



BUSINESS PLAN · INDIA

Packaging Materials Manufacturing

Consistent, quality packaging delivered reliably and cost-efficiently at scale

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 a **Packaging Materials Manufacturing** unit in India — a factory producing packaging products (corrugated cartons, folding boxes, flexible pouches/films, labels or rigid packaging) for FMCG, food, e-commerce, pharma & industrial clients, on a per-unit / per-tonne / job-work basis to client specs. It earns thin but steady conversion margins on high-volume, repeat packaging demand & machine utilisation, monetising capacity, throughput, material efficiency & reliable supply — a volume-, utilisation- & thin-margin B2B manufacturing business.

Packaging is a large, defensive, fast-growing sector in India — every product needs it — driven by FMCG, the e-commerce boom, food, pharma & organised retail, plus premiumisation & sustainability trends. A packaging unit earns steady, repeat conversion margins with the key levers being machine utilisation, throughput, material (paper/film) efficiency & wastage, quality/food-grade compliance & reliable JIT supply. Margins are thin (material-heavy) but demand is steady & sticky; success rests on volume, utilisation, efficiency & client relationships.

This is a capital-intensive MSME manufacturing business — funded by promoter equity plus bank finance (term loan for machinery + CC/OD for working capital, under Mudra/CGTMSE/SIDBI). This plan models a corrugated/flexible packaging unit requiring **₹1.6 crore** (₹56 lakh promoter + ₹1.04 crore bank finance), targeting **₹4.5 crore** revenue in Year 1 and **₹7.5 crore** by Year 3. (*Packaging manufacturing; volume-/utilisation-driven, thin conversion margins, material- & wastage-sensitive.*)

2. Business Description, Vision & Legal Structure

Concept: A packaging-manufacturing unit producing quality cartons/pouches/labels to client specs - reliable, efficient, JIT supply at volume.

Vision: To be a dependable packaging partner for brands & industry.

Mission: Deliver consistent, quality packaging reliably & cost-efficiently at scale.

Legal structure options

- **Private Limited / LLP** — recommended (for the asset, contracts, finance & scale).
- **Proprietorship / Partnership** — possible for a small unit, limits large contracts.

Regulatory anchor: a packaging unit is a factory + (for food/pharma) regulated producer — Factories Act & factory licence, GST, pollution-board CTE/CTO, plastic-waste-management & EPR rules (flexibles/films), food-grade & BIS standards (food/pharma packaging), fire & labour/safety, & quality certifications (ISO 9001, BRC/food-grade, client approvals). Machine utilisation, throughput, material efficiency/wastage, quality/food-grade & reliable supply determine success; capital-intensive with thin conversion margins but steady, sticky demand.

3. Promoter & Ownership

Led by a promoter with packaging/printing/manufacturing experience & client relationships. The team includes machine operators, printing/converting, quality/QC, procurement, maintenance & business development. Utilisation, material efficiency, quality/food-grade & reliability are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's packaging market is large, defensive & fast-growing, driven by FMCG, the e-commerce boom, food & beverage, pharma, organised retail & exports, plus premiumisation & sustainability (recyclable/paper-based) trends. Every product needs packaging, giving steady, repeat, sticky demand. The market rewards capacity, throughput, material efficiency, quality/food-grade & reliable JIT supply; it is volume-, utilisation- & material-price-sensitive & competitive, met with efficiency, quality, sustainability & client relationships.

Demand drivers

- **FMCG & food/beverage** demand.
- **E-commerce boom** (shipping/cartons).
- **Pharma & organised retail.**
- **Premiumisation & branding.**
- **Sustainability (recyclable/paper).**

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Packaging market in India	Very large
SAM	Region/segment & capacity	Substantial
SOM (Yr 1-3)	Order volume / capacity	Scaling

Target segments

- FMCG & food/beverage brands.
- E-commerce & logistics (cartons).
- Pharma & healthcare.
- Industrial & MSME clients.

5. Competition & Competitive Advantage

Landscape: other packaging units, integrated players & imports. The unit competes on quality/food-grade, capacity/throughput, cost/material efficiency, reliability & service.

The unit's edge

- **Quality & food-grade/BIS.**
- **Capacity, throughput & JIT.**
- **Material efficiency & low wastage.**
- **Reliability & service.**
- **Sustainability options.**

6. Products & Revenue Model

Stream	Model	Basis
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Corrugated cartons / boxes	Per-unit / per-tonne	Core volume
Flexible pouches / films	Per-kg / per-unit (higher margin)	Margin
Labels & printed packaging	Per-unit (value-add)	Margin
Custom / branded packaging	Design + convert margin	Stickiness
Long-term supply contracts	Assured volume	Utilisation base

Revenue is per-unit/per-tonne conversion on volume; margins are thin (paper/film is the bulk of cost). Flexibles, labels & printed/branded packaging carry higher margin than plain cartons. Machine utilisation, throughput, material efficiency/wastage, quality & volume drive economics — the decisive packaging levers; utilisation & material efficiency against thin margins are key.

7. Go-to-Market — Marketing & Sales

- **Direct B2B & brand** business development.
- **Quality/food-grade & certifications** as credentials.
- **JIT reliability & service** as differentiator.
- **E-commerce & FMCG** channels.
- **Long-term supply contracts.**

Sales approach

Win clients (quality, food-grade, capacity, cost, reliability) → prove JIT reliability & quality → convert to long-term supply (utilisation base) → deepen with flexibles/labels/branded & sustainability → diversify clients. Utilisation, efficiency, quality & reliability build steady, sticky revenue.

8. Operations Plan

- **Plant & machines:** corrugation/converting or flexo/lamination/pouching lines, printing, die-cutting, QC; material storage.
- **Process:** client spec/design → material procurement (paper/film) → printing/converting → die-cut/finish → QC → packing/JIT dispatch.
- **Quality & compliance:** QC, food-grade/BIS, hygiene (food packaging), certifications, client audits.
- **Efficiency:** machine utilisation, throughput, material yield/wastage, changeover, maintenance.
- **Tech:** ERP/production planning, inventory, quality & costing systems.

Packaging workflow

Stage	Activity	Metric
Spec/design	Client artwork/spec	Fit/margin
Procure	Paper/film	Cost/yield
Convert	Print/die-cut	Utilisation/wastage
QC	Quality/food-grade	Reject %

Dispatch	JIT delivery	On-time/reliability
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9. Regulatory, Licences & Compliance (India)

- **Factory & safety:** Factories Act & factory licence; fire NOC; labour/ESI/PF; electrical & machine safety.
- **Environment:** pollution-board CTE/CTO; plastic-waste-management & EPR (flexibles/films); recycling/waste.
- **Product & quality:** food-grade & BIS standards (food/pharma packaging); ISO 9001/BRC; client approvals.
- **Business & tax:** Pvt Ltd/LLP; GST; PAN/TAN; Udyam; PLI/scheme (if eligible).

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter & plant head	2	2	3
Machine operators (shifts)	16	24	34
Printing/converting & maintenance	4	6	9
Quality & QC	3	4	6
Procurement, stores & admin/BD	4	6	8
Total	29	42	60

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–5	Machines, plant, certifications, licences, first clients
Ramp	Month 5–10	Utilisation, quality, JIT, client approvals
Traction	Month 10–12	Utilisation & volume; ₹4.5cr revenue
Expand	Year 2	Flexibles/labels, clients, sustainability
Scale	Year 3	₹7.5cr 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. Packaging; volume/utilisation-driven, thin conversion margins, material-sensitive.

12.1 Project cost & means of finance

Capital requirement	₹
Machinery (corrugation/flexo/converting)	90,00,000
Plant setup, utilities & auxiliaries	28,00,000

Working capital (paper/film, WIP, receivables)	28,00,000
Certifications, licences & pre-operative	8,00,000
Contingency	6,00,000
Total project cost	1,60,00,000
Promoter contribution	56,00,000
Bank finance (term + CC; Mudra/CGTMSE/SIDBI)	1,04,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Cartons / corrugated	3,00,00,000	4,00,00,000	4,60,00,000
Flexibles, pouches & labels	1,30,00,000	2,20,00,000	2,70,00,000
Custom / branded & other	20,00,000	30,00,000	20,00,000
Total revenue	4,50,00,000	6,50,00,000	7,50,00,000
Raw material (paper/film/ink)	3,02,00,000	4,32,00,000	4,95,00,000
Power & direct labour	52,00,000	70,00,000	82,00,000
Overheads & maintenance	36,00,000	48,00,000	56,00,000
Admin, QC & selling	28,00,000	38,00,000	44,00,000
Interest & depreciation	26,00,000	28,00,000	29,00,000
Total expenses	4,44,00,000	6,16,00,000	7,06,00,000
Net profit (before tax)	6,00,000	34,00,000	44,00,000
Net margin	1.3%	5.2%	5.9%

12.3 Unit economics & break-even

- **Utilisation & throughput:** the master levers — high machine utilisation & throughput spread fixed machine/interest/depreciation over volume, lifting thin margins.
- **Material efficiency:** paper/film is ~65–70% of cost; yield/wastage control & procurement protect thin conversion margins; flexibles/labels lift the blend.
- **Break-even:** at a utilisation/volume threshold covering fixed costs; above it incremental volume is profitable — utilisation & material efficiency decisive.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	6,00,000	5,30,000	5,10,000	5,40,000
Collections	82,00,000	1,02,00,000	1,20,00,000	1,34,00,000
Material, power, labour & interest	82,70,000	1,02,20,000	1,19,70,000	1,33,20,000
Closing balance	5,30,000	5,10,000	5,40,000	6,20,000

B2B carries receivables (30-60 days) & paper/film WC is heavy; steady repeat orders & JIT contracts aid predictability. Utilisation, material/wastage control, receivable & CC discipline, plus contingency, manage cash; material-price swings, low early utilisation & payment delays are the key risks.

12.5 Key Performance Indicators to Monitor

- **Utilisation:** machine utilisation %; throughput; changeover time.
- **Efficiency:** material yield/wastage %; reject %; conversion cost.
- **Delivery:** on-time/JIT %; quality/food-grade compliance.
- **WC:** receivable days; material inventory; CC utilisation.

13. Funding Requirement & Bankability

Total ask: **₹1.04 crore bank finance** against ₹56 lakh promoter contribution — term loan for machinery + CC for working capital, under Mudra/CGTMSE/SIDBI (PLI where eligible). Bankability rests on utilisation, order volume/contracts, quality/food-grade & material efficiency; packaging is a defensive, steady-demand sector & the unit is asset-backed. Year-1 near break-even scaling to ₹44 lakh profit supports servicing; sticky repeat demand & JIT contracts de-risk utilisation.

13.1 Funding utilisation

Use of funds	₹	% of total
Machinery (corrugation/flexo/converting)	90,00,000	56.3%
Plant setup, utilities & auxiliaries	28,00,000	17.5%
Working capital (paper/film, WIP, receivables)	28,00,000	17.5%
Certifications, licences & pre-operative	8,00,000	5%
Contingency	6,00,000	3.8%
Total	1,60,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Low utilisation / order gaps	Long-term/JIT contracts; diversify clients; business development
Paper/film-price volatility	Pricing clauses; procurement; yield/wastage efficiency
Thin margins	Utilisation; flexibles/labels/branded mix; cost control
Receivables & WC	Credit control; advances; CC; material inventory discipline
Compliance (plastic-waste/EPR/food-grade)	EPR, pollution & food-grade compliance; certifications; audits

15. SWOT Analysis

Strengths Defensive, steady, sticky demand; asset-backed; utilisation-driven; e-commerce/FMCG tailwind; scalable.	Weaknesses Thin conversion margins; material-price-sensitive; capital-/WC-heavy; utilisation-dependent.
Opportunities E-commerce & FMCG growth; flexibles/labels/branded; sustainability (paper/recyclable); exports; capacity.	Threats Paper/film inflation; competition & imports; EPR/plastic regulation; payment delays.

16. Recommended AiSevak Tools for This Business

This packaging unit would use AiSevak’s Manufacturing vertical tools in delivery:

- **Plant ops:** ERP/production-planning, machine-utilisation/throughput, material-yield/wastage and quality tools.
- **Compliance:** factory-licence, pollution/CTE-CTO & plastic-waste/EPR, food-grade/BIS & ISO tools (with Legal & Finance verticals).
- **Practice:** Business Plan, utilisation/material-efficiency and Break-even tools to model the unit.

17. Key Assumptions & Notes

- Packaging manufacturing; cartons + flexibles/pouches + labels; per-unit/per-tonne conversion; flexibles/labels higher margin than cartons.
- Volume & machine utilisation are the master levers; paper/film (~65–70% of cost) — yield/wastage & procurement protect thin margins.
- Capital-/WC-heavy; term + CC (Mudra/CGTMSE/SIDBI; PLI if eligible); Factories Act, pollution CTE/CTO, plastic-waste/EPR, food-grade/BIS/ISO.
- Utilisation, material efficiency, quality & sticky repeat demand drive economics; figures illustrative, exclude GST.

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