

# Business Plan Document

Prepared For

**ABC Company**  
**Chennai – 600 001.**

Prepared by



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- User of this format is advised to note the following
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## **1.0 Executive Summary**

This business plan has been developed to be used as an internal document for decision making and directional purpose. This is purely an internal document since Chess Facilitators is not looking at external funding - equity or loan.

### **The Company**

Chess Facilitators, Inc. is a start-up company that, as the generic name suggests, plans to market quality chess training that is internet based. Promoters and the JV partners have lot of experience in scholastic chess scene.

### **Market Potential**

A massive potential market base exists in the form of scholastic chess players. Potential is going to grow exponentially. Today, estimated number of scholastic chess players is 20000, 10% of which is in Tamil Nadu alone, the head quarter of the company. Market is tipped to reach 100000, by 2015.

The company has tie up with Improve Your Chess Dot Com; an internet based training site specialising in training for intermediate chess players.

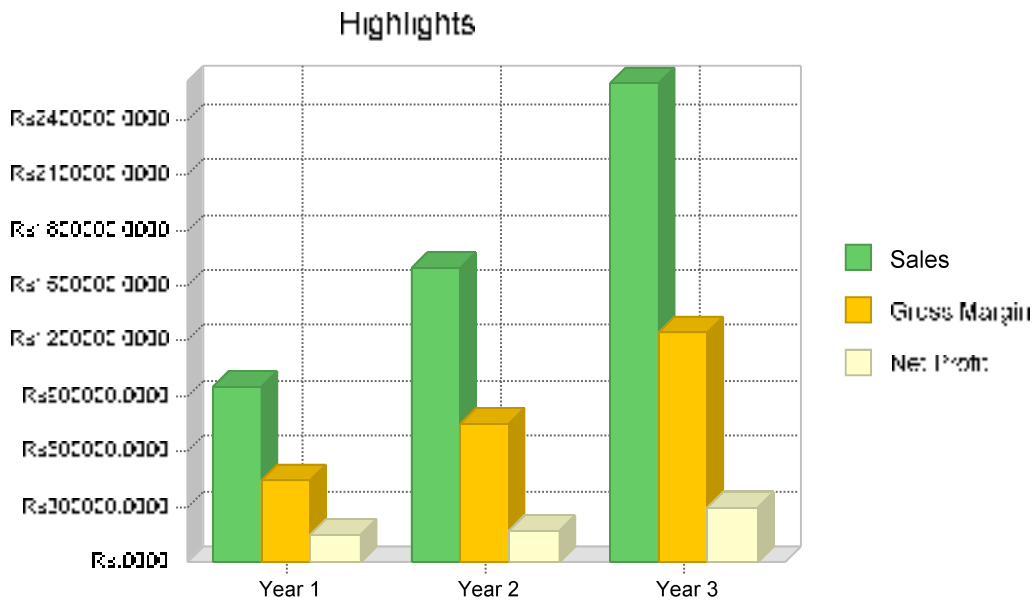
### **Strategy**

Our strategy is based on serving niche markets well. The world is full of individuals and small and medium-sized businesses that can't get good products or services from the major vendors who focus on high-volume orders only.

### **Competitive Advantage**

First of its kind in Indian Market. Pricing is extremely competitive and as such success is a foregone conclusion. Company, however needs to guard against complacency.

**Chart: Highlights**



**1.1 Objectives**

- To open and operate a successful company to bring in products that facilitate chess starting with Pan India representation of Improve Your Chess Dot Com (IYC).
- To obtain a minimum of 500 regular enrolments for IYC in the first year of operation.
- Achieve second year target of 1000 members and third year target of 1500 members.
- Conceptualise and generate add on services within six months.
- Overall sales target of Rs.10,00,000/- in the first year

**1.2 Mission**

Chess Facilitators intends to develop an inventory of unique products and services that can add aid and develop a chess player to realise his/her full potential and reasonable prices. These products and Services, which will be sourced from Western World, will be made available to the Indian Chess community.

By joining hands with Improve Your Chess Dot Com, Chess Facilitators will have nicely packaged product to budding chess players throughout India at affordable prices.

**1.3 Keys to Success**

1. Marketing power. We have the right set of people to market the product. Chess coaches will be recruited in large number and will be remunerated on incentive and referral plan.
2. Innovative quality product for Indian Market. Key is to reach potential customers.
3. Exclusive distribution rights to ground-breaking products not currently popular in our market. Lack of popularity is just lack of knowledge.
4. Customer satisfaction is critical to our survival. Referral is very important.
5. The right management team, with strong foundations in marketing, management, finance, and product development.

## Chess Facilitators

### 2.0 Company Summary

Chess Facilitators, is a new business located in Chennai, India, and will be established based on the details of the following plan.

### 2.1 Company Ownership

The company will be a proprietary concern in Chennai, India. It will have need based capital funding by the promoter, being a proprietary concern.

The proposed share capital of the company *prior to capital rising*

<b>Owners</b>	<b>Percentage of Share</b>
S.Jeyasri	100%

The Seed Capital brought in by the promoter is Rs.50000/-.

Additional working capital will be brought in by the promoter as and when necessary. The business does not require huge working capital.

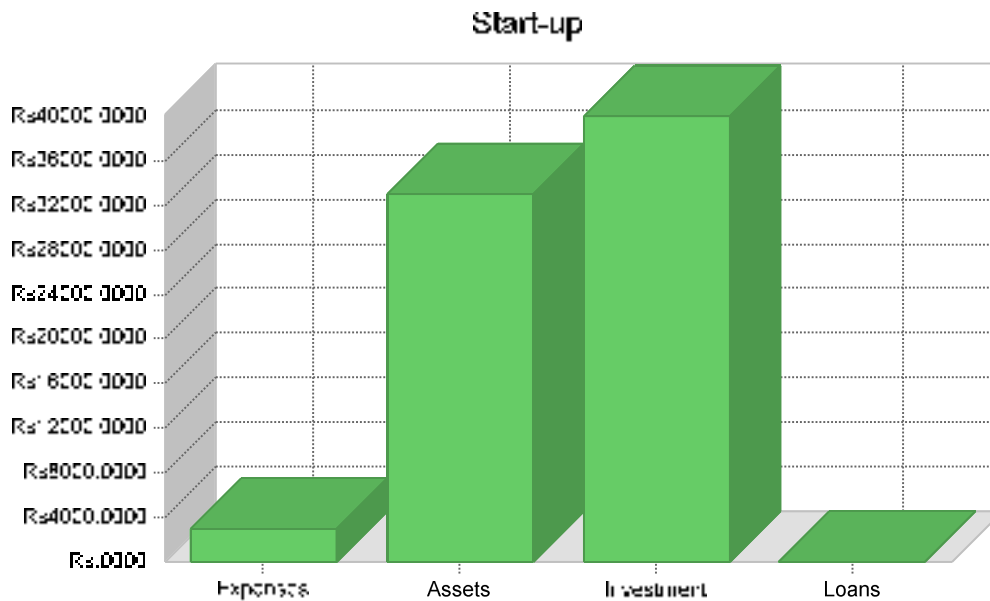
### 2.2 Start-up Summary

Total start-up expense (including legal cost, logo design, stationery and related expenses) comes to Rs.33, 000. The table below illustrates a complete breakdown of all start-up assets that are needed, as total start-up requirements. Currently, we have no short-term liabilities.

**Table: Start-up**

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Legal	Rs.1,000
Printing & Stationery	Rs.500
Courier and Communication	Rs.500
Miscellaneous	Rs.1,000
Total Start-up Expenses	Rs.3,000
Start-up Assets	
Cash Required	Rs.3,000
Other Current Assets	Rs.25,000
Long-term Assets	Rs.5,000
Total Assets	Rs.33,000
<b>Total Requirements</b>	<b>Rs.36,000</b>

**Chart: Start-up**



**2.3 Company Locations and Facilities**

The company will initially function as a home office from the residence of the promoter. The website needs to be registered.

Smallness of the immediate operation does not require a separate office space in view of the fact that the firm has strategic tie up with an established chess coaching academy and the product sold is a virtual product.

Business strategy worked out is also not location specific.

**3.0 Products**

The product offered by Chess Facilitators is a virtual product. It is sale of membership to Improve Your Chess Dot Com web site for aspiring chess players. Just like one does regular work out in gym for one's health, the person's chess health can only improve if one does regular chess exercises in a "Chess Gym". Platform for this is provided by IYC and marketed by Chess Facilitators.

There is scope for packaging further products within IYC space.

**3.1 Product Description**

Membership to IYC's Chess Gym entitles the subscribers to access various chess workout machines. Tactics for Novice, intermediate and advanced players, Basics of Strategy, Move selection improvement through "Your Move", getting to know why a strong player has "well formed muscles" through "How good is your Chess", Analysis primer with "Unlock your Genius" and Basics of opening and end game. The idea is unparalleled. Very ideal product for a range of chess players from beginners to chess up to an elo of 1800.



## Chess Facilitators

While the cost of membership to IYC is \$49.99 in the first year, Chess Facilitators brings it to India at Rs.2000/- There is an introductory discount of Rs.200/- making it Rs.1800/- or just Rs.150 per month. Renewals will be priced at Rs.1200/- from the second year onwards.

### **3.2 Competitive Comparison**

There is virtually no completion since this is the first time a service/product like this is brought in. At the same time, despite being a virtual product and despite the fact the business framework depends on the well being of the web site in question, acceptability will be a breeze since the Internet Chess Club has a similar vendor in virtual product space. In terms of real products, Everyman Chess books has a distributor in India. We will be looked at as a natural progression and there would be no resistance.

### **3.3 Sales Literature**

Literature, articles, product descriptions for all of the company's products we represent, and all of the other information that a referral partner needs to know, will be available for immediate access through our Internet site to be launched. Principal's website will also have India specific details

Introductory information about our company will also be placed on our website, but detailed information describing our company and its positioning will be mailed to the referral partners.

### **3.4 Sourcing**

Cost of membership as sourced from IYC would be \$20 for initial membership and \$14 for renewals. At an exchange rate of Rs.50 to a dollar gross retention would be Rs.800 for initial membership and Rs.500 for renewals. Since the cost per month is not even that of one personal coaching class, the pricing compares favorably.

Virtually every urban house has a computer and internet connection. There would be no product delivery issues.

### **3.5 Technology**

The whole business is internet technology dependant. Development in technology will benefit business. Business frame work depends on emails, web sites and search engines. This will be seamlessly integrated with conventional marketing and referrals. Any development in technological space would be a boon to the business.

### **3.6 Future Products**

There are no immediate plans for introducing new products. However, when opportunity unfolds, new product lines will be added in chess facilitation space. There are quite a few options that will be explored after six months.

#### 4.0 Market Analysis Summary

Market for Chess Facilitators is any person who knows chess moves who wants to improve and who have an international rating of less than 2000 points. Typically the western world categorized these players as Class A - 1800-2000, Class B - 1600-1800, Class C 1400-1600 and Class D 1200-1400.

Measurability of strength of class players was nonexistent in India since there is no rating system in India other than world chess federation's (FIDE) elo rating system. Previously elo threshold used to be 2000. That is, only accomplished players could get a rating in India. Now that FIDE reduced the rating threshold, virtually every one playing in FIDE rated tournaments, will be given some rating points.

Chess rating System is on a logarithmic scale. This means only 10-15% of tournament players reach even 2000 elo. Not having an internal rating system meant that a vast majority of players in India had no objective way of gauging their strength. Chess improvement was totally subjective.

Now that Fide has reduced its threshold to 1200, suddenly there is a huge market which will look at improving its chess abilities in a more objective fashion. Chess Facilitators seeks to provide this objectivity through Improve Your Chess Dot Com.

Second factor going in our favour is the general chess boom in India. Particularly scholastic chess is very vibrant in India. Numbers are fascinating.

- A typical scholastic chess weekend tournament in India attracts more than 450 entries
- Tamil Nadu State Chess Association has nearly 4000 members. Nearly 3000 of them are less than 16 years of age.
- New Delhi City has 700 registered players. 400 of them are below 15 years.
- State of Gujarat has decided to introduce Chess in the curriculum of Schools and have started training teachers to teach chess at schools.
- [http://www.thaindian.com/newsportal/sports/gujarat-to-promote-chess-in-schools\\_10048009.html](http://www.thaindian.com/newsportal/sports/gujarat-to-promote-chess-in-schools_10048009.html)
- Anand-NIIT initiative has taken chess to rural schools. Effect of this will slowly, but surely, be felt in tournament circuits.
- Not all state chess associations have web sites and/or registered players list. Exact head count is not possible. Based on extrapolation of available data, it is reasonable to say at least 15000 urban scholastic chess players participate in state level tournaments and about 2500 of them in National level tournaments.
- Of these numbers, except for 150 or so players over the rating of 2000 elo rest of the players are all target customers.

Thirdly, if present market conditions and short term growth prospects are good, long term growth prospects are excellent. A recent KPMG study suggests that by 2020 India would be among the top five economies in the world and the average age of India would be 26. 1.4 billion people with an average age of 26! We are looking at a huge market. Anything for children which has quality and value for money is going to sell. And sell very well.

## 4.1 Market Segmentation

### Scholastic Chess Players

They constitute the single largest segment of the market. Though the actual purchasers are parents, the decision makers are the children concerned. Their coaches too wield significant influence. Of the estimated 20000 strong children in the country, 2000 are quite serious about their chess. These are the ones who participate in various age group nationals. Balance play up to state level.

Part of this segment - children who participate in age group tournaments up to 12 years - are the primary target group. This group has fascination for computers and love to play and train in computers. Interactive chess lessons prove intuitive to this segment.

### Chess schools in Chennai

There are a few schools in Chennai that have opted for chess as one of the co-curricular activities. Roughly 20% of the children going to these schools study chess. Freelance chess coaches take regular classes in these schools. JV partners of Chess Facilitators have close tie-up with two such schools.

### Adult Intermediate players

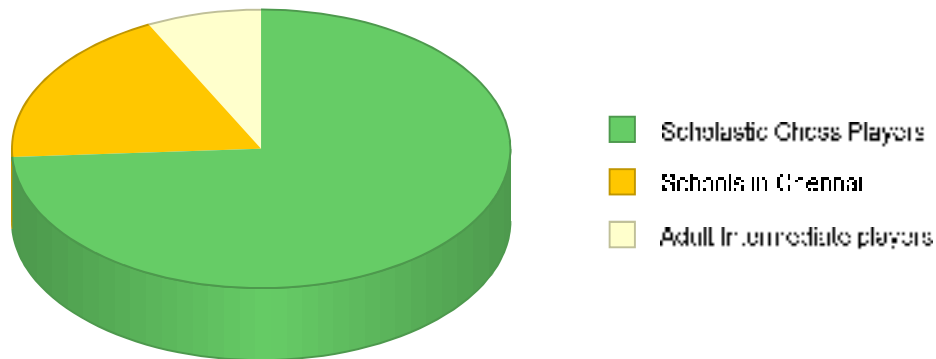
They come and play in tournaments purely as hobby. Most of them have day jobs. While they can take decisions on their own, they have bills to pay every month. This segment is not a thrust area for the present.

**Table: Market Analysis**

<i>Market Analysis</i>							
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Scholastic Chess Players	10%	20,000	22,000	24,200	26,620	29,282	10.00%
Schools in Chennai	10%	5,000	5,500	6,050	6,655	7,321	10.00%
Adult Intermediate players	5%	2,000	2,100	2,205	2,315	2,431	5.00%
<b>Total</b>	<b>9.65%</b>	<b>27,000</b>	<b>29,600</b>	<b>32,455</b>	<b>35,590</b>	<b>39,034</b>	<b>9.65%</b>

**Chart: Market Analysis (Pie)**

Market Analysis (Pie)



#### 4.2 Target Market Segment Strategy

##### **Why do scholastic chess players gain prominence in our Strategy compared to other segments?**

- Sheer size of the market.
- Exuberance and confidence of youth and their love for things new in life and peer pressure.
- They are the decision makers while ~~someone~~ else writes cheques!
- Parental anxiety to provide cutting edge differentiation for their wards.
- Parent's need for comparison. They wouldn't want their children to miss out on anything, even though, they cannot afford what is best in class.
- Product offered makes life of coaches easier, initial skepticism notwithstanding.

##### **Why only Chennai schools as secondary thrust area?**

- We have decent say in a couple of schools.
- More serious among other schools will be covered by referral programs.
- Converting more serious ones is targeted by other means such as referrals. Trying to convert the fence sitters is being tried only in Chennai.
- Spreading the wings indiscreetly may prove to be expensive and counterproductive.

##### **Why not adult intermediate players?**

- Reaching out to them will be quite expensive.
- Even then, their own time and money constraint will prove to be an impediment

#### 4.2.1 Market Needs

The market needs of the target segment are straightforward - The users want to improve their chess skills. Three years before an objective measurement of their chess skills was not possible. Today Elo rating is an objective measuring tool. (Refer Market Analysis Summary)

Tactical Training and chess vision training are the most important areas for development for the target market. These tools, if used regularly will only result in the increase in chess strength and will result in customer satisfaction among the target customers

#### 4.2.2 Market Trends

Market trend for scholastic chess is heading north as far as India is concerned. There are compelling reasons for the upward trend.

- Phenomenal success of Anand has resulted in a chess boom.
- Parents who want to enroll their child in a healthy extracurricular activity end up choosing chess, for its purported beneficial effects.
- Organizers are quick to cash in on this trend. They end up distributing trophies for every third child in a weekend tournament. This satisfies esteem value need and brings in more children to the game.
- More successful children get good academic seats thro' sports quota which, in turn, brings in more prospects

#### 4.2.3 Market Growth

Market growth projected in Market Analysis Table is, at best pessimistic. It is worth reconsidering what is stated in Market Analysis Summary.

- State of Gujarat has decided to introduce Chess in the curriculum of Schools and have started training teachers to teach chess at schools.
- [http://www.thaindian.com/newsportal/sports/gujarat-to-promote-chess-in-schools\\_10048009.html](http://www.thaindian.com/newsportal/sports/gujarat-to-promote-chess-in-schools_10048009.html)
- Anand-NIIT initiative has taken chess to rural schools. Effect of this will slowly, but surely, be felt in tournament circuits.
- India is getting younger. Sheer size of target age strata is going to grow in the years to come.

#### 4.3 Industry Analysis

Chess is a niche activity. A hobby. However, there are certain major distinctions compared to say, gardening or pet breeding.

- Chess is a sport in India.
- It has an aura of intelligence associated with it.
- It is a symbol of analytical and spatial skills, memory and other parameters of cognitive science.

It is for these reasons some parents want their children to take up chess. Seamless transformation of chess skills to real world is assumed, though not possible without additional

## Chess Facilitators

efforts. This does not deter any one from taking up chess. Worst case scenario is that, children don't lose anything. This may be correct so long as chess addiction does not set in.

Despite this small glitch, the industry (if you can call it as one) is very healthy. Recession is not likely to affect this industry.

### 4.3.1 Industry Participants

Currently, the major industry participants are as follows:

- Administrators - People who run the Associations and Federations. They are the ones who define industry landscape. It pays to be in the same tent as they are.
- Organizers - They are the ones who organise chess tournaments where promotional stalls have to be put to sell Chess Facilitators' products.
- Chess Players - Our target Market
- Coaches and Vendors - They would be on our side as well.

### 4.3.2 Distribution Patterns

This is a virtual product. For the purpose of this section, distribution needs to be loosely defined as the path with which the product moves from manufacturer to consumer.

- IYC stores chess data in its server. The product sold is the membership to access the data.
- Chess Facilitators can be loosely termed as sole distributors to India.
- Chess Facilitators recruit Chess coaches and vendors as referral partners.
- Referral partners and the distributors together sell membership to prospects.
- Product delivery - registration of membership in IYC server - happens in one of the following two ways
  - Direct enrolment into the web server by paying through credit cards.
  - Making payment to Chess Facilitators who in turn will do the registration process.

### 4.3.3 Competition and Buying Patterns

As the foregoing discussions indicate, there is virtually no competition. Similarly buying pattern will be hard to define. The product offered has utility for a customer only for a period of two or three years. The customers would out grow the utility, by then.

But when do they actually buy? It is based on need, temptation in seeing the demo, peer pressure or suggestion of coaches. It can virtually happen any time. However, 95% of the sale is likely to happen around tournament calendar. I.e. from April through January.

### 4.3.4 Main Competitors

Foregoing discussions make it amply clear that there is no significant competition - at least in the short term. Product is first of its kind in India. Depending on the success of this venture, some Indian sites with similar and modified contents may mushroom. However, Chess Facilitators will have a head start. This advantage requires vigilance for retention.

## 5.0 Strategy and Implementation Summary

Our strategy is based on serving niche markets well. The world is full of individuals and small and medium-sized businesses that can't get good products or services from the major vendors who focus on high-volume orders only.

Also:

- What begins as a customized geographical version of a standard product, tailored to the needs of local customers, can eventually become a niche product that will fit the needs of similar customers across the country.
- We are building our marketing infrastructure so that we can eventually reach specific kinds of businesses across broad geographic lines.
- We focus on satisfying the needs of novice and intermediate chess players.
- We focus on follow-on chess lessons that we can take to the masses, not leading-edge materials that aims at the experts.

## 5.1 Strategy Pyramid

### Marketing Strategy

- Our main Strategy is to position ourselves as a chess enabler of repute at the top of the Quality scale.
- Immediate thrust area as a means of achieving the main strategy. is to market IYC enrolment for scholastic chess segment in India.

### Marketing Tactics

- **Pricing** - Pricing strategy is that India, being a third world country with limited disposable income, would pay less compared to more advanced countries in the west. The product delivered is the same one.
- **Advertisement** - Advertisement strategy would be limited to an Ad in Indian chess magazine to announce the arrival and plug-ins in Indian Chess sites
- **Public Relations** Programs
- **Direct Marketing** by means of Face to Face selling in Chess tournaments.
- **Channel Marketing** through intermediaries.

### Marketing Programs

- Advertising in All India Chess Federation's Chess Magazines.
- Plug-ins in most of the chess web sites in India. Sites would be given referral IDs and 10% of the conversion would be credited to them.
- 10% price discount for initial six months.
- Conducting a chess tournament in the name of IYC.
- Free membership for winners of select tournaments.
- Stalls in Chess tournaments as part of direct marketing effort.
- Appointment of channel partners who are basically chess vendors.
- Directory of Indian coaches at the web site and offer to become channel partners.
- Role of honour in the web site - Members who finish in the top three will be listed in the web site with photographs

## 5.2 Value Proposition

This is the major USP of Chess Facilitators. One Year membership gives its members the time tested and most recommended training methodology comprising of

- Tactics for Novice, intermediate and advanced players - Single most important training tool for developing player. This section has more than 3000 exercises
- Basics of Strategy - Download of past years is available
- Move selection improvement through "Your Move" - Download of past years is available
- How good is your Chess - Playing through master games and getting to know why a strong player has "well formed muscles". This section comes with unique software. The member is evaluated based on his/her move selection compared to that of the master
- "Unlock your Genius" - In this section the chess player gets to have a feel for analysis skills
- Basics of opening and end game.
- Added to this, stronger of the players can chose to get insights and recommendations from world famous trainers such as Grand Master Jonathan Rowson. This has additional fee over and above subscription.

All this for an annual subscription of Rs.1800/- This works out to only Rs.150 per month which is less than the cost of one direct coaching class in a month.

## 5.3 Competitive Edge

Though there are no direct competitors for the product in question Chess Facilitators aims to establish key differentiators compared to other enablers. Striving to differentiate with Hard Work, Integrity and customer satisfaction is fundamental to the functioning of Chess Facilitators.

Chance to draw strength from the Principals and their reputation is another driver of competitive edge.

## 5.4 Marketing Strategy

Our marketing strategy emphasizes focus. This is the key. We are a small company with limited resources, so we must focus on certain kinds of products with certain kinds of users. More specifically:

- We focus on the target group, which are scholastic chess players in India.
- We focus our energies and resources in reaching out to them.
- We focus on the content. The kind of content quality that produces good, quotable reviews, which can then generate sales at the retail level because of quotes on boxes. We must always have some PR component to our marketing, because reviews are critical.

### 5.4.1 Positioning Statement

For Scholastic Chess Players who require a result oriented chess improvement tool, Chess Facilitators, their JV partners and channel partners bring in intuitive solution in the form of Improve Your Chess Dot Com membership. which is unique.



### **5.4.2 Pricing Strategy**

1. Membership will be priced at Rs.2000/- per annum. Initial discount of Rs.200 will be given for six months.
2. Renewals will be priced at Rs.1200/-
3. JV partners will get Rs.350/- per enrolment on all direct sales when the pricing is Rs.1800/- and Rs.450/- when the pricing is Rs.2000/=
4. Channel partners and referral agents will get flat 10% JV partners will get an additional Rs.150/- on all sales by channel partners and referral agents.

### **5.4.3 Promotion Strategy**

- Stalls in tournament venues
- Coaches Directory in company web site
- List of members in company web site
- Members' achievements in Company web site
- Stall or No stall, pamphlet distribution in all tournament venues.

### **5.4.4 Distribution Strategy**

Product is internet server based.

### **5.4.5 Marketing Programs**

Refer to marketing programs under strategy pyramid.

## **5.5 Sales Strategy**

1. Sales happen either directly through JV partners or thro' channel partners and referral program participants.
2. Web site for Chess Facilitators would be created and it will function as a gate way to IYC site. apart from marketing IYC in India.
3. Web site will register channel partners and referral program participants.
4. If individual registration happens by paying thro' credit card, channel partner should first log in to the Chess Facilitators web site and then follow the link to reach IYC web site. This is needed to track referral commission payable.
5. Alternatively they can simply send payment to Chess Facilitators by other modes. In this case registration will be enabled by a special privilege password in IYC site. Settlement of Accounts will be periodic, monthly to start with and could be quarterly later on.

### **5.5.1 Sales Forecast**

The growth in sales may appear to be extremely high. However, Sales forecast is extremely reasonable compared to the market size. Sales is projected only at 2.50%, 5.00% and 7.5% of the 2009 levels of scholastic player segment, respectively for the first three years. Other two segments are totally ignored. This is an over cautious projection and not a realistic one.

Chennai and Tamil Nadu will be directly tapped with the help of JV partners and referral agents. On an all India basis there will be at least 50 referral agents in the first year. Our marketing strategy is designed to attract lot of sellers

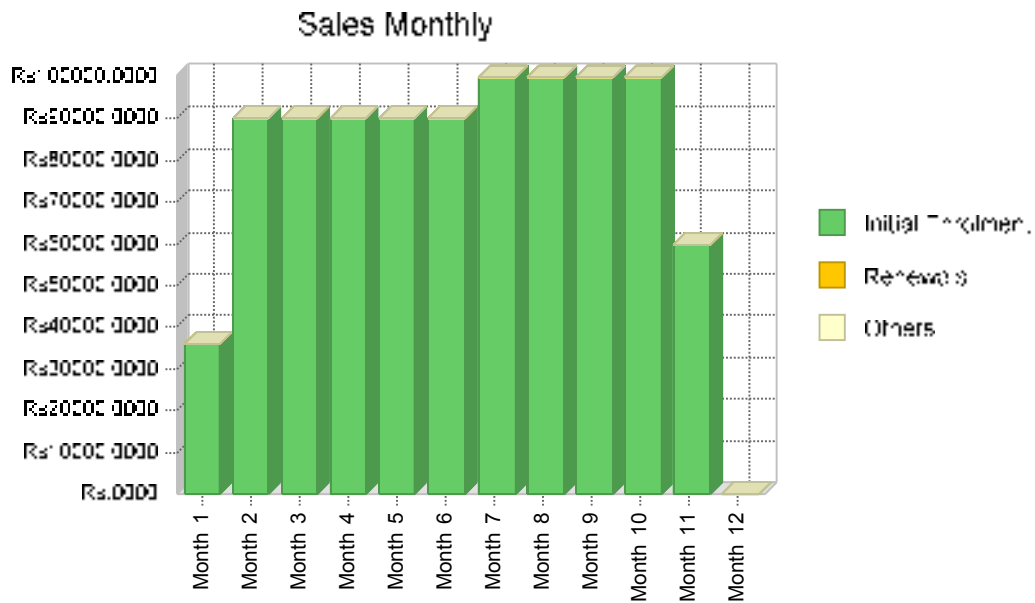
## Chess Facilitators

Upward revision of forecasts within six months is very likely.

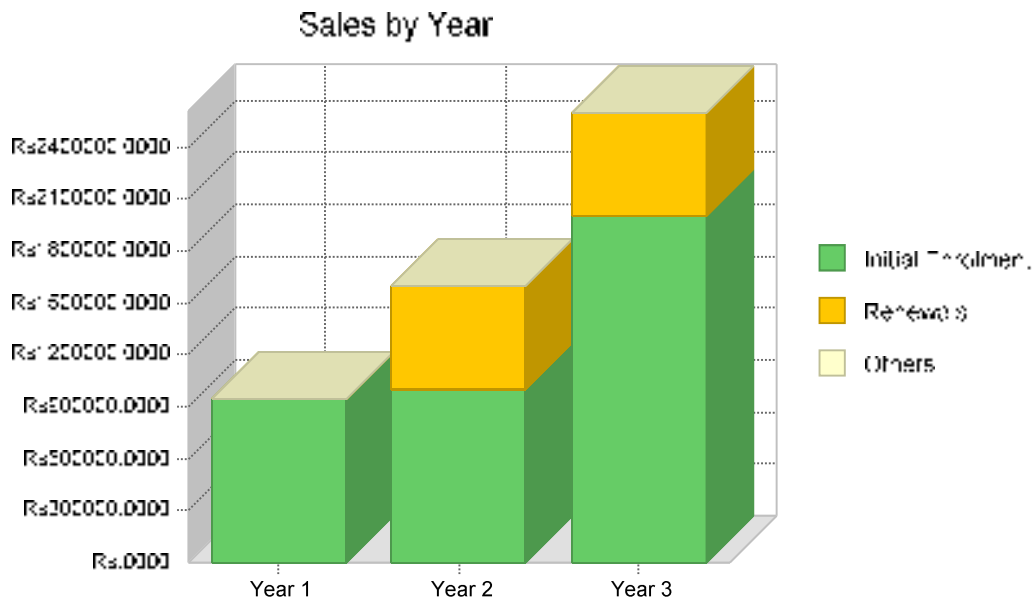
**Table: Sales Forecast**

<i>Sales Forecast</i>	Year 1	Year 2	Year 3
<b>Unit Sales</b>			
Initial Enrolment	500	500	1,000
Renewals	0	500	500
Others	0	0	0
<b>Total Unit Sales</b>	<b>500</b>	<b>1,000</b>	<b>1,500</b>
<b>Unit Prices</b>			
Initial Enrolment	Rs.1,892.00	Rs.2,000.00	Rs.2,000.00
Renewals	Rs.0.00	Rs.1,200.00	Rs.1,200.00
Others	Rs.0.00	Rs.0.00	Rs.0.00
<b>Sales</b>			
Initial Enrolment	Rs.946,000	Rs.1,000,000	Rs.2,000,000
Renewals	Rs.0	Rs.600,000	Rs.600,000
Others	Rs.0	Rs.0	Rs.0
<b>Total Sales</b>	<b>Rs.946,000</b>	<b>Rs.1,600,000</b>	<b>Rs.2,600,000</b>
<b>Direct Unit Costs</b>			
Initial Enrolment	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00
Renewals	Rs.0.00	Rs.700.00	Rs.700.00
Others	Rs.0.00	Rs.0.00	Rs.0.00
<b>Direct Cost of Sales</b>			
Initial Enrolment	Rs.500,000	Rs.500,000	Rs.1,000,000
Renewals	Rs.0	Rs.350,000	Rs.350,000
Others	Rs.0	Rs.0	Rs.0
<b>Subtotal Direct Cost of Sales</b>	<b>Rs.500,000</b>	<b>Rs.850,000</b>	<b>Rs.1,350,000</b>

**Chart: Sales Monthly**



**Chart: Sales by Year**



**5.5.2 Sales Programs**

- Word of Mouth Sale - 20 - March'09 - Co-ordination by T.Nagar Chess Academy
- Ad in All India Chess Federation Magazine to announce our arrival - April
- Extensive sales pitch in Tournament Venue -Distribution of pamphlets - April May

## Chess Facilitators

- Launch of Web Site - April
- Appointment of referral agents @ 5 per month in April, May and June.
- Conducting a children's tournament in June

### 5.6 Strategic Alliances

The whole business is strategic alliance with IYC, to start with. Fate of the company is directly tied to that of IYC.

The company has a joint venture partner in T.Nagar Chess Academy which will drive the sales management.

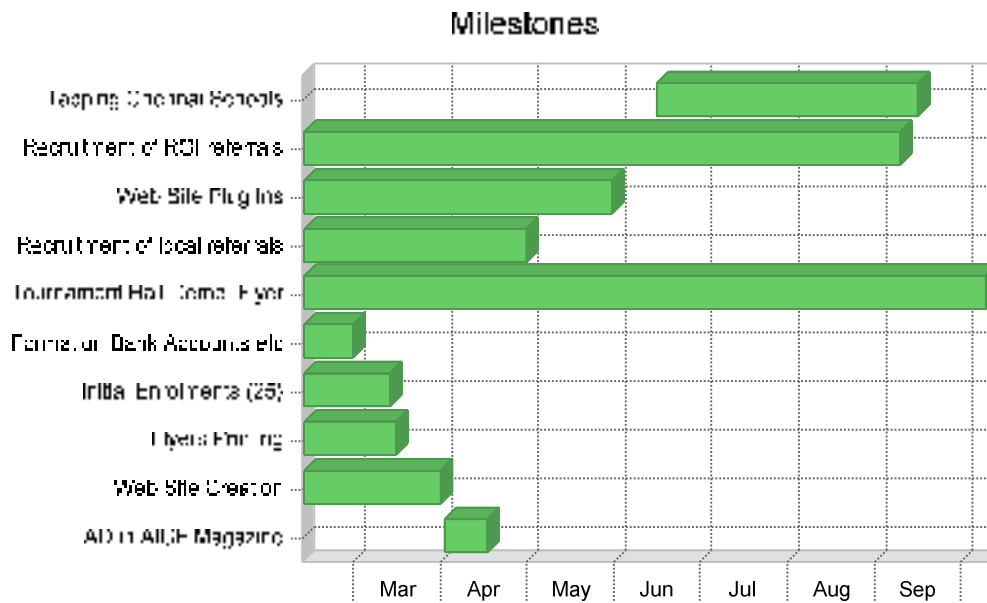
### 5.7 Milestones

Milestones as given in the Milestones table are self-explanatory

**Table: Milestones**

<i>Milestones</i>				
Milestone	Start Date	End Date	Budget	Owner
AD in AICF Magazine	01-04-2009	16-04-2009	Rs.3,000	SJ
Web Site Creation	11-02-2009	31-03-2009	Rs.10,000	SJ
Flyers Printing	11-02-2009	15-03-2009	Rs.5,000	SJ
Initial Enrolments (25)	11-02-2009	13-03-2009	Rs.0	SR/Bala
Formation Bank Accounts etc	11-02-2009	28-02-2009	Rs.5,000	SJ
Tournament Hall Demo, Flyer	11-02-2009	09-10-2009	Rs.0	SR/Bala
Recruitment of local referrals	11-02-2009	30-04-2009	Rs.0	SR/Bala
Web Site Plug Ins	11-02-2009	30-05-2009	Rs.0	SJ/SR/Bala
Recruitment of ROI referrals	11-02-2009	09-09-2009	Rs.2,000	SR/Bala
Tapping Chennai Schools	15-06-2009	15-09-2009	Rs.0	SR/Bala
<b>Totals</b>			Rs.25,000	

**Chart: Milestones**



**6.0 Management Summary**

Management basically comprises of three persons.

- S.Jeyasri - Promoter, responsible for entire back office operation.
- Srinivas Rangan - Partner T.Nagar Chess Academy - In charge of Entire Rest of India Selling Effect. Part responsibility in Chennai.
- Balasubramanian - Sholdering major responsibilities for Chennai Sales efforts and to some extent in Rest of India.

**7.0 Financial Plan**

**7.1 Start-up Funding**

The Start Up finance will be brought in by the promoter. Since the amount required is small, this does not require any borrowing.

**Table: Start-up Funding**

<i>Start-up Funding</i>	
Start-up Expenses to Fund	Rs.3,000
Start-up Assets to Fund	Rs.33,000
Total Funding Required	Rs.36,000
Assets	
Non-cash Assets from Start-up	Rs.30,000
Cash Requirements from Start-up	Rs.3,000

## Chess Facilitators

Additional Cash Raised	Rs.4,000
Cash Balance on Starting Date	Rs.7,000
<b>Total Assets</b>	<b>Rs.37,000</b>
<b>Liabilities and Capital</b>	
<b>Liabilities</b>	
Current Borrowing	Rs.0
Long-term Liabilities	Rs.0
Accounts Payable (Outstanding Bills)	Rs.0
Other Current Liabilities (interest-free)	Rs.0
<b>Total Liabilities</b>	<b>Rs.0</b>
<b>Capital</b>	
<b>Planned Investment</b>	
Owner	Rs.40,000
Investor	Rs.0
Additional Investment Requirement	Rs.0
<b>Total Planned Investment</b>	<b>Rs.40,000</b>
Loss at Start-up (Start-up Expenses)	(Rs.3,000)
<b>Total Capital</b>	<b>Rs.37,000</b>
<b>Total Capital and Liabilities</b>	<b>Rs.37,000</b>
<b>Total Funding</b>	<b>Rs.40,000</b>

### 7.2 Important Assumptions

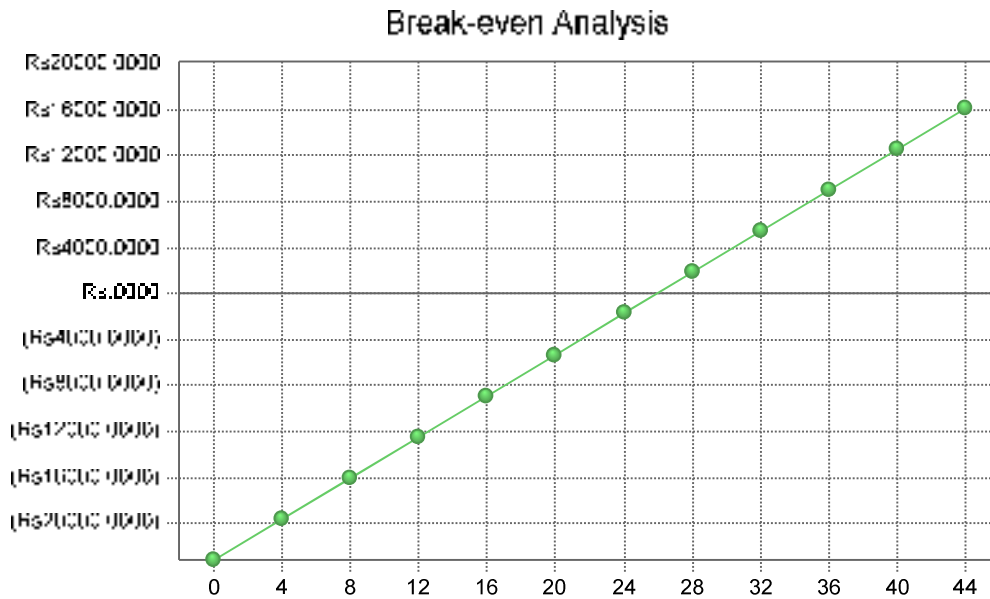
### 7.3 Break-even Analysis

Our break-even analysis is based on our cost and price structure at present. As we grow, the fixed costs will grow in proportion to our volume of operation

**Table: Break-even Analysis**

<i>Break-even Analysis</i>	
Monthly Units Break-even	26
Monthly Revenue Break-even	Rs.49,105
Assumptions:	
Average Per-Unit Revenue	Rs.1,892.00
Average Per-Unit Variable Cost	Rs.1,000.00
<b>Estimated Monthly Fixed Cost</b>	<b>Rs.23,151</b>

**Chart: Break-even Analysis**



**7.4 Projected Profit and Loss**

P&L Account assumes Home Operation. However, if the business picks up or new products added, the plan needs to be revisited

**Table: Profit and Loss**

<i>Pro Forma Profit and Loss</i>				
	Year 1	Year 2	Year 3	
Sales	Rs.946,000	Rs.1,600,000	Rs.2,600,000	
Direct Cost of Sales	Rs.500,000	Rs.850,000	Rs.1,350,000	
Production Payroll	Rs.0	Rs.0	Rs.0	
Other Costs of Sales	Rs.0	Rs.0	Rs.0	
<b>Total Cost of Sales</b>	<b>Rs.500,000</b>	<b>Rs.850,000</b>	<b>Rs.1,350,000</b>	
<b>Gross Margin</b>	<b>Rs.446,000</b>	<b>Rs.750,000</b>	<b>Rs.1,250,000</b>	
Gross Margin %	47.15%	46.88%	48.08%	
<b>Operating Expenses</b>				
<b>Sales and Marketing Expenses</b>				
Sales and Marketing Payroll	Rs.0	Rs.0	Rs.0	
Advertising/Promotion	Rs.23,000	Rs.0	Rs.0	
Referral Fee (10% of 50%)	Rs.22,300	Rs.37,500	Rs.62,500	
<b>Total Sales and Marketing Expenses</b>	<b>Rs.45,300</b>	<b>Rs.37,500</b>	<b>Rs.62,500</b>	
Sales and Marketing %	4.79%	2.34%	2.40%	
<b>General and Administrative Expenses</b>				
General and Administrative Payroll	Rs.0	Rs.0	Rs.0	

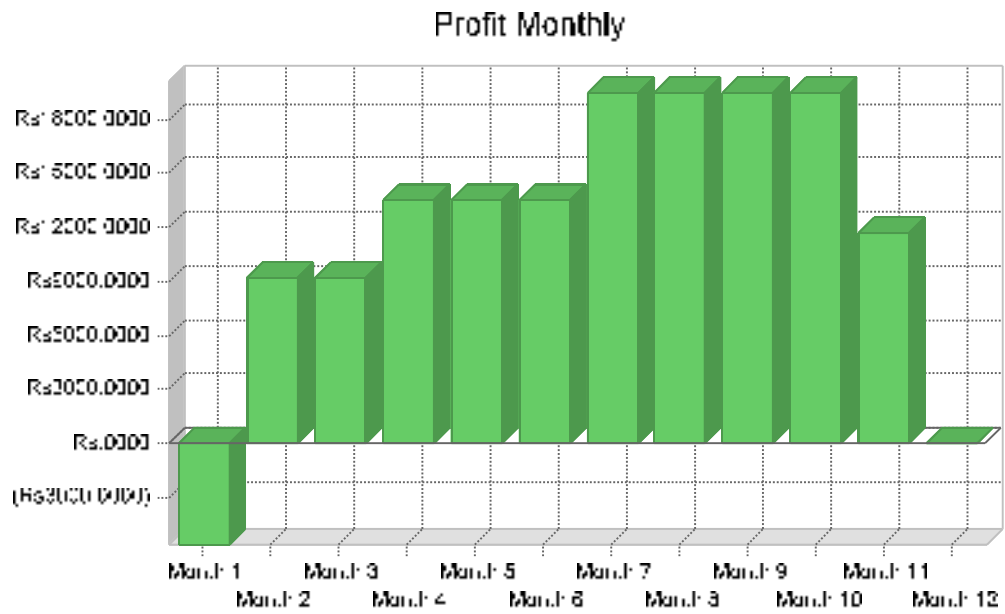
## Chess Facilitators

JV Payments	Rs.109,531	Rs.185,253	Rs.308,755
Depreciation	Rs.0	Rs.0	Rs.0
Rent	Rs.0	Rs.0	Rs.0
Bank Charges	Rs.28,380	Rs.48,000	Rs.78,000
Other Expenses	Rs.94,600	Rs.160,000	Rs.260,000
Payroll Taxes	Rs.0	Rs.0	Rs.0
Salary From Second Year	Rs.0	Rs.90,000	Rs.120,000
Total General and Administrative Expenses	Rs.232,511	Rs.483,253	Rs.766,755
General and Administrative %	24.58%	30.20%	29.49%
Other Expenses:			
Other Payroll	Rs.0	Rs.0	Rs.0
Consultants	Rs.0	Rs.0	Rs.0
Other Expenses	Rs.0	Rs.0	Rs.0
Total Other Expenses	Rs.0	Rs.0	Rs.0
Other %	0.00%	0.00%	0.00%
Total Operating Expenses	Rs.277,811	Rs.520,753	Rs.829,255
Profit Before Interest and Taxes	Rs.168,189	Rs.229,247	Rs.420,745
EBITDA	Rs.168,189	Rs.229,247	Rs.420,745
Interest Expense	Rs.0	Rs.0	Rs.0
Taxes Incurred	Rs.25,228	Rs.57,312	Rs.126,224
Other Income			
Other Income Account Name	Rs.0	Rs.0	Rs.0
Other Income Account Name	Rs.0	Rs.0	Rs.0
Total Other Income	Rs.0	Rs.0	Rs.0
Other Expense			
Other Expense Account Name	Rs.0	Rs.0	Rs.0
Other Expense Account Name	Rs.0	Rs.0	Rs.0
Total Other Expense	Rs.0	Rs.0	Rs.0
Net Other Income	Rs.0	Rs.0	Rs.0
Net Profit	Rs.142,961	Rs.171,935	Rs.294,522
<b>Net Profit/Sales</b>	<b>15.11%</b>	<b>10.75%</b>	<b>11.33%</b>

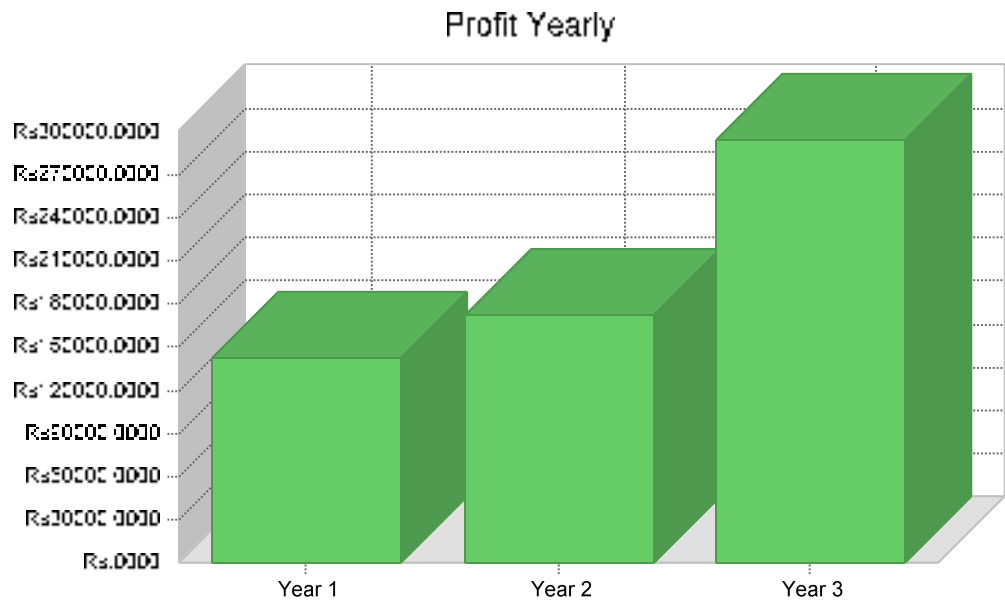


# Chess Facilitators

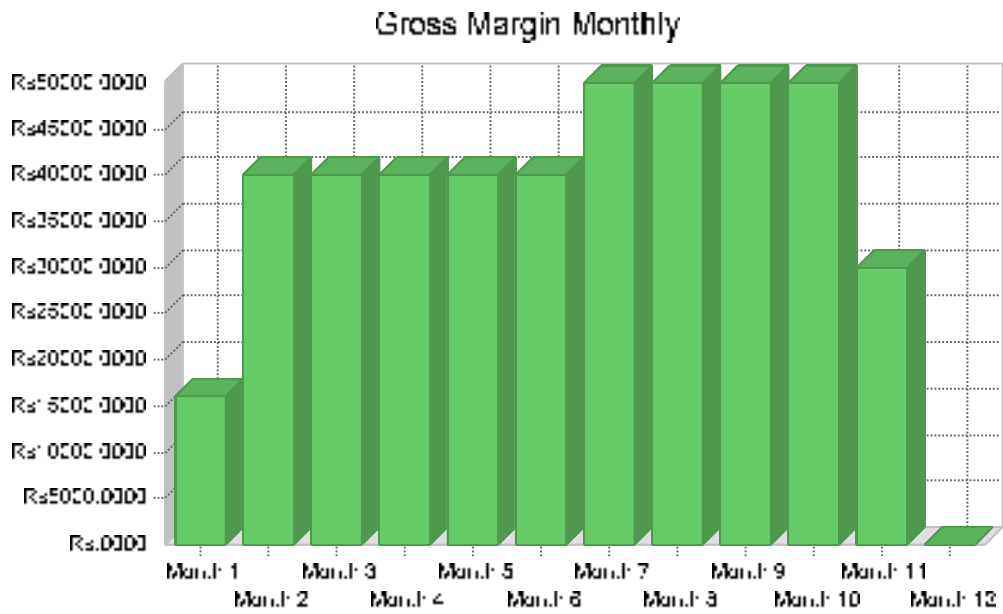
**Chart: Profit Monthly**



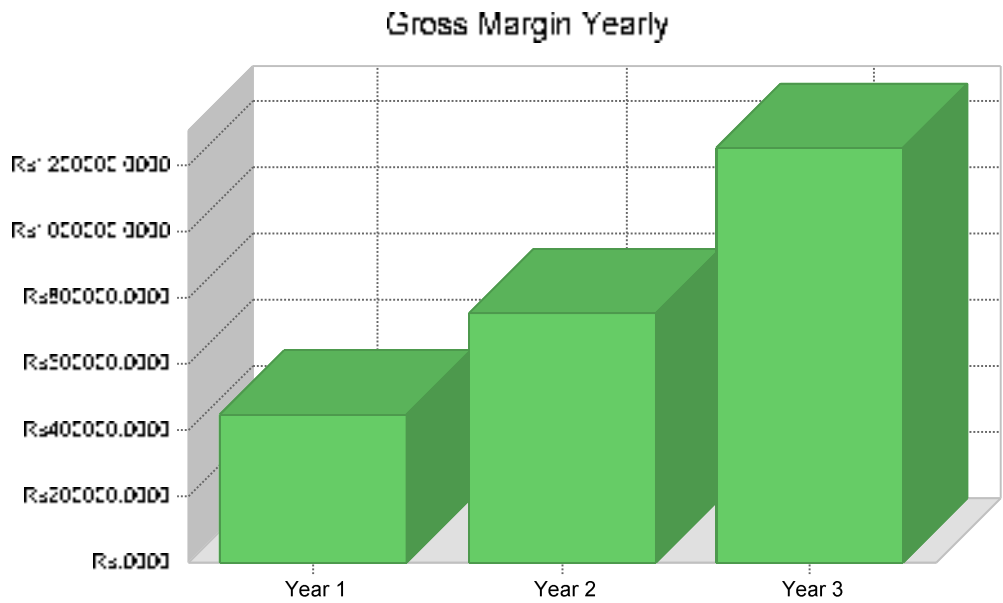
**Chart: Profit Yearly**



**Chart: Gross Margin Monthly**



**Chart: Gross Margin Yearly**



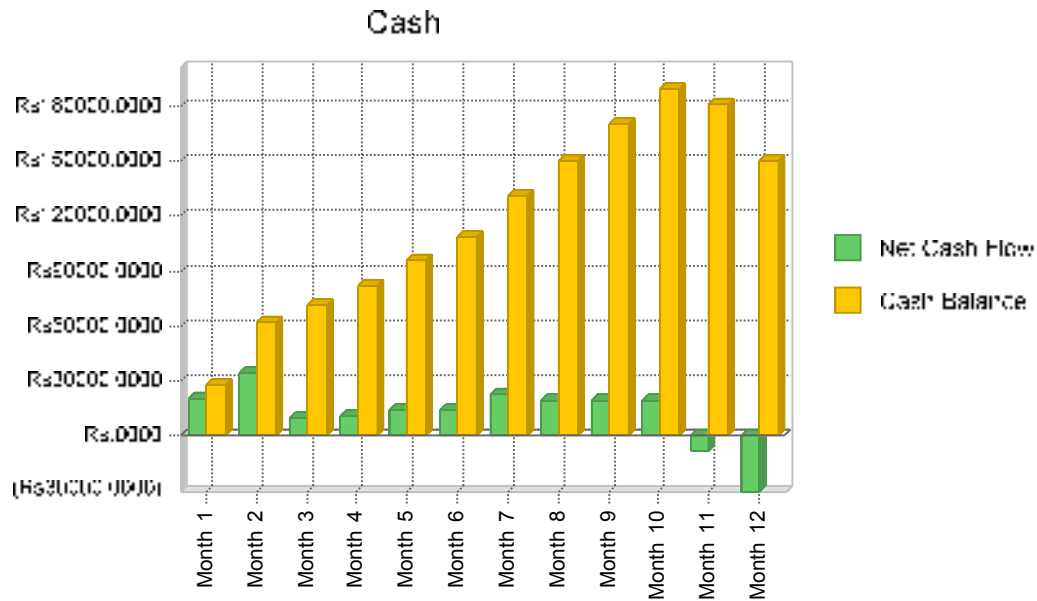
## 7.5 Projected Cash Flow

**Table: Cash Flow**

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	Rs.946,000	Rs.1,600,000	Rs.2,600,000
Subtotal Cash from Operations	Rs.946,000	Rs.1,600,000	Rs.2,600,000
Additional Cash Received			
Non Operating (Other) Income	Rs.0	Rs.0	Rs.0
Sales Tax, VAT, HST/GST Received	Rs.0	Rs.0	Rs.0
New Current Borrowing	Rs.0	Rs.0	Rs.0
New Other Liabilities (interest-free)	Rs.0	Rs.0	Rs.0
New Long-term Liabilities	Rs.0	Rs.0	Rs.0
Sales of Other Current Assets	Rs.0	Rs.0	Rs.0
Sales of Long-term Assets	Rs.0	Rs.0	Rs.0
New Investment Received	Rs.0	Rs.0	Rs.0
Subtotal Cash Received	Rs.946,000	Rs.1,600,000	Rs.2,600,000
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	Rs.0	Rs.0	Rs.0
Bill Payments	Rs.803,039	Rs.1,349,815	Rs.2,257,401
Subtotal Spent on Operations	Rs.803,039	Rs.1,349,815	Rs.2,257,401
Additional Cash Spent			
Non Operating (Other) Expense	Rs.0	Rs.0	Rs.0
Sales Tax, VAT, HST/GST Paid Out	Rs.0	Rs.0	Rs.0
Principal Repayment of Current Borrowing	Rs.0	Rs.0	Rs.0
Other Liabilities Principal Repayment	Rs.0	Rs.0	Rs.0
Long-term Liabilities Principal Repayment	Rs.0	Rs.0	Rs.0
Purchase Other Current Assets	Rs.0	Rs.0	Rs.0
Purchase Long-term Assets	Rs.0	Rs.0	Rs.0
Dividends	Rs.0	Rs.0	Rs.0
Subtotal Cash Spent	Rs.803,039	Rs.1,349,815	Rs.2,257,401
Net Cash Flow	Rs.142,961	Rs.250,185	Rs.342,599
<b>Cash Balance</b>	<b>Rs.149,961</b>	<b>Rs.400,146</b>	<b>Rs.742,745</b>

## Chess Facilitators

**Chart: Cash**



### 7.6 Projected Balance Sheet

**Table: Balance Sheet**

<i>Pro Forma Balance Sheet</i>			
	Year 1	Year 2	Year 3
<b>Assets</b>			
<b>Current Assets</b>			
Cash	Rs.149,961	Rs.400,146	Rs.742,745
Other Current Assets	Rs.25,000	Rs.25,000	Rs.25,000
<b>Total Current Assets</b>	Rs.174,961	Rs.425,146	Rs.767,745
<b>Long-term Assets</b>			
Long-term Assets	Rs.5,000	Rs.5,000	Rs.5,000
Accumulated Depreciation	Rs.0	Rs.0	Rs.0
<b>Total Long-term Assets</b>	Rs.5,000	Rs.5,000	Rs.5,000
<b>Total Assets</b>	Rs.179,961	Rs.430,146	Rs.772,745
<b>Liabilities and Capital</b>	Year 1	Year 2	Year 3
<b>Current Liabilities</b>			
Accounts Payable	Rs.0	Rs.78,250	Rs.126,328
Current Borrowing	Rs.0	Rs.0	Rs.0
Other Current Liabilities	Rs.0	Rs.0	Rs.0
<b>Subtotal Current Liabilities</b>	Rs.0	Rs.78,250	Rs.126,328
<b>Long-term Liabilities</b>	Rs.0	Rs.0	Rs.0

## Chess Facilitators

Total Liabilities	Rs.0	Rs.78,250	Rs.126,328
Paid-in Capital	Rs.40,000	Rs.40,000	Rs.40,000
Retained Earnings	(Rs.3,000)	Rs.139,961	Rs.311,896
Earnings	Rs.142,961	Rs.171,935	Rs.294,522
Total Capital	Rs.179,961	Rs.351,896	Rs.646,417
Total Liabilities and Capital	Rs.179,961	Rs.430,146	Rs.772,745
<b>Net Worth</b>	<b>Rs.179,961</b>	<b>Rs.351,896</b>	<b>Rs.646,417</b>

## 7.7 Business Ratios

**Table: Ratios**

<i>Ratio Analysis</i>	Year 1	Year 2	Year 3	Industry Profile
Sales Growth	0.00%	69.13%	62.50%	0.00%
<b>Percent of Total Assets</b>				
Other Current Assets	13.89%	5.81%	3.24%	100.00%
Total Current Assets	97.22%	98.84%	99.35%	100.00%
Long-term Assets	2.78%	1.16%	0.65%	0.00%
Total Assets	100.00%	100.00%	100.00%	100.00%
<b>Current Liabilities</b>				
Current Liabilities	0.00%	18.19%	16.35%	0.00%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%
Total Liabilities	0.00%	18.19%	16.35%	0.00%
Net Worth	100.00%	81.81%	83.65%	100.00%
<b>Percent of Sales</b>				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	47.15%	46.88%	48.08%	0.00%
Selling, General & Administrative Expenses	32.03%	36.13%	36.75%	0.00%
Advertising Expenses	2.43%	0.00%	0.00%	0.00%
Profit Before Interest and Taxes	17.78%	14.33%	16.18%	0.00%
<b>Main Ratios</b>				
Current	4,809,281,726,956,180.00	5.43	6.08	0.00
Quick	4,809,281,726,956,180.00	5.43	6.08	0.00
Total Debt to Total Assets	0.00%	18.19%	16.35%	0.00%
Pre-tax Return on Net Worth	93.46%	65.15%	65.09%	0.00%
Pre-tax Return on Assets	93.46%	53.30%	54.45%	0.00%
<b>Additional Ratios</b>				
	Year 1	Year 2	Year 3	
Net Profit Margin	15.11%	10.75%	11.33%	n.a
Return on Equity	79.44%	48.86%	45.56%	n.a
<b>Activity Ratios</b>				
Accounts Payable Turnover	22,073,777,572,167,000.00	18.25	18.25	n.a
Payment Days	18	10	16	n.a
Total Asset Turnover	5.26	3.72	3.36	n.a

## Chess Facilitators

<b>Debt Ratios</b>				
Debt to Net Worth	0.00	0.22	0.20	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
<b>Liquidity Ratios</b>				
Net Working Capital	Rs.174,961	Rs.346,896	Rs.641,417	n.a
Interest Coverage	0.00	0.00	0.00	n.a
<b>Additional Ratios</b>				
Assets to Sales	0.19	0.27	0.30	n.a
Current Debt/Total Assets	0%	18%	16%	n.a
Acid Test	4,809,281,726,956,180.00	5.43	6.08	n.a
Sales/Net Worth	5.26	4.55	4.02	n.a
<b>Dividend Payout</b>	0.00	0.00	0.00	n.a

Table: Sales Forecast

Sales Forecast		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Unit Sales</b>													
Initial Enrollment		20	50	50	50	50	50	50	50	50	50	30	0
Renewals		0	0	0	0	0	0	0	0	0	0	0	0
Others		0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Unit Sales</b>		20	50	50	50	50	50	50	50	50	50	30	0
<b>Unit Prices</b>													
Initial Enrollment		Rs.1,800.00	Rs.1,800.00	Rs.1,800.00	Rs.1,800.00	Rs.1,800.00	Rs.1,800.00	Rs.2,000.00	Rs.2,000.00	Rs.2,000.00	Rs.2,000.00	Rs.2,000.00	Rs.2,000.00
Renewals		Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00	Rs.1,200.00
Others		Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00
<b>Sales</b>		Rs.36,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.60,000	Rs.0
Renewals		Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Others		Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
<b>Total Sales</b>		Rs.36,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.60,000	Rs.0
<b>Direct Unit Costs</b>													
Initial Enrollment	0.00%	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00	Rs.1,000.00
Renewals	0.00%	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00	Rs.700.00
Others	0.00%	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00	Rs.0.00
<b>Direct Cost of Sales</b>		Rs.20,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.30,000	Rs.0
Initial Enrollment		Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Renewals		Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Others		Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
<b>Subtotal Direct Cost of Sales</b>		Rs.20,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.30,000	Rs.0

Appendix

**Table: Profit and Loss**

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	Rs.36,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.60,000	Rs.0
Direct Cost of Sales	Rs.20,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.30,000	Rs.0
Production Payroll	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Costs of Sales	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total Cost of Sales	Rs.20,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.30,000	Rs.0
Gross Margin	Rs.16,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.50,000	Rs.30,000	Rs.0
Gross Margin %	44.44%	44.44%	44.44%	44.44%	44.44%	44.44%	50.00%	50.00%	50.00%	50.00%	50.00%	0.00%
Operating Expenses												
Sales and Marketing Expenses												
Sales and Marketing Payroll	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Advertising/Promotion	Rs.13,000	Rs.5,000	Rs.5,000	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Referral Fee (10% of 50%)	Rs.800	Rs.2,000	Rs.2,000	Rs.2,000	Rs.2,000	Rs.2,000	Rs.2,500	Rs.2,500	Rs.2,500	Rs.2,500	Rs.1,500	Rs.0
Total Sales and Marketing Expenses	Rs.13,800	Rs.7,000	Rs.7,000	Rs.2,000	Rs.2,000	Rs.2,000	Rs.2,500	Rs.2,500	Rs.2,500	Rs.2,500	Rs.1,500	Rs.0
Sales and Marketing %	38.33%	7.78%	7.78%	2.22%	2.22%	2.22%	2.50%	2.50%	2.50%	2.50%	2.50%	0.00%
General and Administrative Expenses												
General and Administrative Payroll	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
JV Payments	Rs.4,100	Rs.10,417	Rs.10,417	Rs.10,417	Rs.10,417	Rs.10,417	Rs.11,597	Rs.11,597	Rs.11,597	Rs.11,597	Rs.6,958	Rs.0
Depreciation	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Rent	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Bank Charges	Rs.1,080	Rs.2,700	Rs.2,700	Rs.2,700	Rs.2,700	Rs.2,700	Rs.3,000	Rs.3,000	Rs.3,000	Rs.3,000	Rs.1,800	Rs.0
Other Expenses	Rs.3,600	Rs.9,000	Rs.9,000	Rs.9,000	Rs.9,000	Rs.9,000	Rs.10,000	Rs.10,000	Rs.10,000	Rs.10,000	Rs.6,000	Rs.0
Payroll Taxes	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Salary From Second Year	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total General and Administrative Expenses	Rs.8,780	Rs.22,117	Rs.22,117	Rs.22,117	Rs.22,117	Rs.22,117	Rs.24,597	Rs.24,597	Rs.24,597	Rs.24,597	Rs.14,758	Rs.0
General and Administrative %	24.39%	24.57%	24.57%	24.57%	24.57%	24.57%	24.60%	24.60%	24.60%	24.60%	24.60%	0.00%



## Appendix

Other Expenses:											
Other Payroll	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Consultants	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Expenses	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total Other Expenses	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Operating Expenses	Rs.22,580	Rs.29,117	Rs.29,117	Rs.24,117	Rs.24,117	Rs.27,097	Rs.27,097	Rs.27,097	Rs.27,097	Rs.16,258	Rs.0
Profit Before Interest and Taxes	(Rs.6,580)	Rs.10,883	Rs.10,883	Rs.15,883	Rs.15,883	Rs.22,903	Rs.22,903	Rs.22,903	Rs.22,903	Rs.13,742	Rs.0
EBITDA	(Rs.6,580)	Rs.10,883	Rs.10,883	Rs.15,883	Rs.15,883	Rs.22,903	Rs.22,903	Rs.22,903	Rs.22,903	Rs.13,742	Rs.0
Interest Expense	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Taxes Incurred	(Rs.987)	Rs.1,632	Rs.1,632	Rs.2,382	Rs.2,382	Rs.3,435	Rs.3,435	Rs.3,435	Rs.3,435	Rs.2,061	Rs.0
Other Income											
Other Income Account Name	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Income Account Name	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total Other Income	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Expense											
Other Expense Account Name	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Expense Account Name	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total Other Expense	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Net Other Income	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Net Profit	(Rs.5,593)	Rs.9,251	Rs.9,251	Rs.13,501	Rs.13,501	Rs.19,468	Rs.19,468	Rs.19,468	Rs.19,468	Rs.11,681	Rs.0
<b>Net Profit/Sales</b>	<b>-15.54%</b>	<b>10.28%</b>	<b>10.28%</b>	<b>15.00%</b>	<b>15.00%</b>	<b>19.47%</b>	<b>19.47%</b>	<b>19.47%</b>	<b>19.47%</b>	<b>19.47%</b>	<b>0.00%</b>

Appendix

**Table: Cash Flow**

<i>Pro Forma Cash Flow</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	Rs.36,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.60,000	Rs.0
Subtotal Cash from Operations	Rs.36,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.60,000	Rs.0
Additional Cash Received												
Non Operating (Other) Income	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Sales Tax, VAT, HST/GST Received	0.00%	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
New Current Borrowing	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
New Other Liabilities (interest-free)	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
New Long-term Liabilities	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Sales of Other Current Assets	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Sales of Long-term Assets	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
New Investment Received	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Subtotal Cash Received	Rs.36,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.90,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.100,000	Rs.60,000	Rs.0
Expenditures												
Expenditures from Operations												
Cash Spending	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Bill Payments	Rs.15,251	Rs.55,950	Rs.80,749	Rs.79,191	Rs.76,499	Rs.76,499	Rs.77,978	Rs.80,532	Rs.80,532	Rs.80,532	Rs.68,721	Rs.30,602
Subtotal Spent on Operations	Rs.15,251	Rs.55,950	Rs.80,749	Rs.79,191	Rs.76,499	Rs.76,499	Rs.77,978	Rs.80,532	Rs.80,532	Rs.80,532	Rs.68,721	Rs.30,602
Additional Cash Spent												
Non Operating (Other) Expense	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Sales Tax, VAT, HST/GST Paid Out	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Principal Repayment of Current Borrowing	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Liabilities Principal Repayment	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Long-term Liabilities Principal Repayment	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Purchase Other Current Assets	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0

## Appendix

Purchase Long-term Assets	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Dividends	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Subtotal Cash Spent	Rs.15,251	Rs.55,950	Rs.80,749	Rs.79,191	Rs.76,499	Rs.76,499	Rs.77,978	Rs.80,532	Rs.80,532	Rs.80,532	Rs.80,532	Rs.88,721	Rs.30,602
Net Cash Flow	Rs.20,749	Rs.34,050	Rs.9,251	Rs.10,809	Rs.13,501	Rs.13,501	Rs.22,022	Rs.19,468	Rs.19,468	Rs.19,468	Rs.19,468	(Rs.8,721)	(Rs.30,602)
<b>Cash Balance</b>	Rs.27,749	Rs.61,799	Rs.71,049	Rs.81,858	Rs.95,359	Rs.108,859	Rs.130,881	Rs.150,349	Rs.169,816	Rs.189,284	Rs.189,284	Rs.180,563	Rs.149,961

Table: Balance Sheet

Pro Forma Balance Sheet		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets	Starting Balances												
Current Assets													
Cash	Rs.7,000	Rs.27,749	Rs.61,799	Rs.71,049	Rs.81,858	Rs.95,359	Rs.108,859	Rs.130,881	Rs.150,349	Rs.169,816	Rs.189,284	Rs.180,563	Rs.149,961
Other Current Assets	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000	Rs.25,000
Total Current Assets	Rs.32,000	Rs.52,749	Rs.86,799	Rs.96,049	Rs.106,858	Rs.120,359	Rs.133,859	Rs.155,881	Rs.175,349	Rs.194,816	Rs.214,284	Rs.205,563	Rs.174,961
Long-term Assets													
Long-term Assets	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000
Accumulated Depreciation	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total Long-term Assets	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000	Rs.5,000
Total Assets	Rs.37,000	Rs.57,749	Rs.91,799	Rs.101,049	Rs.111,858	Rs.125,359	Rs.138,859	Rs.160,881	Rs.180,349	Rs.199,816	Rs.219,284	Rs.210,563	Rs.179,961
Liabilities and Capital													
Current Liabilities													
Accounts Payable	Rs.0	Rs.26,342	Rs.51,141	Rs.51,141	Rs.48,450	Rs.48,450	Rs.48,450	Rs.51,004	Rs.51,004	Rs.51,004	Rs.51,004	Rs.30,602	Rs.0
Current Borrowing	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Other Current Liabilities	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Subtotal Current Liabilities	Rs.0	Rs.26,342	Rs.51,141	Rs.51,141	Rs.48,450	Rs.48,450	Rs.48,450	Rs.51,004	Rs.51,004	Rs.51,004	Rs.51,004	Rs.30,602	Rs.0
Long-term Liabilities	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0	Rs.0
Total Liabilities	Rs.0	Rs.26,342	Rs.51,141	Rs.51,141	Rs.48,450	Rs.48,450	Rs.48,450	Rs.51,004	Rs.51,004	Rs.51,004	Rs.51,004	Rs.30,602	Rs.0
Paid-in Capital	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000	Rs.40,000
Retained Earnings	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)	(Rs.3,000)
Earnings	Rs.0	(Rs.5,693)	Rs.3,658	Rs.12,908	Rs.26,409	Rs.39,909	Rs.53,410	Rs.72,877	Rs.92,345	Rs.111,812	Rs.131,280	Rs.142,961	Rs.142,961
Total Capital	Rs.37,000	Rs.31,407	Rs.40,658	Rs.49,908	Rs.63,409	Rs.76,909	Rs.90,410	Rs.109,877	Rs.129,345	Rs.148,812	Rs.168,280	Rs.179,961	Rs.179,961
Total Liabilities and Capital	Rs.37,000	Rs.57,749	Rs.91,799	Rs.101,049	Rs.111,858	Rs.125,359	Rs.138,859	Rs.160,881	Rs.180,349	Rs.199,816	Rs.219,284	Rs.210,563	Rs.179,961
<b>Net Worth</b>	Rs.37,000	Rs.31,407	Rs.40,658	Rs.49,908	Rs.63,409	Rs.76,909	Rs.90,410	Rs.109,877	Rs.129,345	Rs.148,812	Rs.168,280	Rs.179,961	Rs.179,961