C

Assessment of Working Capital

S.No.	Current Asset	Number of days holding	Quantity required/day	Rate (Rs)	Value (Rs in lakhs)
1.	Raw materials	20 days	440 kgs (800kgs*55%)	30	2.64
2.	Finished Goods	3 days	Cost of sales per day i.e. Cost of sales for the I year available in the profitability projection/300 days (Rs.55.38 lakhs/300 = 0.1846		0.56
3.	Debtors	10 days	Per day sales = Sales for I year/300 (Rs.63.38 lakhs/300 days = 0.21127)		2.11
	Total	33 days			5.31

Working Capital for One operating cycle - Rs.5.31 lakhs

Less Creditors (RMC i.e $39.60/300 \times 10$ days) = Rs.1.31 lakhs

Actual working capital requirement = Rs.4.00 lakhs

ANNEXURE-D

Loan Amount – Rs.16,92,000/-

Interest – 11% (Calculated on the Net Loan amount i.e Loan amount Rs.16.92 lakhs – Rs.5.08 lakhs = Rs.11.84 lakhs)

Repayment period – 60 months after a holiday period of 6 months

Net repayment period – 54 months

Date	Particulars	Debit	Credit	Balance	Interest*	Interest Per annum	Principal repayment P.A.
01.09.2021	To loan	1692000		1692000			
1	By repayment		0	1692000	10857		
2			0	1692000	10857		
3			0	1692000	10857		
4			0	1692000	10857		
5			0	1692000	10857		
6			0	1692000	10857	65142	0
7			31333	1660667	10857		
8			31333	1629334	10570		
9			31333	1598001	10283		
10			31333	1566668	9995		
11			31333	1535335	9708		
12			31333	1504002	9421		
13			31333	1472669	9134		
14			31333	1441336	8846		
15			31333	1410003	8559		
16			31333	1378670	8272		
17			31333	1347337	7985		
18			31333	1316004	7698	111328	375996
19			31333	1284671	7410		
20			31333	1253338	7123		
21			31333	1222005	6836		
22			31333	1190672	6549		
23			31333	1159339	6261		
24			31333	1128006	5974		
25			31333	1096673	5687		
26			31333	1065340	5400		

27			31333	1034007	5113		
28			31333	1002674	4825		
29			31333	971341	4538		
30			31333	940008	4251	69968	375996
31			31333	908675	3964		
32			31333	877342	3677		
33			31333	846009	3389		
34			31333	814676	3102		
35			31333	783343	2815		
36			31333	752010	2528		
37			31333	720677	2240		
38			31333	689344	1953		
39			31333	658011	1666		
40			31333	626678	1379		
41			31333	595345	1092		
42			31333	564012	804	28608	375996
43			31333	532679	517		
44			25079	507600	230		56412
45	Grant @30%		507600	0	0	747	564012
		1692000	1692000			275793	1692000

ANNEXURE – E

Risk assessment for the entrepreneur / enterprise

CREDIT RISK:
a. Whether the borrower is a permanent resident of the area as per KYC Document - Yes
b. No Negative references about the entrepreneur during oral enquiry Yes
c. In case of SHG Members, the applicant should have completed one-cycle of loan with full repayment Yes
D. No Previous record of overdue in the loans of the entrepreneur Yes
OPERATIONAL RISK:
e. No major risks for systems failure (e.g. IT servers kept in risk areas like flood prone or earthquake prone areas) in the proposed business Yes
f. No major risks for human failure (e.g. chances for monitoring lapse due to remote or decentralized operations)resulting in frauds Yes
BUSINESS RISK:
g. The entrepreneur has the adequate experience in the Line of activity selected Yes
h. The selected activity has enough scope or market Yes
i. The entrepreneur has a plan to manage the Competition in the industry / sector Yes
IMPLEMENTATION RISK:
j. The business will be commenced on time as per the plan (Is there any risk for time lapse due to construction or approval from Govt.) Yes
FINANCIAL RISK:
k. The entrepreneur can maintain the profit margin assumed: Yes
l. The payment terms of the clients (credit for 15 / 30 /60 days) are manageable to the entrepreneur Yes
ENVIRONMENT RISK:
m. The selected activity is not in the Negative list Yes

i. I have reviewed all the risk factors and find "No major risk" in the proposal.

ii. I find the following risk as a significant risk and the entrepreneur has the following plan to Manage that risk. – No significant risk.

Date:

Name and Signature of OSF

Prepared by
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