

Guidelines for Preparation of Business Plan
(Production and Manufacturing)
Industrial Projects

Department of Industry
Ministry of Economic Affairs

Guidelines for Preparation of Business Plan for Industries

(Production and Manufacturing Projects)

This guideline is to be used for reference to make Business Plan and not to be used as a fill up form.

Not limiting to the following, the business plan must include information:

1. Proposed project name:

Provide name of the business establishment. In case of a company the name must be approved by the Company Registry Division (Online at www.cra.gov.bt).

2. Promoters detail:

A. Personal Details:

Name:

CID No:

Date of Birth:

Contact Number (s):

Email ID (s):

B. Permanent Address:

Village/Town:

Gewog:

Dzongkhag/Dungkhag/Thromde:

C. Contact Address for correspondence: (This will be used for all correspondences)

i.

ii.

iii.

iv. Tele/Cell No.

v. Email.

D. Details of Foreign Investor (where relevant):

1. Name of Individual/Company:

2. Nationality:

3. Mailing Address:

4. Email: Contact No:

5. Website:

E. Profile of Investor (s):

Note:

1. *In the event of more than one promoter, details of each promoter will have to be reflected in the proposal separately.*
2. *In the event of business being a company or a partnership, the shareholding pattern must be provided.*

3. Project activity:

Specify project activity/activities.

4. Rational/benefits of investment:

Detail the reasons for investing in this business with brief explanation.

5. Project description:

Provide brief description of the project.

6. Location of Project:

Village/Town:

Gewog:

Dzongkhag/Dungkhag/Thromde:

The proponent need to obtain location clearance from relevant authority.

7. Land (Acre/decimal/sqft.):

- i. Land requirement for the project.
- ii. Provide details of land such as Thram No., Plot No., Ownership Type, etc in case of private land.
- iii. Provide proper authorization from the family members/landowner(s), in case of family/joint/third party ownership.
- iv. Provide land lease certificate/land allotment order in case of State Reserved Forest Land (SRF)/Land in Industrial Parks or Estates from concerned agencies.

8. Layout plan of plant/factory:

Provide Plant/Factory layout drawn to scale (with dimension).

9. Project cost (excluding working capital):

The project cost shall include cost of land, building, machineries, site development, equipment, etc.

10. Project Financing:

Provide information on the sources of finance including debt to equity ratio.

11. Installed capacity:

Provide installed capacity of the project. In the event of multiple activities/products, provide details of installed capacity of each activity.

The capacity utilization, if it's to be done in stages/phases, then accordingly it must be provided.

12. Machineries and equipment details:

Provide information on all machineries and equipment required for the project with estimated cost.

13. Power requirement:

Provide information on the total power required for the project in KW/MW. The conditional power sanction order from the Bhutan Power Corporation with exact power sanction in KW/MW needs to be submitted along with the project report.

14. Foreign exchange requirement:

Provide information on foreign exchange requirement for the project:

a) Capital: The amount required and details on how it will be utilized. Provide information on machineries, equipment and items required to be imported from third country with source of country and price.

b) Recurrent: The recurrent part of foreign exchange requirement will not be provided by the Government. Therefore, the promoter is required to reflect your plan to manage foreign exchange requirement for recurrent expenditures.

Note: *The Department will scrutinize the foreign exchange requirement up to \$ 1.0 million for capital investment.*

15. Raw materials:

This section must highlight information on the raw materials required for the project. Reflect information on quantity required with unit of measure, source, price and plan to manage foreign exchange requirement for purchase of raw materials if needed to be imported from third country.

| Sl.# | Particulars of Raw Materials | Quantity per annum (Unit) (A) | Unit Price (B) | Total Amount (AxB) | Country Source |
|------|------------------------------|-------------------------------|----------------|--------------------|----------------|
| | | | | | |
| | | | | | |
| | | | | | |

16. Final Product(s):

This section must highlight information on the final products including its uses and application. Include details such as HS Code, annual production, unit of measure, selling price of product(s).

| Sl.# | Product Particulars | Quantity (Unit) | Unit Cost | Cost of raw materials per unit | Ex-factory Price per unit | Sales value in Nu. |
|------|---------------------|-----------------|-----------|--------------------------------|---------------------------|--------------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |

17. Project profitability:

A brief assessment report of project profitability has to be provided.

18. Market:

Highlight target markets with share percentages amongst domestic, India and other countries.

19. Manpower (during operation):

Include all categories such as managerial, technical, professional, skilled and unskilled in table form indicating total national and non-national that would be employed.

In the event of any non-national to be employed, include a phase out plan.

20. Environmental impact and mitigation plan:

This section must highlight possible environmental impact on land, water, air etc. and the ways and means to mitigate and overcome/minimize the impact.

You may also highlight the technology to be used in terms of cleaner production.

21. Value addition:

The value addition must be calculated using formula given below:

$$\frac{\text{Cost of production} - \text{Raw materials cost}}{\text{Cost of production}} \times 100$$

22. Brief description on manufacturing process/technology:

This section must highlight information on manufacturing process and the technology used for the production.

23. Documents required to be submitted:

- i. Covering letter
- ii. Business Plan
- iii. Location Clearance from relevant local government authority
- iv. Sectoral Clearance from relevant agencies
- v. Environmental Clearance (from appropriate authority)
- vi. Copy of citizenship identity card of promoter (s)
- vii. Public/community clearance (where relevant)
- viii. Copy of Lag Thram (if in private land)/Land Allotment Order (if in Industrial Park/Estate)/Land Lease Certificate (if in State Reserve Forest Land)
- ix. Power clearance (where relevant)

Note:

- 1. *All the clearances must be obtained in the name of promoter (s)/project.*
- 2. *The project activity mentioned in all the clearances must be same.*

UP-GRADATION/ADDITIONAL ACTIVITY/ACTIVITY CONVERSION:

Proposals for up-gradation/additional activity/activity conversion shall contain all changes pertaining to the project vis-à-vis the approved existing project. Information on the existing project must be clearly provided.