

Business Proposal for Tools, Dies and Moulds Design

Scope

Automobile industry and its allied sectors are growing at a fast pace in Pakistan owing to ever increasing demand from the consumers. To cater to this growing demand, new entrants to the market are always welcome to fulfill the growing demand of tools, dies and moulds. Entrepreneurs well versed in latest TDM technologies can have successful profitable businesses in this sector.

Business Route

TUSDEC offers training to potential entrepreneurs under Prime Minister's youth business loan scheme in the fields of tools, dies and moulds. After receiving this training, the graduates will become well aware with technologies and latest trends in the manufacture of tools, dies and moulds along with thorough know how of quality standards. The trainees will also be given inside market knowledge of how to build relations with potential Original Equipment Manufacturer s and clients. They will gain insight into supply chain mechanisms of Automobile industry. After the training, the graduates will be able to open their own small scale manufacturing or supply unit. With the entrepreneurial skills in hand and a knowhow of market trends, the entrepreneurs will be able to start a profitable business owing to increasing demand of automobile industry.

Training Duration

4 Weeks

Setting up the Business

This business can be setup within a period of one month with the following resources:

1. HR Requirements

A maximum of 5-6 skilled and semi-skilled workers will be required to kick start the Ceramics manufacturing / trading unit.

2. Equipment List

S.No.	Equipment Name
1	Milling Machine
2	Shaper Machine
3	Drill machine
4	Lathe Machine

3. Tentative Cost Calculations (Capital and Operational Cost for a year)

S.No.	Item	Expenditure (Rupees)
1	Machinery and Equipment	840,000
2	Furniture and Fixtures	100,000
3	Advance shop rent	200,000
4	Kick off expenses	50,000
	Total Capital Costs	1,190,000
1	Regular Salaries	560,000
2	Material Costs	150,000
	Total Operating Costs	710,000
	Total Project Cost	1,900,000

Services to be Provided

- Manufacturing and Designing of Tools, Dies and Moulds
- Trading of Tools, Dies and Moulds
- On-the-Job training of unskilled/semi-skilled workers

Future Prospects

The entrepreneur is expected to earn a net profit of Rs. 300,000 in the first year of investment, Rs. 400,000 in the second year, and with an expected growth of 10% every successive year, he will be able to earn increasing profits which in return will give him good prospects to expand the business.

Through building contacts with Original Equipment Manufacturers and Clients and penetrating into the local market through extensive know how of latest TDM technologies and market trends, the entrepreneur can take advantage of economy of scale and run a successful profitable business.

Detailed Loan Repayment Schedule

Financial Assumptions:

Project Life (years)	8
Interest rate (p.a.)	8.00%
Payments per Year	12
Principal amount for Year1	0

Summary of Loan Repayment and Expected Profit Earned:

Years								
Repayment	1	2	3	4	5	6	7	8
Principal	0	210,991	228,503	247,468	268,008	290,253	314,344	340,434
Interest	152,000	144,375	126,863	107,897	87,358	65,113	41,022	14,932
Total Repayment	152,000	355,366	355,366	355,366	355,366	355,366	355,366	355,366
Minimum Earning to Cover Loan amount	8.0%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%	18.7%
Expected Return %	23.7%	37.12%	42.4%	45.0%	50.3%	55.5%	60.8%	66.1%
Expected Return Amount	452,000	705,366	805,366	855,366	955,366	1,055,366	1,155,366	1,255,366
Net Profit	300,000	400,000	450,000	500,000	600,000	700,000	800,000	900,000

Note:

On an initial investment of Rs. 1,900,000, it is expected that the small scale manufacturing and trading unit of TDM will sprout net profit worth of Rs. 300,000 in year 1. The above calculations are true if financial assumptions hold true and economy does not experience any unforeseen risks.

For entrepreneurs carrying out the same business ventures with less/more investment or with partnership investment (personal investment plus loan) than customized feasibilities will be made for assisting such beneficiaries.

Detailed Interest Payment Schedule:

Time (months)	Balance	Principal Repayment	Interest	Monthly Installment	Principal Payable
1	1,900,000	0	12,667	12,667	1,900,000
2	1,900,000	0	12,667	12,667	1,900,000
3	1,900,000	0	12,667	12,667	1,900,000
4	1,900,000	0	12,667	12,667	1,900,000
5	1,900,000	0	12,667	12,667	1,900,000
6	1,900,000	0	12,667	12,667	1,900,000
7	1,900,000	0	12,667	12,667	1,900,000
8	1,900,000	0	12,667	12,667	1,900,000
9	1,900,000	0	12,667	12,667	1,900,000
10	1,900,000	0	12,667	12,667	1,900,000
11	1,900,000	0	12,667	12,667	1,900,000
12	1,900,000	0	12,667	12,667	1,900,000
13	1,900,000	16,947	12,667	29,614	1,883,053
14	1,883,053	17,060	12,554	29,614	1,865,993
15	1,865,993	17,174	12,440	29,614	1,848,819
16	1,848,819	17,288	12,325	29,614	1,831,531
17	1,831,531	17,404	12,210	29,614	1,814,127
18	1,814,127	17,520	12,094	29,614	1,796,607
19	1,796,607	17,636	11,977	29,614	1,778,971
20	1,778,971	17,754	11,860	29,614	1,761,217
21	1,761,217	17,872	11,741	29,614	1,743,345
22	1,743,345	17,992	11,622	29,614	1,725,353
23	1,725,353	18,111	11,502	29,614	1,707,242
24	1,707,242	18,232	11,382	29,614	1,689,009
25	1,689,009	18,354	11,260	29,614	1,670,656
26	1,670,656	18,476	11,138	29,614	1,652,180
27	1,652,180	18,599	11,015	29,614	1,633,580
28	1,633,580	18,723	10,891	29,614	1,614,857
29	1,614,857	18,848	10,766	29,614	1,596,009
30	1,596,009	18,974	10,640	29,614	1,577,035
31	1,577,035	19,100	10,514	29,614	1,557,935
32	1,557,935	19,228	10,386	29,614	1,538,707
33	1,538,707	19,356	10,258	29,614	1,519,352
34	1,519,352	19,485	10,129	29,614	1,499,867
35	1,499,867	19,615	9,999	29,614	1,480,252
36	1,480,252	19,745	9,868	29,614	1,460,507
37	1,460,507	19,877	9,737	29,614	1,440,629
38	1,440,629	20,010	9,604	29,614	1,420,620
39	1,420,620	20,143	9,471	29,614	1,400,477
40	1,400,477	20,277	9,337	29,614	1,380,200

Time (months)	Balance	Principal Repayment	Interest	Monthly Installment	Principal Payable
41	1,380,200	20,412	9,201	29,614	1,359,787
42	1,359,787	20,549	9,065	29,614	1,339,239
43	1,339,239	20,686	8,928	29,614	1,318,553
44	1,318,553	20,823	8,790	29,614	1,297,730
45	1,297,730	20,962	8,652	29,614	1,276,767
46	1,276,767	21,102	8,512	29,614	1,255,665
47	1,255,665	21,243	8,371	29,614	1,234,423
48	1,234,423	21,384	8,229	29,614	1,213,038
49	1,213,038	21,527	8,087	29,614	1,191,511
50	1,191,511	21,670	7,943	29,614	1,169,841
51	1,169,841	21,815	7,799	29,614	1,148,026
52	1,148,026	21,960	7,654	29,614	1,126,066
53	1,126,066	22,107	7,507	29,614	1,103,959
54	1,103,959	22,254	7,360	29,614	1,081,705
55	1,081,705	22,402	7,211	29,614	1,059,303
56	1,059,303	22,552	7,062	29,614	1,036,751
57	1,036,751	22,702	6,912	29,614	1,014,049
58	1,014,049	22,853	6,760	29,614	991,195
59	991,195	23,006	6,608	29,614	968,189
60	968,189	23,159	6,455	29,614	945,030
61	945,030	23,314	6,300	29,614	921,716
62	921,716	23,469	6,145	29,614	898,247
63	898,247	23,625	5,988	29,614	874,622
64	874,622	23,783	5,831	29,614	850,839
65	850,839	23,942	5,672	29,614	826,897
66	826,897	24,101	5,513	29,614	802,796
67	802,796	24,262	5,352	29,614	778,534
68	778,534	24,424	5,190	29,614	754,111
69	754,111	24,586	5,027	29,614	729,524
70	729,524	24,750	4,863	29,614	704,774
71	704,774	24,915	4,698	29,614	679,859
72	679,859	25,081	4,532	29,614	654,777
73	654,777	25,249	4,365	29,614	629,529
74	629,529	25,417	4,197	29,614	604,112
75	604,112	25,586	4,027	29,614	578,525
76	578,525	25,757	3,857	29,614	552,768
77	552,768	25,929	3,685	29,614	526,840
78	526,840	26,102	3,512	29,614	500,738
79	500,738	26,276	3,338	29,614	474,463
80	474,463	26,451	3,163	29,614	448,012
81	448,012	26,627	2,987	29,614	421,385
82	421,385	26,805	2,809	29,614	394,580

Time (months)	Balance	Principal Repayment	Interest	Monthly Installment	Principal Payable
83	394,580	26,983	2,631	29,614	367,597
84	367,597	27,163	2,451	29,614	340,434
85	340,434	27,344	2,270	29,614	313,090
86	313,090	27,527	2,087	29,614	285,563
87	285,563	27,710	1,904	29,614	257,853
88	257,853	27,895	1,719	29,614	229,958
89	229,958	28,081	1,533	29,614	201,877
90	201,877	28,268	1,346	29,614	173,610
91	173,610	28,456	1,157	29,614	145,153
92	145,153	28,646	968	29,614	116,507
93	116,507	28,837	777	29,614	87,670
94	87,670	29,029	584	29,614	58,641
95	58,641	29,223	391	29,614	29,418
96	29,418	29,418	196	29,614	0

For detailed business plan, Please contact our help desk