



BUSINESS PLAN · INDIA

Engineering and Metal Fabrication Unit

Precise, quality fabrication delivered reliably and cost-efficiently

MANUFACTURING

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **Engineering & Metal Fabrication Unit** in India — a job-work fabrication & machining workshop producing metal structures, components, assemblies & parts (cutting, welding, machining, sheet-metal, structural fabrication) to customer drawings for construction, infrastructure, OEMs, capital goods & industrial clients. It earns job-work / per-job margins on order-book volume & capacity utilisation, monetising skilled labour, machinery & engineering capability — a capacity-, order-book- & utilisation-driven B2B engineering business.

Metal fabrication & machining underpin India's construction, infrastructure, manufacturing & capital-goods growth (Make-in-India, infra capex, industrial expansion). A fabrication unit earns steady margins on job-work & components, with the key levers being order book, capacity utilisation, quality/precision, cost/material efficiency & on-time delivery. It is machinery- & skill-intensive with working capital tied in materials & receivables; success rests on order pipeline, utilisation, quality & client relationships.

This is a capital-intensive MSME manufacturing business — funded by promoter equity plus bank finance (term loan for machinery & shed + CC/OD for working capital, under Mudra/CGTMSE/SIDBI). This plan models a unit requiring **₹1.2 crore** (₹42 lakh promoter + ₹78 lakh bank finance), targeting **₹3 crore** revenue in Year 1 and **₹5 crore** by Year 3. (*Engineering & fabrication; job-work/capacity-driven, order-book- & utilisation-led, B2B.*)

2. Business Description, Vision & Legal Structure

Concept: A job-work fabrication & machining unit producing metal structures, components & assemblies to customer drawings - precise, reliable, on-time.

Vision: To be a trusted fabrication & machining partner for industry & infrastructure.

Mission: Deliver precise, quality fabrication reliably & cost-efficiently at scale.

Legal structure options

- **Proprietorship / Partnership** — common for a small workshop.
- **LLP / Private Limited** — recommended for larger contracts, OEM work & funding.

Regulatory anchor: a fabrication unit is a factory + engineering job-shop — Factories Act & factory licence, GST, pollution-board CTE/CTO (welding/grinding/painting emissions), fire & labour/safety, electrical/boiler (if applicable), & quality certifications (ISO 9001, welding/WPS, client approvals). Order book, capacity utilisation, quality/precision, cost/material efficiency, on-time delivery & client relationships determine success; machinery- & skill-intensive, WC-heavy.

3. Promoter & Ownership

Led by a promoter with engineering/fabrication/production experience & industry relationships. The team includes fabricators/welders, machinists, a design/drawing & QC function, supervisors, procurement & a business-development role. Skill, precision, reliability & cost control are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's fabrication & machining demand is large & growing, driven by construction & infrastructure capex, manufacturing & capital-goods expansion, Make-in-India, OEM & industrial demand, & import substitution. Job-work fabrication serves construction, infra, OEMs, machinery & industrial clients. The market rewards capacity,

quality/precision, reliability, cost efficiency & on-time delivery; it is order-book-, utilisation- & competition-sensitive, met with quality, relationships & diversification across sectors.

Demand drivers

- **Construction & infrastructure** capex.
- **Manufacturing & capital-goods** growth.
- **Make-in-India & OEM** demand.
- **Import substitution.**
- **Industrial & MSME** job-work.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Fabrication/machining in India	Very large
SAM	Regional/industrial cluster	Substantial
SOM (Yr 1-3)	Order book / capacity	Scaling

Target segments

- Construction & infrastructure.
- OEMs & capital-goods makers.
- Industrial & machinery clients.
- MSME & job-work customers.

5. Competition & Competitive Advantage

Landscape: other fabrication units & machine shops, in-house OEM fabrication & unorganised workshops. The unit competes on quality/precision, capacity, reliability, cost, capability & relationships.

The unit's edge

- **Quality, precision & certifications.**
- **Capacity & capability (range).**
- **Reliability & on-time delivery.**
- **Cost & material efficiency.**
- **Client relationships & repeat.**

6. Products & Revenue Model

Stream	Model	Basis
Job-work fabrication	Per-job / per-kg / per-hour	Core
Machined components	Per-unit (precision)	Margin
Structural & sheet-metal	Per-tonne / project	Volume
Assemblies & sub-contracting	Value-added margin	Stickiness

AMC / repair / retrofits	Service fee	Recurring
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Revenue is job-work / per-unit / per-kg on drawings; margins depend on material efficiency, labour productivity & machine utilisation. Precision/machined & assembly work carry higher margin than plain fabrication. Order book, capacity utilisation, material & labour efficiency & on-time delivery drive economics — the decisive fabrication levers; utilisation against fixed machinery is key.

7. Go-to-Market — Marketing & Sales

- **Direct B2B & OEM** business development.
- **Certifications & client approvals** as credentials.
- **Industry networks, tenders & referrals.**
- **Reliability & quality** track record.
- **Long-term & repeat contracts.**

Sales approach

Win clients (capability, quality, capacity, cost, approvals) → deliver precisely & on time → convert to repeat & long-term job-work → deepen with assemblies/value-add → diversify sectors to stabilise the order book. Order book, utilisation, quality & relationships build steady revenue.

8. Operations Plan

- **Shed & machinery:** workshop with cutting, welding, machining (lathes/CNC/VMC), sheet-metal & finishing; material storage; QC/measurement.
- **Process:** drawing/estimation → material procurement → cutting/fabrication/machining → welding/assembly → QC/inspection → finishing/dispatch.
- **Quality & safety:** QC, welding procedures (WPS), inspection, ISO/client approvals; safety & PPE.
- **Efficiency:** capacity utilisation, machine-hours, material yield/scrap, labour productivity, maintenance.
- **Tech:** CAD/CAM, ERP/job-costing, production planning, inventory.

Fabrication workflow

Stage	Activity	Metric
Estimate	Drawing/cost	Margin/fit
Procure	Steel/material	Cost/yield
Fabricate	Cut/weld/machine	Utilisation/scrap
Inspect	QC/WPS	Reject %/precision
Dispatch	Finish/deliver	On-time

9. Regulatory, Licences & Compliance (India)

- **Factory & safety:** Factories Act & factory licence; fire NOC; labour/ESI/PF; safety & PPE; electrical.

- **Environment:** pollution-board CTE/CTO (welding/grinding/painting); scrap/waste; effluent (if painting).
- **Quality:** ISO 9001, welding/WPS qualifications, client/OEM approvals (as relevant).
- **Business & tax:** proprietorship/LLP/Pvt Ltd; GST; PAN/TAN; Udyam.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter & works manager	2	2	3
Fabricators / welders	10	16	24
Machinists / CNC operators	4	7	11
Design/QC, supervisors & procurement	4	6	9
Business dev & admin	2	3	4
Total	22	34	51

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-4	Shed, machinery, certifications, licences, first orders
Ramp	Month 4-9	Order book, utilisation, quality, client approvals
Traction	Month 9-12	Utilisation & on-time; ₹3cr revenue
Expand	Year 2	Machinery, CNC, clients, value-add
Scale	Year 3	₹5cr revenue; higher utilisation & capacity

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Fabrication; job-work/capacity-driven, material- & utilisation-sensitive.

12.1 Project cost & means of finance

Capital requirement	₹
Machinery (cutting/welding/CNC/machining)	62,00,000
Shed / workshop setup & utilities	25,00,000
QC/measurement & tools	8,00,000
Working capital (material, WIP, receivables)	20,00,000
Licences, certifications & pre-operative	5,00,000
Total project cost	1,20,00,000
Promoter contribution	42,00,000

Bank finance (term + CC; Mudra/CGTMSE/SIDBI)	78,00,000
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12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Fabrication & structural	2,10,00,000	2,90,00,000	3,40,00,000
Machined components & assemblies	75,00,000	1,20,00,000	1,40,00,000
AMC, repair & retrofits	15,00,000	20,00,000	20,00,000
Total revenue	3,00,00,000	4,30,00,000	5,00,00,000
Raw material (steel/consumables)	1,80,00,000	2,55,00,000	2,95,00,000
Direct labour	42,00,000	58,00,000	70,00,000
Power, overheads & maintenance	30,00,000	40,00,000	48,00,000
Admin, QC & selling	20,00,000	28,00,000	34,00,000
Interest & depreciation	20,00,000	22,00,000	23,00,000
Total expenses	2,92,00,000	4,03,00,000	4,70,00,000
Net profit (before tax)	8,00,000	27,00,000	30,00,000
Net margin	2.7%	6.3%	6.0%

12.3 Unit economics & break-even

- **Capacity utilisation:** machine-hours & order book against fixed machinery/interest/depreciation drive margins; rising utilisation transforms profitability.
- **Material & labour efficiency:** steel is the bulk of cost — yield/scrap control & labour productivity protect thin per-job margins; machined/assembly work lifts the blend.
- **Break-even:** at a utilisation/order-book threshold covering fixed costs; above it incremental jobs are profitable — utilisation & material efficiency decisive.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	6,00,000	5,20,000	5,10,000	5,40,000
Collections	55,00,000	68,00,000	80,00,000	90,00,000
Material, labour, power & interest	55,80,000	68,10,000	79,70,000	89,20,000
Closing balance	5,20,000	5,10,000	5,40,000	6,20,000

B2B carries client credit (receivables 30-90 days) & steel WC is heavy; advances/milestone billing help. Utilisation, material/scrap control, receivable & CC management, plus buffer, manage cash; low early utilisation, steel-price swings & delayed client payments are the key risks — met with order book, pricing & WC discipline.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** machine-hour & capacity utilisation %; order book/backlog.
- **Efficiency:** material yield/scrap %; labour productivity; reject/rework %.
- **Delivery:** on-time %; quality/approval status.
- **WC:** receivable days; steel inventory; CC utilisation.

13. Funding Requirement & Bankability

Total ask: **₹78 lakh bank finance** against ₹42 lakh promoter contribution — term loan for machinery & shed + CC for working capital, under Mudra/CGTMSE/SIDBI. Bankability rests on order book, capacity utilisation, quality/approvals & material efficiency; the unit is asset-backed (machinery collateral). Year-1 profit ~₹8 lakh scaling to ₹30 lakh supports servicing; a firm order book & client approvals de-risk the ramp.

13.1 Funding utilisation

Use of funds	₹	% of total
Machinery (cutting/welding/CNC/machining)	62,00,000	51.7%
Shed / workshop setup & utilities	25,00,000	20.8%
Working capital (material, WIP, receivables)	20,00,000	16.7%
QC/measurement & tools	8,00,000	6.7%
Licences, certifications & pre-operative	5,00,000	4.2%
Total	1,20,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Low utilisation / order-book gaps	Diversify clients/sectors; business development; repeat contracts
Steel-price volatility	Pricing clauses; procurement; efficient yield; timely billing
Receivable delays (B2B)	Advances/milestones; credit control; CC; client diligence
Quality / rework	QC, WPS, inspection, ISO/approvals; skilled labour
Skilled-labour availability	Training; retention; productivity; supervisors

15. SWOT Analysis

Strengths Strong infra/industrial demand; asset-backed; capability/quality; repeat B2B; scalable capacity.	Weaknesses Capital-intensive; thin per-job margins; utilisation-/order-book-dependent; steel-price & WC exposure.
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Opportunities Infra/Make-in-India capex; OEM & import substitution; CNC/precision & assemblies; exports; capacity.	Threats Steel inflation; competition & unorganised shops; payment delays; utilisation shortfalls.
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16. Recommended AiSevak Tools for This Business

This fabrication unit would use AiSevak's Manufacturing vertical tools in delivery:

- **Works ops:** job-costing/estimation, ERP/production-planning, capacity-utilisation/machine-hours and material/scrap tools.
- **Compliance:** factory-licence, pollution/CTE-CTO, ISO-9001/WPS and labour/safety tools (with Legal & Finance verticals).
- **Practice:** Business Plan, utilisation/material-efficiency and Break-even tools to model the unit.

17. Key Assumptions & Notes

- Engineering & metal fabrication; job-work/per-kg/per-unit on drawings; machined/assembly work higher margin than plain fabrication.
- Capacity utilisation & order book are decisive; steel is the bulk of cost — yield/scrap & labour productivity protect margins.
- Capital-intensive, WC-heavy (steel + receivables); term + CC (Mudra/CGTMSE/SIDBI); Factories Act, pollution CTE/CTO, ISO/WPS, labour.
- Utilisation, material efficiency, quality & client diversification drive economics; figures illustrative, exclude GST.

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