

**Cologne University of Applied Science**

**Institute for Technology and Resources Management in the Tropics and Subtropics**

**BHOOMI - A ZERO WASTE SHOP IN MUMBAI, INDIA**



*Business plan*

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# 1. Business overview

## 1.1 Introduction

### Company Overview

As India continues to progress and standards of living keep improving, the tendency of an amplified consumer behavior also runs parallel. It is an established fact that improved development levels lead to increase in per capita consumption of resources and as a result increase in waste generated by a country.

Mumbai is one of the most prominent cities of India with a large emerging class. 'Bhoomi' is a business that promotes sustainable consumption in Mumbai by providing daily products that will drive a change in people's consumer behavior to minimize waste generated and hence promote a sustainable lifestyle. The sustainable goods include categories such as groceries, interior decoration, and other household goods used regularly by consumers.

Bhoomi owns a physical store and works to make online sales via the website. The deliveries are organized within 48 hours to the respective customers. The company also sells exclusively through a website and downloadable App. This uses online platforms for making and receiving orders, invoicing, communication and logistics, as well as the deliveries that are organized within 48 hours to the clients' specified locations.

### History

According to the latest studies, India generates the most amount of waste in the world, even more than the most populous country China. Moreover, the waste management infrastructure in the country also hasn't been effective enough. Mumbai city generates the second highest waste in the country, only after the national capital city of Delhi (World Bank, 2018). Even as many schemes to promote waste management and sanitation are being promoted by the government, waste management is already a menace and is bound to increase if no steps are taken. The problem is being solved only by corrective action. The business of Bhoomi however wants to take corrective action among the masses.

Traditionally Indians have been very close to nature, considering the earth to be a goddess (Earth is referred to as '*Dharti Mata*' in Hindi, meaning Earth Goddess). The Indians are also traditionally conscious consumers, using things only on need based rather than desire based. However, as the purchasing power of the population increases along with a variety of other global factors, the trend of mindless consumerism has to come to closely be linked with improvement in prosperity in the Indian society, which in turn is leading to ever increasing waste outputs. Bhoomi therefore is a way to reinstate the India way of thoughtful consumption – using the things we really need and minimize waste generated as much as possible.

Bhoomi is the creation of 5 international team members, out of which 2 are Indians and are very familiar with Mumbai city. With knowledge on the local needs, recognizing the power of the growing middle-class and having seen the existing gap in the provision of sustainable goods by personal as well other people's experiences, the idea behind the business is to cater to people's willingness to shift to sustainable lifestyle without spending great money, provide good quality sustainable products and make these products as accessible as possible to encourage an effortless transformation in the lifestyle. 'Bhoomi' means Earth in Sanskrit, which is the inspiration behind the business name and mission.

### **Management team**

The management team consists of five directors, who are responsible for leading the following departments to work within the vision and mission of the company:

- Administration and Operations department
- Finance Department
- Legal Affairs
- Sales, Marketing and Communications
- Business development unit

Under these departmental heads, Sales Officers and delivery staff will be hired to ensure smooth running of the business operations. These activities will be coordinated directly by the Head of the Administration and Finance department.

### **Legal Structure and ownership**

The Legal Affairs department is responsible for coordination of all legal matters in the Company. The incorporation is to be led by the Director responsible for this division, in coordination with the Company Lawyer.

The representation of Bhoomi in business development and top executive functions is to be done by the CEO, and where necessary other Directors/Departmental heads will be involved.

## **1.2 Vision and Mission**

### **Vision**

*Be a steering wheel for the zero-waste revolution by helping cities lead sustainable zero waste lifestyle and raise awareness.* Contribute to **SDG 12.2**-By 2030, achieve the sustainable management and efficient use of natural resources -reduce material footprint; **SDG 12.8** - By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

## Mission

What we do - ***Our Company provides available selection of products and choice of quantity, which is affordable, locally produced, chemical free, environment friendly, and at convenience.***

- Support Local communities and contribute to job creation
- Plastic free packaging and process
- Capacity building for encouraging and promoting awareness related to sustainable practices
- Keeping Transparency by creating sustainability reports.
- Energy efficient

## 1.3 Products

The business aims at propagation of a lifestyle that is need based rather than forced feeding of desires by the firms to the consumers, driving them to over-consume in an exploitative way to the environment and to themselves. As the main motive behind the business is transforming people's consumer behavior, the products in focus are everyday consumer products. Focusing on daily products used the most by the people would be an effective way of leading this mindful lifestyle. The issue of waste generation due to the high amount of plastic involved in packaging will also be addressed. Following is the overall product classification taken into consideration (Fig. 1). The detailed product list is available in Table 13.



**Fig. 1** Category of products

Following are some salient features of products offered by our business:

- All groceries and food products offered are of top quality and are organically produced.
- The material is locally produced in around areas of Mumbai and in other parts of the state of Maharashtra, hence supporting local farmers and entrepreneurs and minimizing the carbon footprint generated by long distance logistics.
- The products are provided in eco-friendly / recyclable / reusable packaging (whichever applicable). Liquids and semi-liquids are provided in reusable glass jars with the option of a returnable

deposit amount. Solids are provided without packaging in the shop and covered in sustainable packaging material for shipping.

- Products like beauty and cleaning are free of harmful chemicals.
- Decor products are made by up-cycling or making best out of waste by local artists

#### **1.4 Site Selection**

The business is based out of the city of Mumbai in the state of Maharashtra, India. With a population of around 20 million and being home to important ports, multinational business, entertainment industry and hence a large number of immigrants, Mumbai is considered the financial capital of India. Mumbai lives with a huge contrast of class within itself, with skyrise buildings shadowing over nearby slums. Even as Mumbai is a vital contributor to the total national income tax (UN-Habitat, 2010) the majority population lies in the lower-middle- and middle-class sections income-wise (Nijman, 2006). This middle class is growing like never throughout India; similarly, Mumbai today is bursting with a rising consumerist population as their opportunities and purchasing power is increasing.

The city of Mumbai, abundant with rising middle class and immigrated urban youth, is therefore an ideal place for the inception of a business such as ‘Bhoomi’. The increased demands and purchasing power of people if steered in the right direction since the early stages will be beneficial for the city and its residents – from the point of view of residents’ own and their city environment’s health.

The site of the shop or the ‘Bhoomi’ store is located in Ghatkopar (East) region of Mumbai. The area is inhabited by a large middle-class population, with a seeming scope of trying a variety of consumer products. The area is primarily residential and hence there is a good base for potential customers.

## 2. Market Analysis

### 2.1 Market Study

Demographics play a key role in determining the market and target audience. According to the population pyramid of the national census 2011, just like the national figures, the Mumbai population also demonstrates a young demographic (Fig. 2). Mumbai also attracts a large number of immigrants from all over India, so there is a huge available demographic of young, working class people, who are more likely to be environmentally and health conscious, and can be a direct market for the business.

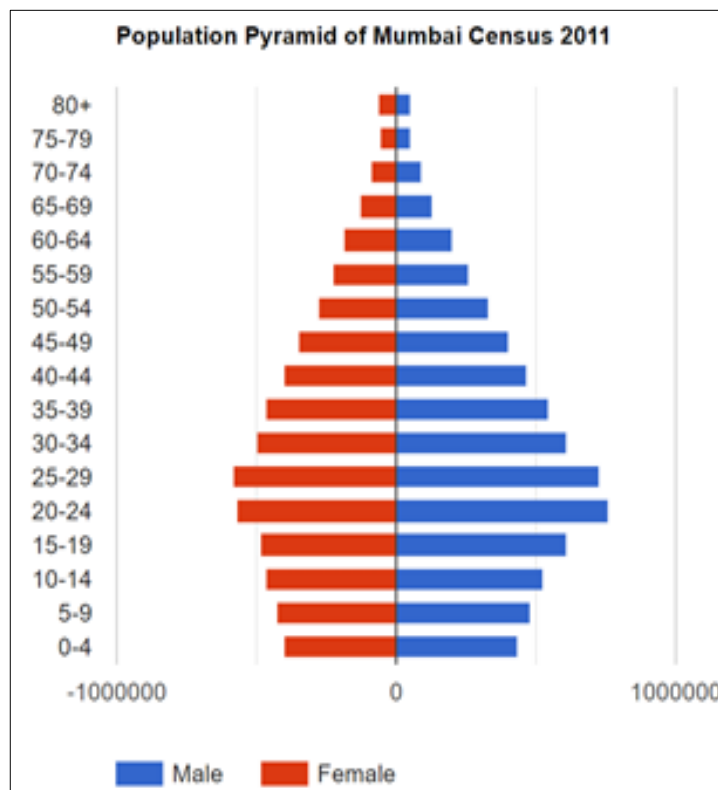
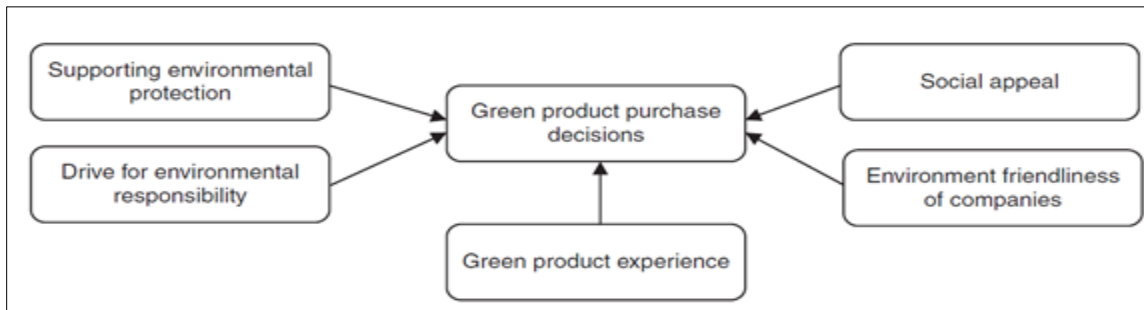


Fig. 2 Demographics of Mumbai. (India Census, 2011)

Larger chunk of the population is formed by age groups 20-40. As per the 2011 census, literacy rate in Mumbai is around 89.21%. As per a 2015 estimate, Mumbai’s GDP per capita was around to be US\$ 5,328, signifying a ‘middle-class population’. The middle-class in India as a whole is expected to only grow more. A report by the World Advertising Research Center (WARC) states that India will have a dominant middle-class by 2030 as people come out of poverty and join the rising middle class. By 2030, 51% of Indian households will earn over US\$8,500 annually and only 5% of India’s population is expected to be poor. This signifies a growth of the business target market in the upcoming years. The consumer market section which is the main focus of the business is by nature an essential product sector, which will sustain the market demand.

Guidance from a popular framework of analysing consumer probable decisions of buying green products was also taken for judging willingness of Mumbai residents to participate in Bhoomi’s mission (Fig. 3).



**Fig. 3** Framework for consumer decision of buying ‘green’ products (Ghodeswar & Kumar, 2015)

The figure shows the framework for studying people’s purchase decisions regarding green products. Studying Mumbai’s middle-class population via this framework provides useful insights for the business. Even as literature data is unavailable specifically for Mumbai, studies (Ghodeswar & Kumar, 2015) have indicated that an increasing number of Indian consumers possess levels of environmentally consciousness. This consciousness hence affects their purchase decision as well. Young urban population of India are aware about environmental challenges, feel responsible towards environmental action and have been observed to consciously find out about green products. Such products also have the potential to appeal more, as the ‘new lifestyle’, to the younger population. It is also studied that the purchase decision of Indian population is influenced (Khare, 2015) if they are made aware about the environmental impact of the company. Hence, marketing of such products in an efficient way, explaining the target audience the impact and contribution such green products have is a key method of securing a consumer base.

According to a report released by the leading Indian company Mahindra in 2019 (Mahindra, 2019) they conducted a study of more than 2,000 people from major Indian cities, including Mumbai, New Delhi, Kolkata and Bengaluru. While Indians are conscious about environmental issues and are willing to take action, the report found out that the major issues that are impeding the purchase of more sustainable products is their pricing. India is a very price-sensitive market and if the population perceives these green products as too expensive or not effective, they would not be willing to make the shift. The report found that 88% of the respondents believed that sustainable products would be unaffordable. However, the silver lining is that 89% of respondents said they were willing to think about their purchase decision if more companies offered alternative sustainable solutions. Another important finding was the awareness about damages caused by plastics, with 80% respondents saying they were unable to find easily accessible plastic free alternatives.

Key lessons from these studies for our business are:

- There exists willingness for climate action in the Indian consumer market, which makes ‘Bhoomi’ very relevant enterprise



- Consumers are not willing to pay a high premium for such alternatives, which means the business needs to make sure the product prices are not too expensive.
- Consumers welcome more sustainable alternatives, and hence effective marketing of such products will be very important
- Consumers are willing to accept plastic-free products, which works in benefit of ‘Bhoomi’ with sustainable packaging /no-packaging

## 2.2 Client Analysis through Survey

An online survey was conducted for getting an idea regarding consumer preferences specific to Mumbai. A total of 60 people responded out of which 44 respondents were from Mumbai. Out of these, 32 belonged to the age group 25-34, most of them single, working urban class. One respondent each also belonged to the age groups 17 and below and 55-64 (Fig. 4).

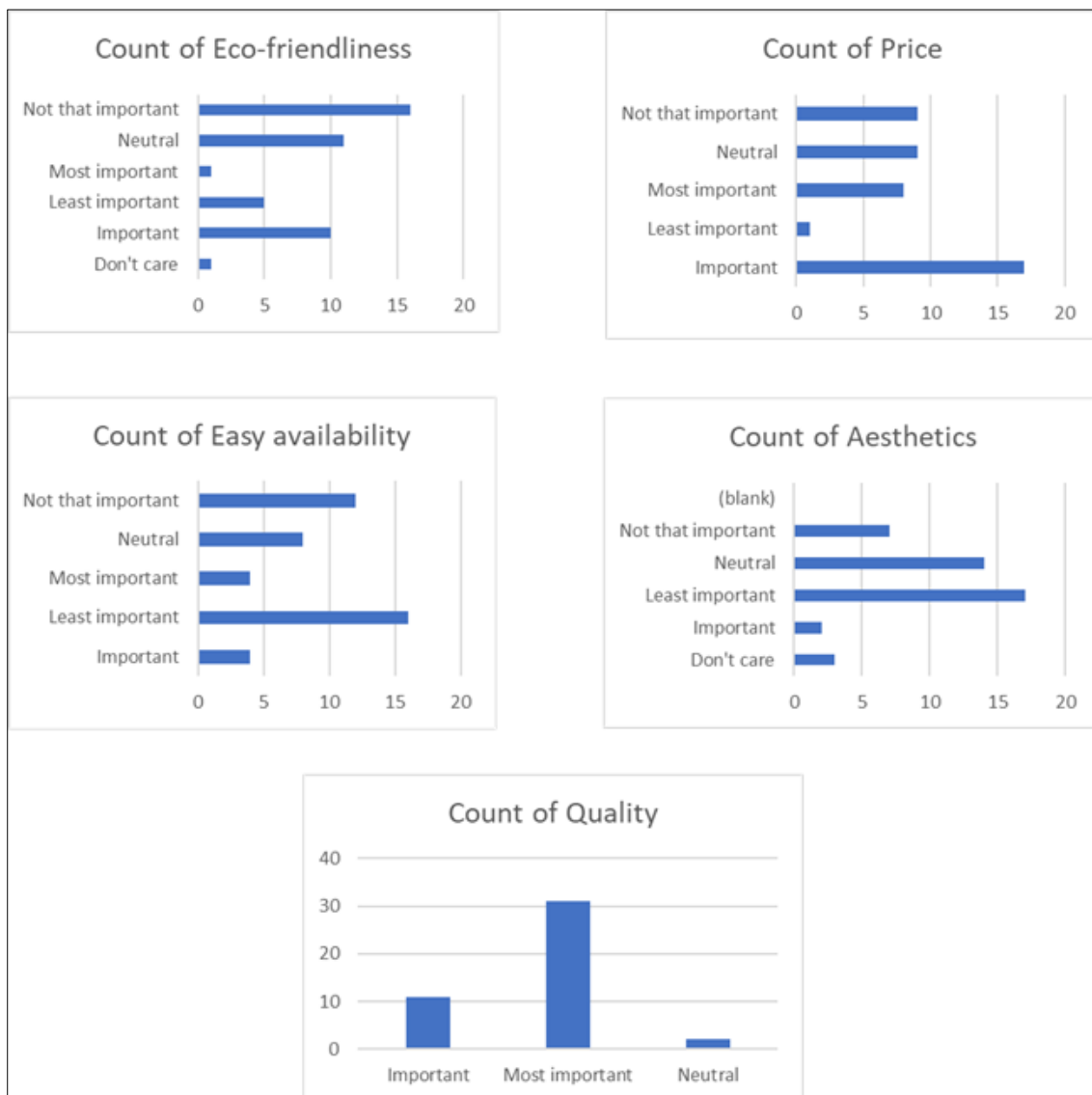


Fig 4 Consumer preferences of factors affecting their product choice

Out of the 44, only 8 respondents said that price was the most important factor while purchasing a product. A large majority of 31 people recorded ‘quality’ being the most important factor while purchasing. Interestingly, the factor of eco-friendliness was recorded as the most important factor by only 1 respondent, but was recorded as ‘important’ by 10 respondents. The survey audience didn’t assign ease of availability and aesthetics too high a value on their priority. We also asked a bunch of ‘this or that’ questions, to assess if their product choice will stick to conventional if they are provided with an alternative sustainable product.

25 out of 44 people said that they will purchase organic lentils with sustainable or no packaging, even if it is 10 rupees more expensive than any leading brand lentils. 28 out of 44 people responded that they will opt for organic, healthy vegetables that are sourced from local farmers, even if they are expensive by 4 rupees per half kg as compared to conventional market vegetables (Fig. 5)



Fig 5 Consumer preference of conventional vs organic lentils and local vs organic groceries

A major change was seen however in the option of choosing shampoos, with around 50% people opting for the conventional cheaper shampoo bottle vs investing more in a more expensive package-free natural shampoo bar. This reinforces our learning that even as people are okay with paying a premium for sustainable products, too much of a price difference becomes a significant hindrance for their purchase choice (Fig. 6).

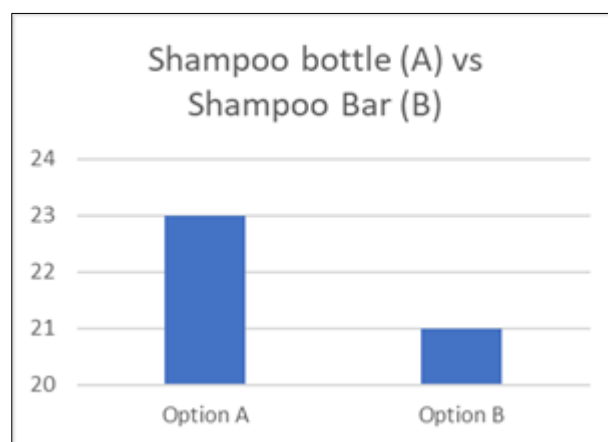


Fig 6 Consumer preference of shampoo bottle vs costlier natural sustainable shampoo bar

35 out of 44 respondents prefer carrying their own bags, which is also a beneficial behaviour for the idea Bhoomi is aiming to propagate. 25 out of 44 respondents said that they prefer purchasing items from physically visiting the store instead of going completely online, while 19 preferred home delivery of goods with some acceptable delivery charge. This shows that our business model needs to cater to both types of customer preferences by having a physical shop as well as an app/website. 29 out of 44 respondents recorded that they are unaware of any eco-friendly brands in India, which also demonstrates a need and scope of establishing a business like Bhoomi.

### 3. Competition benchmarking

#### 3.1 Main competitors

The increasing awareness related to climate change and the plastic ban revolution has led to stores adopting sustainable ways of operation. As of today, in India there are quite some brands selling vegan, organic, plastic free products in different categories. To name a few, Bare necessities- personal care, Eco Indian- zero waste organic store based in the south Indian cities of Chennai and Pondicherry. But taking into consideration the specific location of Mumbai, following were the brands identified as immediate competition.

##### 1. Adrish Zero waste Store

Adrish is an initiative by the company Siddhagirisatvyk. It was established in 2018 and has nationwide 7 stores, one in Mumbai (Andheri West), three in Pune (Koregaon park, Kamla Nehru Park and Aundh), two in Delhi (New Delhi and Greater Kailash) and one in Haryana (Gurugram). It is zero waste organic store and sells a wide range of products- food and groceries, Farm fresh fruits and vegetables, Home decor, Cleaning essentials, Kid toys, beauty essentials and other. Also provide Plastic free shipping services. Use Facebook and Instagram for brand promotion. Main competitor and local leader (<https://adrish.co.in/>).

##### 2. Eco vibes

Eco- Vibes is an e-commerce-based business. It was established in 2019 and is owned by RAA Technocrates- a proprietary firm and has an office based in Borivali East, Mumbai. Mostly deals with up-cycled, natural, and handmade products. A total range of 42 products- toiletries, oral and skin care products, women hygiene, Plants and wallets, gift boxes, pens, and washable baby diapers. Online services do not cover all areas but do deliver internationally but with prior prerequisites. Active on Facebook, twitter and Instagram platforms (<https://ecovibes.store/>).

##### 3. Organic Garden

Organic Garden is an e-commerce-based business which was established in 2011 and has an office based in Kalyan, Mumbai. Main products are farm fresh organic fruits, vegetables, and groceries. Fruits and vegetables delivery is available only in Mumbai, Navi Mumbai and Thane. Have been certified by EC0-CERT, fssai, USDA Organic and India organic (<https://organicgarden.co.in/>).

##### 4. BECO

BECO is one stop for plastic-free, natural, and biodegradable home and kitchen care products. In total 24 products. Products are available at multiple organic stores across India. Awareness through different events, blogs, Facebook, Instagram and LinkedIn (<https://letsbeco.com/>).

### 5. Big Bazaar

It is a popular retail chain operation founded by Kishore Biyani in 2001 under the parent organization – Future Group. Operates via stores in more than 240 cities across the whole country and also has an online platform. Wide range of products from different categories- fruits and vegetables, bakery and dairy, staples, beverages, snacks and packaged foods, home care and laundry, personal care and beauty, baby care, kitchen and utility, stationery and toys, luggage, fashion, electronics, and Home decor. Huge responses on Facebook, Twitter, Instagram, YouTube platforms (<https://shop.bigbazaar.com/>).

But as Organic garden, Eco vibes and BECO have a different focused category and limited number of products which differ from Bhoomi, consequently have influence in limited range. Hence for further analysis only Adrish and Big bazaar are considered.

### 3.2 Competition pricing

For price analysis, two main lead competitors Adrish and the Big Bazaar outlet located in Ghatkopar East are considered, who have website and store with similar products as Bhoomi (as they are the direct competitors – Table 1).

**Table 1** Competition pricing (Source: online website of the respective brands)

Category	Products	Unit	Big Bazaar in ₹	Adrish in ₹
Toiletries	Bamboo Comb	1 no.	-	-
	Bamboo Brush	1 no.	-	95
	Bathing soap	120-125gm	60	-
	Shampoo bar	75gm	135	112.5
	Vegan soap-navya	120gm	90	-
	Lip balm	20gm	130	-
Beverages	Herbal Tea	200gm	350	220
	Coffee	1 kg	600	1300
Food	Toor Dal	1kg	152	210
	Chick peas	1kg	110	-
	Masoor	1kg	110	170
	Kaala Chana	1kg	91.5	180
	Moong	1kg	156	160
	Pasta	1 kg	300	375
	Organic White Rice	1 kg	190	95
	Wheat flour	1 kg	41.4	75
	Gram Flour	1 kg	108	180
	Semolina Flour	1 kg	54	-
	Sabudana	1 kg	160	-

	Apple Cider Vinegar	700g	-	560
	White rice flakes	1kg	90	120
	Corn Flakes	1kg	550	370
	Dried Amla Candy	1kg	280	400
	Peanut Butter	1	1000	800
	Porridge (Daliya)	1 kg		110
<b>Spices</b>				
	Bayleaf	1 kg	-	500
	Cinnamon	1kg	640	700
	Fenugreek Seeds	1 kg	200	350
	Black pepper	1kg	850	1800
	Cumin Seeds	1kg	360	450
	Clove	1kg	1400	2100
	Cardamom	1kg	6760	7200
	Coriander powder	1kg	200	400
	Ginger powder	1kg	600	900
	Black pepper powder	1kg	900	1800
	Hing powder	1 kg	1540	2000
	Turmeric	1 kg	270	340
	Garam Masala	50 g	42.5	62.5
	Red Chilli Powder	1 kg	280	650
<b>Oil</b>				
	Wood-pressed Coconut oil	1 Litre	920	550
	Wood-pressed Mustard oil	1 Litre	920	390
	Wood-pressed Sunflower oil	1 Litre	138	370
	Olive oil	1 Litre	1475	-
	Desi ghee	1 kg	710	2400
<b>Sweeteners and salt</b>				
	Black Salt	1 kg	990	280
	Rock Salt	1 kg	165	80
	Jaggery	1 kg	71	140
	Brown Sugar	1 kg	-	-
	Coconut Sugar	1 kg	-	700
	Honey	1 kg	750	900
	Rose Gulkand	500g	-	750
<b>Others</b>				
	Decor by local artists		-	-
	Wooden Soap dish	1	-	299
	Bottle	1	150	-
	Glass Jar	1	150	-
	Cloth bags	1	-	-
	reusable coffee mugs	1.	160	-
	Recycled books	1	-	-
	Lavender Oil	1 liter	-	-

	Tea Tree Essential Oil	1 liter	-	-
Dry fruits	Organic Almond	1 kg	1000	3250
	Organic Cashew	1 kg	1175	1600
	Raisin	1 kg	525	750
	Organic Pistachio	1 kg	1400	-

As observed from the above table, in general Big bazaar being a retail seller and plastic packaging brand have cheaper options in comparison with Adrish who has organic, local and zero package products and services. This analysis formed one of the basis for deciding the pricing of Bhoomi products.

### 3.3 Competition analysis

This comparative study of the competitors highlights the facts related to strengths and shortcomings of the competitors which were considered to strengthen the model of Bhoomi and help decide the above given factors. The highlighted aspects in the Bhoomi column ensure the **unique selling points** which will outshine Bhoomi from other brands (Table 2).

**Table 2** Competition analysis

Company	Competitor 1 - Adrish	Competitor 2 - Big bazaar	Bhoomi
Services	Shop and online	Shop and Online	Shop, website, <b>mobile application</b>
Categories of Products	Food and groceries, Farm fresh fruits and vegetables, Home decor, Cleaning essentials, Kid toys, beauty essentials and other	Fruits and vegetables, bakery and dairy, staples, beverages, snacks and packaged foods, home care and laundry, personal care and beauty, baby care, kitchen and utility, stationery and toys, luggage, fashion, electronics and Home decor	Staples, wood pressed oils, toiletries, beverages, spices, sweeteners, decor by local artists, essential oils, dry fruits
Price range	Affordable	Depends on the brands	<b>Affordable</b>
Quality	Organic, high quality	Depends on the brands.	Organic, local, high quality
Choice	Wide range	Wide range	<b>Wide range</b> <b>(extra- bamboo combs, vegan soaps, semolina flour, sabudana, olive oil, brown sugar, bottles jars, cloth bags, reusable coffee</b>

			mugs, recycled books, essential oils, organic pistachio)
Organic	Yes	Not all products	Yes
Locally produce	-	Not all products	Yes
Zero waste package	Yes	Only some products	Yes
Zero waste Delivery	Yes	No	Yes
Return Policy – reuse the packages.	Yes	No	Yes
Awareness activities	No	No	Yes
Blogs and Report	No	No	Yes
Support Local farmers	Yes	Maybe	Yes
Support local artists, business	-	-	Yes
Product availability at stores across India	No	Yes	Yes



## 4. Business model

### 4.1 Working model

The Business Model defines where the products sold at Bhoomi will be sourced, where the main operations will take place, and the channels of distribution. Fig. 7 shows the business models Bhoomi can follow in order to implement the project.



Fig. 7 Business model - Sourcing, operation, distribution.

In both business models, the sourcing of the goods and the storage before sale is similar, however the physical store is not part of the first option making all sales online and reducing the cost for leasing, option 2 considers both forms of selling (physical and online). For this assessment, the business model chosen was the second. The goods would be sourced from different manufacturers or producers of sustainable products. The goods would be stored in the warehouse, prior to sale to online customers or displaying them at the Bhoomi physical store (located in Ghatkopar).

At the physical store, the clients would pick up goods on their own from the store. The goods will be delivered to the online customers within 48 hours after delivery. This business model seeks to take over a market that is growing and developing, namely, the e-commerce, according to the World Economic Forum (2020) some products have almost completely shifted to digital markets (computers, electronics and luxury goods) while some still on the battleground between physical stores and digital markets such as beauty products and small household appliances, even though groceries buying is mainly done in stores, all indicates that a digital transition is to come for almost every product.

Bhoomi is aware of the rapid development of this online market while remaining environmentally sustainable through the concept of green delivery, that considers green credentials, since delivery services would be outsourced from companies who offer logistics services in a sustainable way; to

reduce pollution, overconsumption of fuel and that promotes the use of less packaging or sustainable materials.

The transport of goods to the warehouse or physical store will be done by the suppliers, at a fee paid by Bhoomi, to ensure the sustainability of the process Bhoomi will advise and regulate the supplier's procedures and materials used for packaging. The delivery services to customers will be outsourced by Bhoomi from a sustainable and cost-effective transport and logistics company.

Lastly, an important part of the business is collaborating with the nearby popular and bigger retail store brands, to make Bhoomi products available far and wide. This is to solve the accessibility problem often faced by sustainable products, so that poor availability does not become an impedance for consumers.

## **4.2 Resources/equipment required**

The resources are divided into 5 broad categories.

### **1. Financial resources- Funding**

The financial resources will be sourced 80% from external sources and 20% from the shareholders. The main source of capital (80%) will be a loan from a commercial bank, but at later stages of business development and future growth, other venues may be considered such as: venture capital, angel investors, government grants and seed capital, will be considered.

### **2. Human resources**

The vision and mission completion of the organization relies on the talent and strength of the employees. Hiring of professionals and outsourcing of tasks with positive track record in specialized fields will be an important element. Bhoomi being a start-up, at initial stage most of the important tasks/ operations are handled by the board of directors, but still need to hire semi-skilled and unskilled workers for the store activities. This hiring could be done by posting openings on the website as well on various professional platforms.

### **3. Educational resources**

Market study and gaining in depth knowledge about the supply chain plays a vital role in smart and efficient decision making. This has been done once before for market research for Bhoomi as mentioned in the market analysis part and will be a continuous loop. Inputs received by this study then will be further accordingly used for planning ahead in future too.

### **4. Physical resources**

Physical resources are essential for survival of the operation. As Bhoomi has a store based in Mumbai and online services, after taking into consideration the needs, proper store space, enough

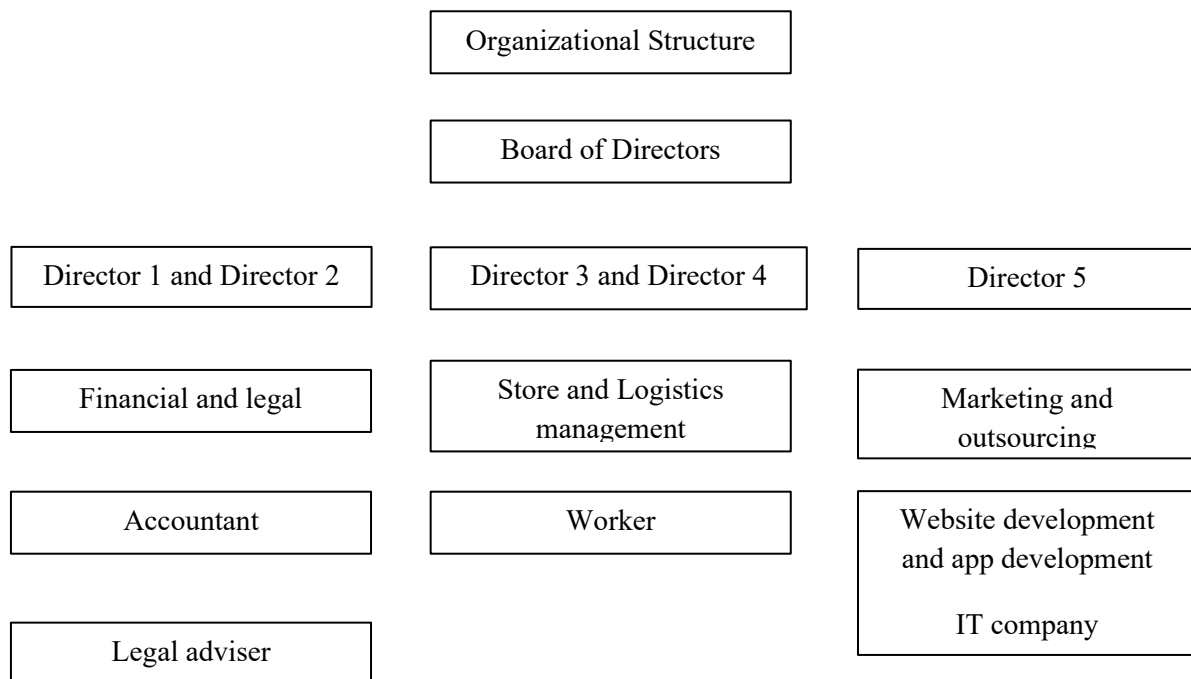
storage - store products, furniture for display of products and other electronics, adequate information system, equipment, logistics and stationery are major resources needed. This also contributes to one of the major costs of the whole venture which are listed briefly in the financial part.

**5. Utilities and services**

Renting the property for store and storage tags along the costs of lightning, water, and maintenance. Other utilities essential are internet and communication- telephone in the store. For ensuring the security of the store, cameras have to be considered for surveillance. Also services such as logistics- packaging, distribution, and transportation of products, products from local vendors, website and application development will be outsourced (on contract basis and audit will be conducted wherever necessary to ensure quality and assurance of the service).

**4.3 Organizational Chart**

Proper Structure of the Business Organization signifies and ensures enough human resources with skills to achieve company's goals, growth and profitability. Bhoomi is based on vertical and functional, divisional type of organizational structure because it highlights standardization in organization and processes (Fig. 8).



**Fig. 8** Organizational Structure of Bhoomi

The organization forms different departments: legal and financial, operation store and logistics and marketing and sales. Each department has a separate function and specializes in that

area. Employees report directly to head within their functional areas. The decision-making power lies between the 5 Board of directors.

### **Roles and Responsibilities**

#### 1. Legal and financial Department

Responsible - Director 1 and Director 2

Responsibilities - Daily Accounting, acquiring funds for the firm, managing funds within the organization and planning for the expenditure of funds on various assets, Co- coordinating legal aspects of the organization.

#### 2. Operation Department - Store and logistics

Responsible - Director 3 and Director 4

Responsibilities- Design and product specifications, Communication between vendors, allocation of resources, delivery of products and services, management of supply chain operations.

#### 3. Marketing and Sales

Responsible - Director 5

Responsibilities - Market research, sales budgets, customer services, Advertising Sales Promotion, Public Relations, Direct Marketing. Physical distribution of the product.

Some human resources are service based: for example legal advisor and IT company, which are used as per call of the hour and need of task. Hiring and selection of these entities lies in the hands of the board members. The following reporting an meetings will occur: annual boards meetings, monthly meeting and audits, weekly reporting, daily data logging.

This structure, human resources and clear responsibilities delegation assure clear communication and reporting, efficient task completion and fits best taking into consideration all needs and economic situation of organization at initial stage. As the organization grows and expands this structure will allow it to fill in more positions and ensure the smooth working of the organization.

## **4.4 Communication and marketing**

### **Defining the Market**

The target market is the growing middle class of residents of Mumbai, who are sourcing for sustainable products, and also those who may not have the environmental consciousness but can afford to buy. The target for the physical store will be local people who travel to the city for shopping, or work within the

City. The online business is expected to generate more for clientele who do not often get into the City. Upon the business launch, the target is for about 75 households.

### **Marketing channels**

To launch the business and get the idea known to the potential customers, advertising will be done in newspapers, billboards, posters, display signs, and also on online platforms (such as Facebook, Instagram, Google Ads), and by sharing the website on these platforms. In the second year onwards, the Bhoomi will aim to be part of business events such as trade fairs, exhibitions and events promoting sustainable businesses. The use of Social Media will also include sharing on the online platforms, how Bhoomi, as a sustainable business brand, is contributing to the Sustainable Development Agenda in India and globally.

### **Determining the value proposition**

The value of Bhoomi lies in its uniqueness as a business which provides quality, sustainable goods and ensures that goods are ethically and sustainably produced. This is the strength of the business in terms of customer retention and also inspiring and building a new customer base. The pricing will have a premium meant to compensate for the provision of sustainable goods. This meets the intended target market which is the growing middle class in Mumbai. However, through online campaigns, partnerships, use of events such as trade fairs and exhibitions, the brand will reach out to a customer base which is not the initial targeted middle class.

### **Defining the product strategy**

The business will also be built on building partnerships with like-minded brands, which deal with sustainable products. This is for building a portfolio for vendors and suppliers, as well as for the purposes of sustainability in the market. Proper vetting and quality control of suppliers to ensure that they are sustainable and provide quality, is one way in which the marketing of the business is highly dependent on.

### **Supporting Customers**

Bhoomi will also focus on building close customer relations, where the feedback is used in defining the future path of the business and strategies. In addition, any legitimate complaints on quality of products would lead to withdrawing of the products, and the business sourcing for more products.

Customers will have a direct phone number to reach the customer care desk at the physical shop, and also an online 'help' tab, where they can send queries, complaints and any other information to the business. The delivery of goods will be reasonably fast, to be done only within 48 hours.

## 4.5 Cost and pricing of products

The costs and pricing analysis was carried out per each product, taking into consideration the individual demand and client preferences for products. Firstly, the overall cost of production was taken into consideration, as follows:

**Step 1:** Cost of products + Cost of labor + Overhead cost of packaging and delivery = Total cost

Then, Bhoomi used combination of *Competitive- based on comparative value in market place and Cost -Plus -Based on margins and Volume* for pricing of each of products, as follows:

**Step 2:** Total cost + Desired profit (Varies with the type of product and demand of that product) = Required sale price of the product (in this step, the prices of the competition were considered as well) Finally, the price margin was decided taking into consideration that the price lies near the competition (varies from product to product) and ensuring that a sufficient margin profit is gained.

During the year according to the sales and demand *Dynamic Pricing -based on demand and perceived value* will be used for deciding the price of the products for SALE purpose (wherein some products will be sold at the Break Even Point- no profit and no loss). The final values for prices and costs for products used in this assessment are listed in section 6.8 Products costs.

## 5. Establishing the company

### 5.1 Site procurement

The location of the store will be in East Ghatkopar, Mumbai. Initially it was considered an additional warehouse in Bhiwandi or Navi Mumbai, but after calculating the distance from the warehouse to the store (<https://www.google.com/maps>), including the fuel cost price (<https://www.calculator.net/fuel-cost-calculator.html>), the monthly rent and the deposit (<https://www.propertywala.com/>) this solution was not profitable at all. The final store location includes a main room where the physical store is located, and additional smaller room annex used for warehouse.

### 5.2 Type of business form

A research has been conducted based on the Indian Companies Act from 2015 and the chosen business form was **private limited liability company**, being the most suitable for small companies (investors are liable for the company's debts only in the extent of their participation at the company's capital) (India Company Formation, 2020).

### **5.3 Legal requirements for setting up a company in India**

The information on how to register a Private Limited Company in India, is provided on the website of the Ministry of Corporate Affairs – Government of India. This is the main source of information for the registration of the Bhoomi Company Limited since the process can be conducted online. The Directors will consult with a Legal representative to ensure that the process is done in a credible and efficient manner.

The chosen name of the business is Bhoomi, however, the registration requires that six names are provided in order of preference, which indicate the main objects of the company. The names will be checked for availability on the portal, to ensure that no other similar name exists. After this process is complete, the online application will be done via the website of the Ministry of Corporate Affairs – Government of India, and as advised by the consulting legal officer. The application fees needed are accounted in the initial business capital, and therefore, would be covered.

Once the digital signature has been included, the following eForms will be presented: a copy of Memorandum and Article of Association to the Registrar of Companies (RoC), and the payment of requisite filing and registration fees done. It is after this process that the Certificate of Incorporation is generated from RoC.

### **5.4 Source of investment**

#### **Banks for lending capital**

The initial capital will be acquired through lending from commercial banks, based in Mumbai.

There are about 34 banks in India, however, the bank that will partner with the business (Bhoomi) is the State Bank of India, which provides a Simplified Small Business Loan to businesses, at an affordable interest rate that can begins at 8.25% per annum. The loan repayment period is also reasonable which ranges from 12 to 60 months, when given an amount between Rs.10 lakh to Rs.25 lakh.

The choice to pick these banks is based on the conditions of lending such as prevailing loan interest rates, the amount of capital that can be loaned, and repayment period. Most of the interest rates range from 8.25% to 16% per annum. These differ from one bank to another, as well as the amount borrowed. The Company will consider other forms of funding such as government schemes, seed capital, angel investors and the venture capital firms as they look into future business expansion and scaling of the business to a large enterprise. This will be considered as the business enters the third year of operation, after evaluation by the directors and the business development team. (Venture capitalists are typically defined as investors investing in start-ups and early stage growth companies whereas investors investing in late stage growth are classified as private equity).

## 6. Financial analysis

In this chapter all costs calculation, the revenue and the profitability will be addressed over 10 years (Table 3). The investment expenditure (₹ 1,289,992.42) occurs in year 0, before the business starts. The revenue increases up to ₹ 23,136,018.75 in the year 10. The costs are divided into depreciation, labour, products and delivery, utilities and administrative, marketing, financing and reinvestment costs and start with the first year of operation of the business (Year 1). In the first 2 years, the profit (gross and net) is negative, hence the second and third year will carry forward a loss. At the same time, the cash flow and the dividend in the same first two years is also negative. Since in the first two years the profit is negative, no taxes will be paid, in India commercial taxes are accounted as 30% of profit (DELOITTE, 2017). Reinvestments will be made in almost all years, except year 1, year 7 and year 10. The break even point occurs at year 5. The total calculated accumulated dividend after 10 years was ₹ 16,194,667.28. The detailed breakdown of each component of the main table and its associated explanation is addressed in this chapter as well as the opening balance presented in the end.

**Table 3** Ten years financial analysis

	Year 0	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Revenue		₹ 5,339,081.25	₹ 7,118,775.00	₹ 9,254,407.50	₹ 11,390,040.00	₹ 14,237,550.00	₹ 16,017,243.75	₹ 17,796,937.50	₹ 19,576,631.25	₹ 21,356,325.00	₹ 23,136,018.75
Investment expenditure	₹ 1,289,992.42										
Depreciation costs		₹ 63,713.14	₹ 52,723.14	₹ 33,479.40	₹ 52,723.14	₹ 41,723.24	₹ 22,489.40	₹ 63,713.14	₹ 52,723.14	₹ 33,479.40	₹ 63,713.14
Labour costs		₹ 225,862.17	₹ 232,638.03	₹ 239,617.17	₹ 246,805.69	₹ 254,209.86	₹ 261,836.15	₹ 269,691.24	₹ 277,781.98	₹ 286,115.44	₹ 294,698.90
Products costs		₹ 3,124,212.89	₹ 4,165,617.19	₹ 5,415,302.34	₹ 6,664,987.50	₹ 8,331,234.38	₹ 9,372,638.67	₹ 10,414,042.97	₹ 11,455,447.27	₹ 12,496,851.56	₹ 13,538,255.86
Utilities and administrative costs		₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67	₹ 1,233,812.67
Marketing costs		₹ 839,780.00	₹ 538,729.40	₹ 592,602.34	₹ 651,862.57	₹ 717,048.83	₹ 788,753.71	₹ 867,629.09	₹ 954,391.99	₹ 1,049,831.19	₹ 1,154,814.31
Financing costs		₹ 84,623.50	₹ 76,161.15	₹ 67,698.80	₹ 59,236.45	₹ 50,774.10	₹ 42,311.75	₹ 33,849.40	₹ 25,387.05	₹ 16,924.70	₹ 8,462.35
Delivery costs		₹ 341,955.00	₹ 449,160.00	₹ 584,175.00	₹ 718,200.00	₹ 897,750.00	₹ 1,014,630.00	₹ 1,121,565.00	₹ 1,237,950.00	₹ 1,346,640.00	₹ 1,463,025.00
Loss carried forward		₹ -	₹ 574,878.11	₹ 204,944.69	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Profit before tax (gross)		₹ -574,878.11	₹ -204,944.69	₹ 882,775.09	₹ 1,762,411.98	₹ 2,710,996.93	₹ 3,280,771.39	₹ 3,792,634.00	₹ 4,339,137.16	₹ 4,892,670.04	₹ 5,379,236.53
Taxes (30%)		₹ -	₹ -	₹ 264,832.53	₹ 528,723.60	₹ 813,299.08	₹ 984,231.42	₹ 1,137,790.20	₹ 1,301,741.15	₹ 1,467,801.01	₹ 1,613,770.96
Profit after taxes (net)		₹ -574,878.11	₹ -204,944.69	₹ 617,942.56	₹ 1,233,688.39	₹ 1,897,697.85	₹ 2,296,539.97	₹ 2,654,843.80	₹ 3,037,396.01	₹ 3,424,869.03	₹ 3,765,465.57
Cash-flow (net profit + depreciation)		₹ -511,164.98	₹ -152,221.55	₹ 651,421.96	₹ 1,286,411.52	₹ 1,939,421.09	₹ 2,319,029.37	₹ 2,718,556.94	₹ 3,090,119.15	₹ 3,458,348.43	₹ 3,829,178.70
Repayment credit		₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39	₹ 103,199.39
Reinvestment		₹ 21,980.00	₹ 90,792.00	₹ 21,980.00	₹ 21,980.00	₹ 112,447.00	₹ 112,772.00	₹ 21,980.00	₹ 21,980.00	₹ 90,792.00	₹ 90,792.00
Dividend		₹ -614,364.37	₹ -255,420.95	₹ 548,222.57	₹ 1,183,212.13	₹ 1,723,774.69	₹ 2,215,829.98	₹ 2,615,357.54	₹ 2,986,919.75	₹ 3,355,149.03	₹ 3,725,979.31
Accumulated dividend	₹ -1,289,992.42	₹ -1,904,356.79	₹ -2,159,777.74	₹ -1,611,555.17	₹ -428,343.04	₹ 1,295,431.65	₹ 3,511,261.63	₹ 6,126,619.18	₹ 9,113,538.93	₹ 12,468,687.97	₹ 16,194,667.28

### 6.1 Investment expenditure

The total investments costs are subdivided into equipment, licenses, legal, unexpected costs, inventory stock and rent deposit (Table 4). The depreciation costs of the assets are to be Found in Table 5. The Microsoft windows operating system license has a lifetime validity, whereas the Microsoft office and antivirus licenses must be renewed yearly, respectively each 3 years. Regarding the legal costs, the import export code and the running business license have a lifetime validity, while the trademark costs are



valid for 10 years. The notaries costs, VAT registration fee and the shop and establishment license for physical premises are required yearly. The costs mentioned above which occur more than once were additionally included in the Table 8. Utilities and Administrative Costs and calculated based on their occurrence. The unexpected costs consider a value of 20% of all costs except the inventory stock and the rental deposit. The inventory stock includes 25% of the total products cost from the year 1, assuming that products are required to be in the physical store from the first day of running the business. The rent deposit needs to be paid in advance before the space is rented.

**Table 4** Total investment costs in the year 0

Category	Detail	Price per Unit (INR)	Units	Total cost
Equipment	Laptop (with OS)	₹ 59,490.00	1	₹ 59,490.00
	Display	₹ 7,603.00	1	₹ 7,603.00
	Computer	₹ 23,699.00	1	₹ 23,699.00
	Label printer neo	₹ 13,100.00	1	₹ 13,100.00
	Inkjet printer	₹ 3,299.00	1	₹ 3,299.00
	Billing machine	₹ 1,999.00	1	₹ 1,999.00
	6 Layer Shelf	₹ 5,080.00	5	₹ 25,400.00
	Ergonomic Chair	₹ 3,490.00	5	₹ 17,450.00
	Adjustable Desk	₹ 6,699.00	3	₹ 20,097.00
	Weighing machine	₹ 999.00	1	₹ 999.00
	Pedestal fan	₹ 2,583.00	1	₹ 2,583.00
	Glass container 5000 ml	₹ 420.00	50	₹ 21,000.00
	Refrigerator	₹ 28,500.00	1	₹ 28,500.00
	Licenses	Microsoft office	₹ 4,890.00	2
Microsoft windows Operating System		₹ 3,999.00	1	₹ 3,999.00
Antivirus		₹ 1,699.00	2	₹ 3,398.00
Legal	Running business license (incorporate PLLC)	₹ 7,000.00	1	₹ 7,000.00
	Notaries costs	₹ 200.00	10	₹ 2,000.00
	Import Export Code	₹ 2,500.00	1	₹ 2,500.00
	VAT registration fee	₹ 2,500.00	1	₹ 2,500.00
	Trademark costs	₹ 4,500.00	1	₹ 4,500.00
	Shop and Establishment License for physical premises	₹ 720.00	1	₹ 720.00
Unexpected costs	Unexpected costs (20% of the above)	20%	1	₹ 52,323.20
Inventory stock	Products costs	₹ 793,943.85	1	₹ 793,943.85
Rent deposit	Deposit	₹ 195,000.00	1	₹ 195,000.00
Total investment costs				₹ 1,302,883.05

## 6.2 Depreciation costs

The depreciation costs are calculated based on the depreciation rate of each asset: 2 years (50%), 3 years (33.3%) or 5 years (20%). When the lifecycle of an asset ends, a new reinvestment of that asset is necessary. Since the assets have a low lifecycle, many of them are replaced often, hence re-investment will be made in all years except year 1, year 7 and year 10. All re-investments are marked with yellow and the table summarizes the annual depreciation and re-investment costs (Table 5).

**Table 5** Depreciation and re-investment costs for the equipment over a 10 years period

Detail	Price per Unit (INR)	Units	Depreciation (Years)	Sum	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Laptop (with OS)	₹ 59,490.00	1	3	₹ 59,490.00	₹ 59,490.00	₹ 19,810.17	₹ 19,810.17	₹ 59,490.00	₹ 19,810.17	₹ 19,810.17	₹ 59,490.00	₹ 19,810.17	₹ 19,810.17	₹ 59,490.00	₹ 19,810.17
Display	₹ 7,603.00	1	3	₹ 7,603.00	₹ 7,603.00	₹ 2,531.80	₹ 2,531.80	₹ 7,603.00	₹ 2,531.80	₹ 2,531.80	₹ 7,603.00	₹ 2,531.80	₹ 2,531.80	₹ 7,603.00	₹ 2,531.80
Computer	₹ 23,699.00	1	3	₹ 23,699.00	₹ 23,699.00	₹ 7,891.77	₹ 7,891.77	₹ 23,699.00	₹ 7,891.77	₹ 7,891.77	₹ 23,699.00	₹ 7,891.77	₹ 7,891.77	₹ 23,699.00	₹ 7,891.77
Label printer neo	₹ 13,100.00	1	2	₹ 13,100.00	₹ 13,100.00	₹ 6,550.00	₹ 13,100.00	₹ 6,550.00	₹ 13,100.00	₹ 6,550.00	₹ 13,100.00	₹ 6,550.00	₹ 13,100.00	₹ 6,550.00	₹ 6,550.00
Inkjet printer	₹ 3,299.00	1	2	₹ 3,299.00	₹ 3,299.00	₹ 1,649.50	₹ 3,299.00	₹ 1,649.50	₹ 3,299.00	₹ 1,649.50	₹ 3,299.00	₹ 1,649.50	₹ 3,299.00	₹ 1,649.50	₹ 1,649.50
Billing machine	₹ 1,999.00	1	2	₹ 1,999.00	₹ 1,999.00	₹ 999.50	₹ 1,999.00	₹ 999.50	₹ 1,999.00	₹ 999.50	₹ 1,999.00	₹ 999.50	₹ 1,999.00	₹ 999.50	₹ 999.50
6 Layer Shelf	₹ 5,080.00	5	5	₹ 25,400.00	₹ 25,400.00	₹ 5,080.00	₹ 5,080.00	₹ 5,080.00	₹ 5,080.00	₹ 25,400.00	₹ 5,080.00	₹ 5,080.00	₹ 5,080.00	₹ 5,080.00	₹ 5,080.00
Ergonomic Chair	₹ 3,490.00	5	5	₹ 17,450.00	₹ 17,450.00	₹ 3,490.00	₹ 3,490.00	₹ 3,490.00	₹ 3,490.00	₹ 17,450.00	₹ 3,490.00	₹ 3,490.00	₹ 3,490.00	₹ 3,490.00	₹ 3,490.00
Adjustable Desk	₹ 6,699.00	3	5	₹ 20,097.00	₹ 20,097.00	₹ 4,019.40	₹ 4,019.40	₹ 4,019.40	₹ 4,019.40	₹ 20,097.00	₹ 4,019.40	₹ 4,019.40	₹ 4,019.40	₹ 4,019.40	₹ 4,019.40
Weighing machine	₹ 999.00	1	2	₹ 999.00	₹ 999.00	₹ 499.50	₹ 999.00	₹ 499.50	₹ 999.00	₹ 999.00	₹ 999.00	₹ 499.50	₹ 999.00	₹ 499.50	₹ 499.50
Pedestal fan	₹ 2,583.00	1	2	₹ 2,583.00	₹ 2,583.00	₹ 1,291.50	₹ 2,583.00	₹ 1,291.50	₹ 2,583.00	₹ 1,291.50	₹ 2,583.00	₹ 1,291.50	₹ 2,583.00	₹ 1,291.50	₹ 1,291.50
Glass container	₹ 420.00	50	5	₹ 21,000.00	₹ 21,000.00	₹ 4,200.00	₹ 4,200.00	₹ 4,200.00	₹ 4,200.00	₹ 21,000.00	₹ 4,200.00	₹ 4,200.00	₹ 4,200.00	₹ 4,200.00	₹ 4,200.00
Refrigerator	₹ 28,500.00	1	5	₹ 28,500.00	₹ 28,500.00	₹ 5,700.00	₹ 5,700.00	₹ 5,700.00	₹ 5,700.00	₹ 28,500.00	₹ 5,700.00	₹ 5,700.00	₹ 5,700.00	₹ 5,700.00	₹ 5,700.00
Re-investment							₹ 21,980.00	₹ 90,792.00	₹ 21,980.00	₹ 112,447.00	₹ 112,772.00		₹ 21,980.00	₹ 90,792.00	
Depreciation						₹ 63,713.14	₹ 52,723.14	₹ 33,479.40	₹ 52,723.14	₹ 41,723.24	₹ 22,489.40	₹ 63,713.14	₹ 52,723.14	₹ 33,479.40	₹ 63,713.14
Total (depreciation + re-investment)						₹ 63,713.14	₹ 74,703.14	₹ 124,271.40	₹ 74,703.14	₹ 154,170.24	₹ 135,261.40	₹ 63,713.14	₹ 74,703.14	₹ 124,271.40	₹ 63,713.14

### 6.3 Labor costs

Labor costs were calculated for the 5 directors mentioned in the management team and 2 semiskilled and unskilled employees. Salaries were calculated according to Mumbai minimum wage (CLC, 2021) and for the directors, the average monthly salary of Mumbai was taken into account, this is approximately 36,600 INR including all benefits offered by employer (salary explorer, 2021). All salaries were accounted as local salaries, besides basic salary, the benefits offered from the company are: house rent allowance, medical allowance and Employers Provident Fund as 12% for all employees, this is the provision from the employer for Indian Social Security, the percentages of the benefits can be seen in Table 6.

**Table 6** Salaries percentage per type of worker

percentages per position	Basic Salary	House Rent Allowance	Medical Allowance	Employee's Provident Fund (12%)
<i>Director</i>	50%	19%	19%	12%
<i>worker semi-skilled</i>	75%	7%	7%	12%
<i>worker unskilled</i>	88%	0%	0%	12%

Finally, an increase for the salaries of 3% per year has been considered, Table 7 shows the salaries from year 1 to year 10.

**Table 7 Total Salaries per year**

Position	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operations & logistics director	₹ 40,000	₹ 41,200	₹ 42,436	₹ 43,709	₹ 45,020	₹ 46,371	₹ 47,762	₹ 49,195	₹ 50,671	₹ 52,191
Operations & logistics director	₹ 40,000	₹ 41,200	₹ 42,436	₹ 43,709	₹ 45,020	₹ 46,371	₹ 47,762	₹ 49,195	₹ 50,671	₹ 52,191
Marketing & Sales Director	₹ 40,000	₹ 41,200	₹ 42,436	₹ 43,709	₹ 45,020	₹ 46,371	₹ 47,762	₹ 49,195	₹ 50,671	₹ 52,191
Finances & legal director	₹ 40,000	₹ 41,200	₹ 42,436	₹ 43,709	₹ 45,020	₹ 46,371	₹ 47,762	₹ 49,195	₹ 50,671	₹ 52,191
Finances & legal director	₹ 40,000	₹ 41,200	₹ 42,436	₹ 43,709	₹ 45,020	₹ 46,371	₹ 47,762	₹ 49,195	₹ 50,671	₹ 52,191
Cashier	₹ 14,475	₹ 14,909	₹ 15,356	₹ 15,817	₹ 16,291	₹ 16,780	₹ 17,284	₹ 17,802	₹ 18,336	₹ 18,886
Store Clerk	₹ 11,388	₹ 11,729	₹ 12,081	₹ 12,443	₹ 12,817	₹ 13,201	₹ 13,597	₹ 14,005	₹ 14,425	₹ 14,858
<b>TOTAL</b>	<b>₹ 225,862</b>	<b>₹ 232,638</b>	<b>₹ 239,617</b>	<b>₹ 246,806</b>	<b>₹ 254,210</b>	<b>₹ 261,836</b>	<b>₹ 269,691</b>	<b>₹ 277,782</b>	<b>₹ 286,115</b>	<b>₹ 294,699</b>

## 6.4 Utilities and administrative costs

All utilities recur monthly, whereas most of the administrative costs occur monthly or even yearly, except for the antivirus license which is renewed each 3 years (Table 8).

**Table 8 Total utilities and administrative costs**

Type	Category	Detail	Price per Unit (INR)	Units	Recurrence	Sum	Sum/year
Utilities	Service administrative	Car insurance	₹ 2,863.00	1	Monthly	₹ 2,863.00	₹ 34,356.00
		Store insurance	₹ 2,620.00	1	Monthly	₹ 2,620.00	₹ 31,440.00
	Energy	Electrical Energy (kWh)	₹ 5.00	90	Monthly	₹ 450.00	₹ 5,400.00
		Water	₹ 2.50	5	Monthly	₹ 12.50	₹ 150.00
	Internet	DSL Internet	₹ 842.00	1	Monthly	₹ 842.00	₹ 10,104.00
	Surveillance	Smart Wireless Surveillance Camera 360 Services	₹ 2,499.00	2	Monthly	₹ 4,998.00	₹ 59,976.00
Administratives	Telephone	Landline telephone	₹ 160.00	1	Monthly	₹ 160.00	₹ 1,920.00
		Mobile telephone	₹ 275.00	5	Monthly	₹ 1,375.00	₹ 16,500.00
	Insurance	Business insurance	₹ 5,970.00	1	Monthly	₹ 5,970.00	₹ 71,640.00
	Leasing	Commercial space lease	₹ 65,000.00	1	Monthly	₹ 65,000.00	₹ 780,000.00
		Website domain cost	₹ 1,050.00	1	Yearly	₹ 1,050.00	₹ 1,050.00
		Website hosting service	₹ 7,500.00	1	Yearly	₹ 7,500.00	₹ 7,500.00
	Software licenses	Microsoft office	₹ 4,890.00	2	Yearly	₹ 9,780.00	₹ 9,780.00
		Antivirus	₹ 1,699.00	2	3 Years	₹ 3,398.00	₹ 1,132.67
	Legal	Notaries costs	₹ 200.00	10	Yearly	₹ 2,000.00	₹ 2,000.00
		VAT registration fee	₹ 2,500.00	1	Yearly	₹ 2,500.00	₹ 2,500.00
		Shop and Establishment License for physical premises	₹ 720.00	1	Yearly	₹ 720.00	₹ 720.00
	Office supplies	A4 paper	₹ 170.00	4	Monthly	₹ 680.00	₹ 8,160.00
		Billing machine paper	₹ 400.00	1	Monthly	₹ 400.00	₹ 4,800.00
		Sticker roll	₹ 140.00	4	Monthly	₹ 560.00	₹ 6,720.00
		Black toner	₹ 469.00	1	Monthly	₹ 469.00	₹ 5,628.00
		Color toner	₹ 500.00	1	Monthly	₹ 500.00	₹ 6,000.00
		Ballpoint pen (pack of 50)	₹ 356.00	1	Yearly	₹ 356.00	₹ 356.00
Inking stamp		₹ 5,656.00	2	Yearly	₹ 11,312.00	₹ 11,312.00	
Ink pad		₹ 389.00	1	Monthly	₹ 389.00	₹ 4,668.00	
Accounting		Service	₹ 150,000.00	1	Yearly	₹ 150,000.00	₹ 150,000.00
<b>Total utilities and administrative costs</b>						<b>₹ 1,233,812.67</b>	

## 6.5 Marketing costs

The marketing costs include the development and maintenance of the mobile application and website which is one of the main drivers of the business model, also includes the social media marketing which is the main way of marketing of the company. Other Marketing costs include advertising via messages, billboard and newspapers; events and sales are also accounted for. Table 9 shows the detailed marketing cost for the first 5 years, for the following 5 years it is planned to continue the provision for marketing with an increase of 10% per year.

**Table 9** Marketing costs

	1st year	2nd year	3rd year	4th year	5th year
Application -Mobile	₹ 364,270	₹ 29,144	₹ 29,144	₹ 29,144	₹ 29,144
Website	₹ 25,000	₹ 20,000	₹ 20,000	₹ 20,000	₹ 20,000
Social media Marketing	₹ 300,000	₹ 300,000	₹ 300,000	₹ 300,000	₹ 300,000
Mobile Marketing- Message	₹ 3,540	₹ 3,540	₹ 3,540	₹ 3,540	₹ 3,540
Newspaper advertisement	₹ 14,070	₹ 10,670	₹ 10,670	₹ 10,670	₹ 10,670
LED Sign boards	₹ 6,500	₹ -	₹ -	₹ -	₹ -
Billboards	₹ 32,400	₹ 32,400	₹ 32,400	₹ 32,400	₹ 32,400
Exhibitions and trade fairs	₹ 30,000	₹ 30,000	₹ 30,000	₹ 30,000	₹ 30,000
Corporate events	₹ -	₹ -	₹ -	₹ -	₹ -
Coupons	₹ 6,000	₹ 6,000	₹ 6,000	₹ 6,000	₹ 6,000
Sale	₹ -	₹ -	₹ -	₹ -	₹ -
Charitable donations (tree planting)	₹ 3,000	₹ 3,000	₹ 3,000	₹ 3,000	₹ 3,000
Samples	₹ 5,000	₹ 5,000	₹ 5,000	₹ 5,000	₹ 5,000
Company blogs	₹ -	₹ -	₹ -	₹ -	₹ -
Workshops Online	₹ -	₹ -	₹ -	₹ -	₹ -
Miscellaneous	₹ 50,000	₹ 50,000	₹ 50,000	₹ 50,000	₹ 50,000
<i>subtotal</i>	₹ 839,780	₹ 489,754	₹ 489,754	₹ 489,754	₹ 489,754
<i>Final cost taking into consideration of 10 % increase every year)</i>	₹ 839,780	₹ 538,729	₹ 592,602	₹ 651,863	₹ 717,049

## 6.6 Financing costs

A total of ₹ 1,289,992.42 is required for the total investment (Table 10). 80% will be financed by the bank with an interest rate of 8.2% per year over a period of 10 years. The bank loan includes the constant annual loan redemption and the 8.2% interest cost (Table 11). The personal investment lies at ₹ 257,998.48 with a share of ₹ ₹ 51,599.70 for each of the five stakeholders.

**Table 10** Breakdown of the investment costs

Financing	
Total investment	₹ 1,289,992.42
Share of finance	80%
Amount to be financed	₹ 1,031,993.94
Personal investment	₹ 257,998.48
Interest rate (year)	8.2%

**Table 11** Financing costs and repayment credit over 10 years

Year	Balance of debt	Repayment credit	Interest cost (8.2% yearly)	Total
0	₹ 1,031,993.94			
1	₹ 928,794.54	₹ 103,199.39	₹ 84,623.50	₹ 187,822.90
2	₹ 825,595.15	₹ 103,199.39	₹ 76,161.15	₹ 179,360.55
3	₹ 722,395.76	₹ 103,199.39	₹ 67,698.80	₹ 170,898.20
4	₹ 619,196.36	₹ 103,199.39	₹ 59,236.45	₹ 162,435.85
5	₹ 515,996.97	₹ 103,199.39	₹ 50,774.10	₹ 153,973.50
6	₹ 412,797.58	₹ 103,199.39	₹ 42,311.75	₹ 145,511.15
7	₹ 309,598.18	₹ 103,199.39	₹ 33,849.40	₹ 137,048.79
8	₹ 206,398.79	₹ 103,199.39	₹ 25,387.05	₹ 128,586.44
9	₹ 103,199.39	₹ 103,199.39	₹ 16,924.70	₹ 120,124.09
10		₹ 103,199.39	₹ 8,462.35	₹ 111,661.74
<b>Total</b>				<b>₹ 1,497,423.20</b>

## 6.7. Logistics

The logistics include the cost for last mile delivery for the transportation of the products from the store to clients and an estimation for the cost of first mile delivery from the supply source to the store. Four companies were assessed regarding working model, prices offered and packaging strategy: Just Deliveries, Grab, We Fast and Pick and Delivery. The sustainability aspect of the delivery company is of utmost importance for it to be selected. From the analysis of the 4 companies, We Fast was selected, since they offer a specific working model or delivery service for online stores (We Fast, 2021). Their model includes packages from 1 kg up to 200 kg, and special offers for different amounts of deliveries. Bhoomi will work with deliveries from 1 to 20 kg, Table 12. shows the prices according to size and to account for the cost for the first mile delivery, a fee will be paid to the suppliers also described in the table.

**Table 12** Delivery prices

Weight (kg)	Last Mile Delivery We Fast Price (INR)	First Mile Delivery Fee (INR)
1 to 5	180	90
10	280	140
15	330	165
20	380	190

## 6.8 Products costs & demand

This section includes the assessment for the products cost and how the prices were estimated based on the cost of the products, the production costs (labor + delivery) and the prices of the competition ensuring a profit margin. The products costs were estimated per item through local wholesale vendors, it is expected to have contracts with the vendors in order to ensure supply as well as wholesale discount. In order to assign the total labor cost to each product, the total labor cost was first divided by the 59 products Bhoomi will sell, and then divided again by the total units demanded for one year of that product. The demand per product is based on the typical amount of consumption of item per household in India or in Mumbai when possible, and an initial value of 75 households for the first year of operation, thus the calculation of the units demanded was done by multiplying the demand per product per 1 household times the number of households. Finally, the delivery prices were calculated with the weight per product and the prices per weight given in the delivery costs. Then these 3 costs were added as total cost per product. The prices were estimated per product with the premises of being competitive and ensuring a margin profit. It is important to mention that, in the first year, all prices are above or equal to its cost (vendors or supply selling price) but not all are above its total costs, meaning that not all products have a positive margin profit, yet some products will subsidize other products, and as the number of clients increase, all products shall have a positive profit margin. The aforementioned calculation is shown in Table 13.

**Table 13** Product cost, demand and prices

Name	Demand** (unit/household/year)	Labor cost per product	Total units (for 75 households)	Weight per unit (kg)	Product cost*	Labor costs per unit (labor cost/total units)	Delivery cost per unit	Total cost	Bhoomi Price	Bhoomi Price – Product cost	Bhoomi Price – total cost
Bamboo Comb	0,5	3828	38	0,05	19	102	2	123	120	101	-3
Bamboo Brush	1,0	3828	75	0,10	80	51	4	135	90	10	-45
Bathing soap	5,0	3828	375	0,13	50	10	5	65	170	120	105
Shampoo bar	10,0	3828	750	0,08	85	5	3	93	150	65	57
Vegan soap-navya	10,0	3828	750	0,12	75	5	5	85	200	125	115
Lip balm	2,0	3828	150	0,02	85	26	1	111	200	115	89
Herbal Tea	6,0	3828	450	0,20	200	9	8	216	230	30	14
Coffee	3,0	3828	225	1,00	450	17	39	506	1000	550	494
Toor Dal	6,0	3828	450	1,00	90	9	39	138	190	100	52
Chick peas	6,0	3828	450	1,00	60	9	39	108	120	60	12
Masoor	6,0	3828	450	1,00	57	9	39	105	170	113	65
Kaala Chana	6,0	3828	450	1,00	60	9	39	108	175	115	67

Moong	6,0	3828	450	1,00	80	9	39	128	165	85	37
Pasta	3,0	3828	225	1,00	35	17	39	91	350	315	259
Organic White Rice	18,0	3828	1350	1,00	50	3	39	92	85	35	-7
Wheat flour	16,0	3828	1200	1,00	20	3	39	63	60	40	-3
Gram Flour	4,0	3828	300	1,00	91	13	39	143	170	79	27
Semolina Flour	4,0	3828	300	1,00	25	13	39	77	70	45	-7
Sabudana	4,0	3828	300	1,00	80	13	39	132	170	90	38
Porridge (Daliya)	3,0	3828	225	1,00	26	17	39	82	100	74	18
Bayleaf	1,0	3828	75	1,00	200	51	39	290	400	200	110
Cinnamon	0,5	3828	38	1,00	320	102	39	461	680	360	219
Fenugreek Seeds	1,0	3828	75	1,00	350	51	39	440	350	0	-90
Black pepper	0,3	3828	19	1,00	300	204	39	544	1500	1200	956
Cumin Seeds	1,0	3828	75	1,00	200	51	39	290	400	200	110
Clove	0,3	3828	19	1,00	300	204	39	544	1800	1500	1256
Cardamom	0,5	3828	38	1,00	1600	102	39	1741	7000	5400	5259
Coriander powder	0,3	3828	19	1,00	95	204	39	339	300	205	-39
Ginger powder	1,0	3828	75	1,00	300	51	39	390	700	400	310
Black pepper powder	0,5	3828	38	1,00	450	102	39	591	1200	750	609
Hing powder	0,5	3828	38	1,00	1500	102	39	1641	1800	300	159
Turmeric	0,5	3828	38	1,00	70	102	39	211	300	230	89
Garam Masala	24,0	3828	1800	0,05	25	2	2	29	50	25	21
Red Chilli Powder	0,3	3828	19	1,00	105	204	39	349	400	295	51
Wood-pressed Coconut oil	3,0	3828	225	1,00	555	17	39	611	600	45	-11
Wood-pressed Mustard oil	3,0	3828	225	1,00	255	17	39	311	400	145	89
Wood-pressed Sunflower oil	3,0	3828	225	1,00	500	17	39	556	500	0	-56
Olive oil	6,0	3828	450	1,00	550	9	39	598	1600	1050	1002
Desi ghee	3,0	3828	225	1,00	400	17	39	456	2000	1600	1544
Black Salt	0,5	3828	38	1,00	30	102	39	171	250	220	79
Rock Salt	0,5	3828	38	1,00	10	102	39	151	70	60	-81

Jaggery	6,0	3828	450	1,00	80	9	39	128	130	50	2
Brown Sugar	12,0	3828	900	1,00	32	4	39	76	70	38	-6
Coconut Sugar	6,0	3828	450	1,00	500	9	39	548	650	150	102
Honey	2,0	3828	150	1,00	300	26	39	365	900	600	535
Rose Gulkand	1,0	3828	75	0,50	75	51	20	146	700	625	554
Apple Cider Vinegar	2,0	3828	150	0,70	27	26	28	80	500	473	420
White rice flakes	12,0	3828	900	1,00	36	4	39	80	110	74	30
Corn Flakes	12,0	3828	900	1,00	90	4	39	134	300	210	166
Dried Amla Candy	2,0	3828	150	1,00	150	26	39	215	380	230	165
Peanut Butter	6,0	3828	450	0,20	100	9	8	116	750	650	634
Wooden Soap dish/Bamboo for Adrish	0,5	3828	38	0,15	60	102	6	168	150	90	-18
Bottle	0,5	3828	38	0,25	50	102	10	162	100	50	-62
Cloth bags	0,3	3828	19	0,10	6	204	4	214	50	44	-164
reusable coffee mugs	0,5	3828	38	0,15	150	102	6	258	160	10	-98
Organic Almond	2,0	3828	150	1,00	1050	26	39	1115	2000	950	885
Organic Cashew	2,0	3828	150	1,00	650	26	39	715	1300	650	585
Raisin	1,0	3828	75	1,00	290	51	39	380	600	310	220
Organic Pistachio	2,0	3828	150	1,00	650	26	39	715	1500	850	785

\*Source data: indiamart (2021), amazon (2021).

\*\*Source data: Mint (2017), Statista (2016).

Additionally, an inventory of 25% is to be kept as part of the products costs. The figure 9. shows the profit margin per product as the difference between the Bhoomi price and the product cost and the Bhoomi price and the total cost.



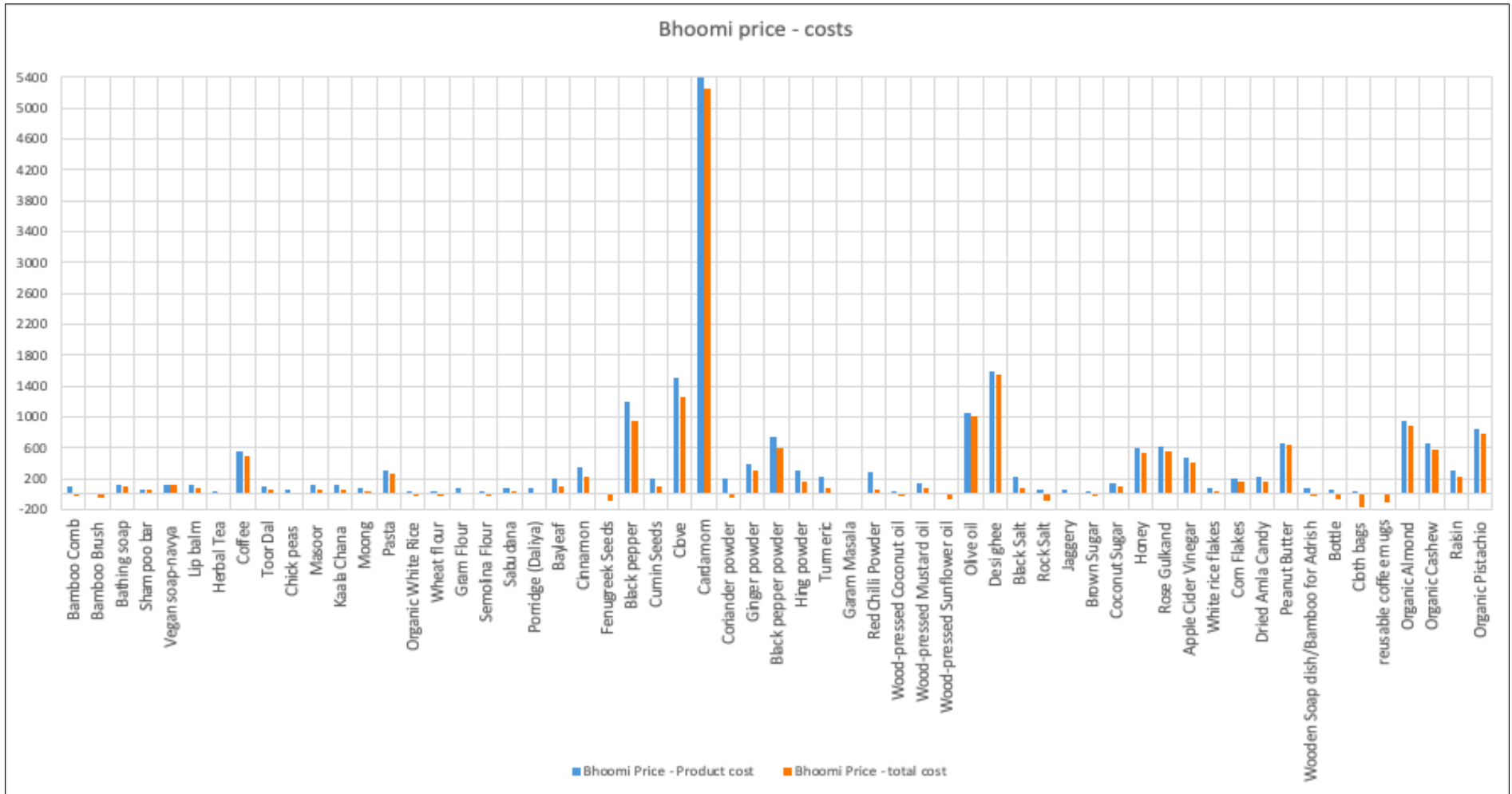
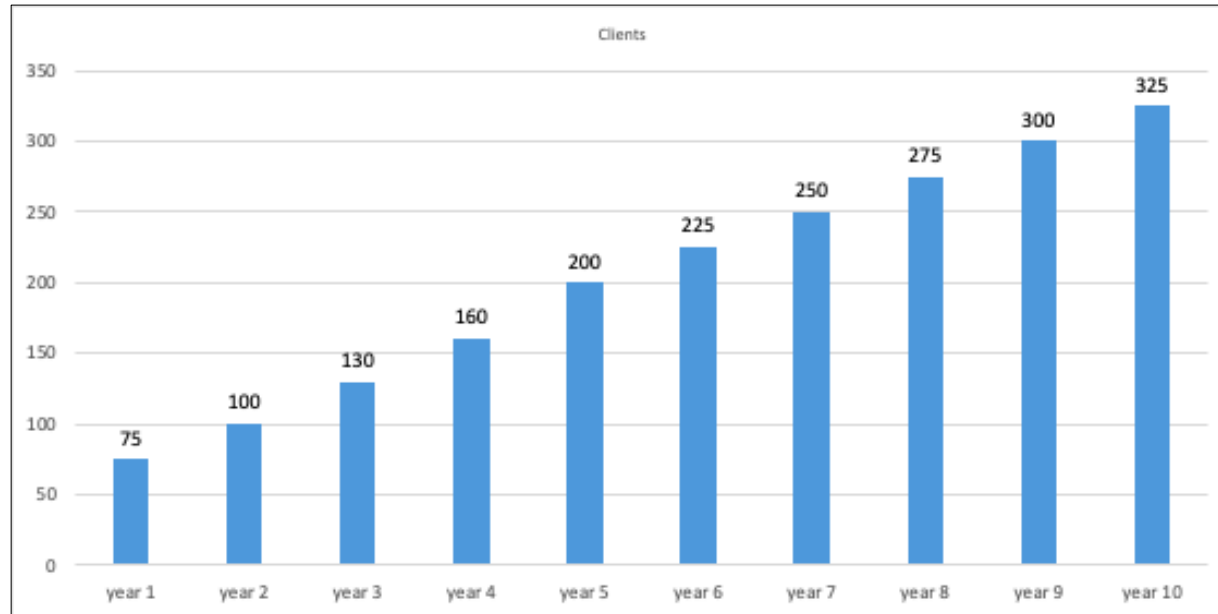


Fig. 9 Profit margin per product (Bhoomi price - costs)

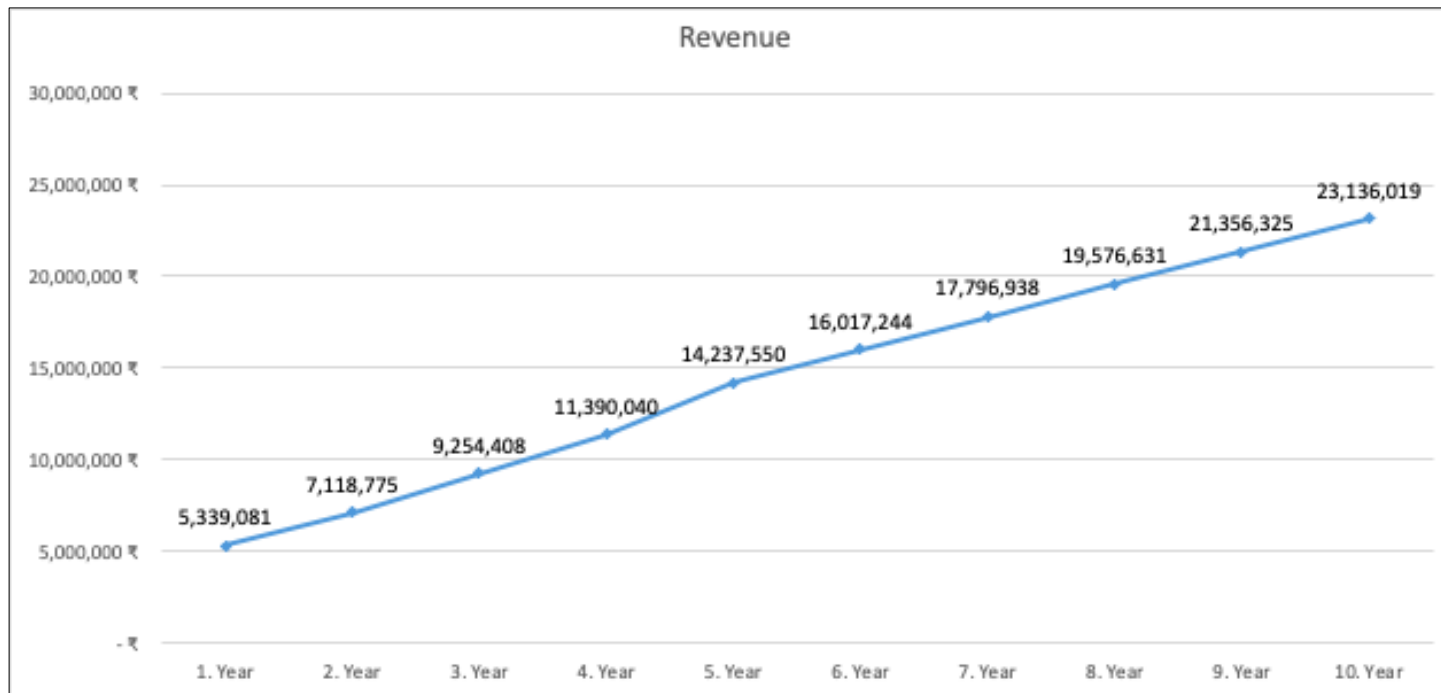
### 6.9 Sales & Revenue

Once all the costs were established, the sales were calculated for an number of clients increasing at different rates per each year. The business will start in year 1 reaching few but loyal clients, the amount estimated for year 1 as discussed before is 75 households and is expected to grow slowly in the first 2 years, a little steeper in the following 2 years, and to have a steady grow from the 5th year on, revealing the success of the marketing strategy. The growth of clients is shown in Fig. 10.



**Fig. 10** Increase of clients

Regarding sales, the volume of products sold is equal to the demand by products (established before) times the number of clients per year, it is expected that 80% of the products are sold at 100% the Bhoomi price and 20% at 50% the Bhoomi price. Revenue of the sales over a 10 year period is shown in Fig. 11.



**Fig. 11** Total revenue over 10 years

Fig. 12 presents the difference between the sales and the product costs for the total of products sold for year one, the good profit margin given by the Bhoomi price and a large demand for the olive oil make it the more profitable product of the store, while the wood-pressed sunflower oil with a 0 profit margin, (Bhoomi price equal to its cost) creates losses for the store when sold on sale. In general almost all products present a healthy profit margin.

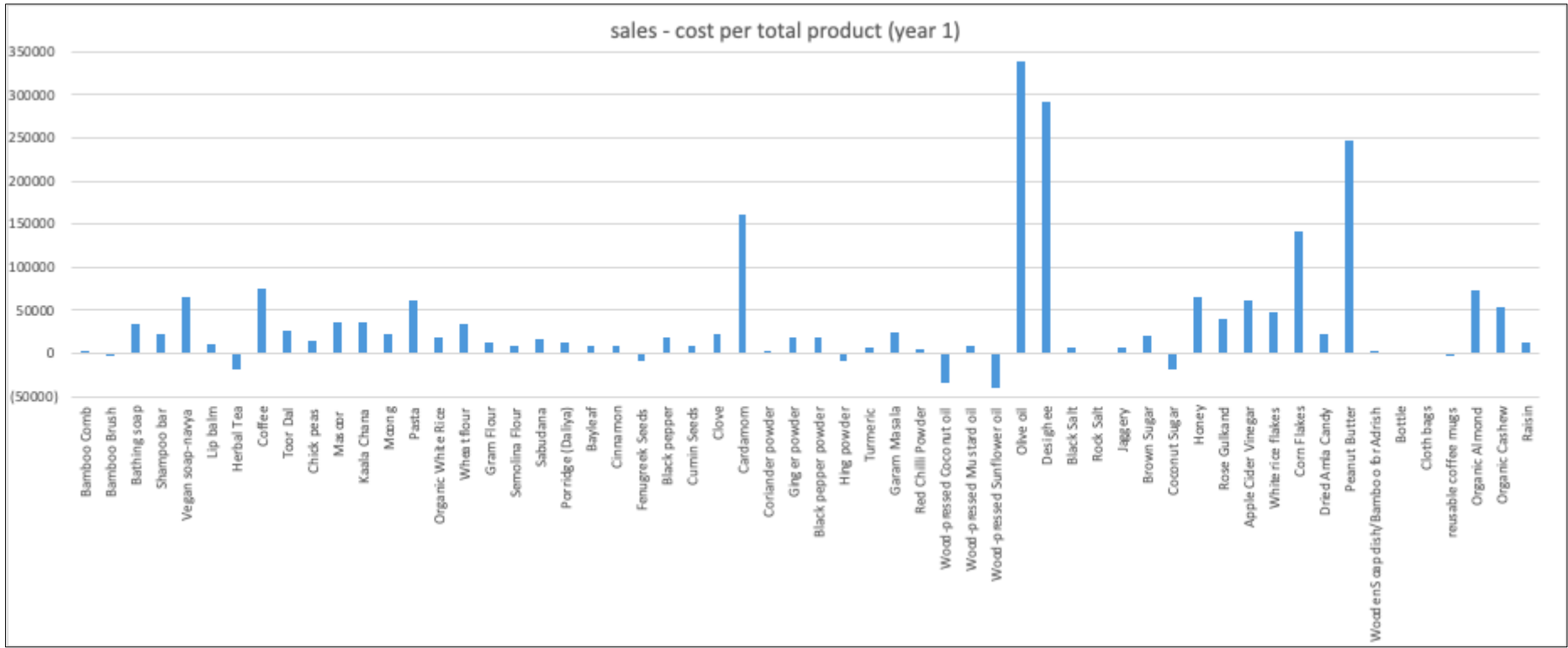


Fig. 12 Sales - Products cost (all sales of year 1)

Regarding the delivery, it is accounted that 50% of the sales will be carried out online, as observed in the results of the survey where 19 out of 44 persons would buy online. With 75 households as a starting clientele, the first year, 38 households will buy online, if a household typically purchases groceries twice a month, there will be 1 or 2 deliveries per day in the year 1, this number is expected to grow to 10 deliveries per day in year 10.

### 6.10 Return on Investment

The return on investment occurs after 5.2 years (Fig. 13). The accumulated dividend in year 5 (₹ 1,295,431.65) surpasses the initial investment expenditure (₹ 1,289,992.42). From this point onwards, our business continues to grow.



**Fig. 13** Return on investment graph over 10 years

### 6.11 Profitability

Profitability as revenues/total costs (including taxes), are shown in Fig. 14. As discussed before, profitability is above 100% in year 3, reaching almost 120% for year 10.



Fig. 14 Profitability graph over 10 years

### 6.12 Opening Balance

Table 14. shows the opening balance for Bhoomi, as established before the investment will be 20% own capital divided in 5 shares and bank debt of 80% of the total investment. Assets are divided in the Startup costs, as legal advisory, deposits, license, etc. Fixed assets are only the equipment bought to ensure the running of the business and current assets are the inventory that equals 25% of the expected demand or provision for 3 months of the store.

**Table 14** Opening balance

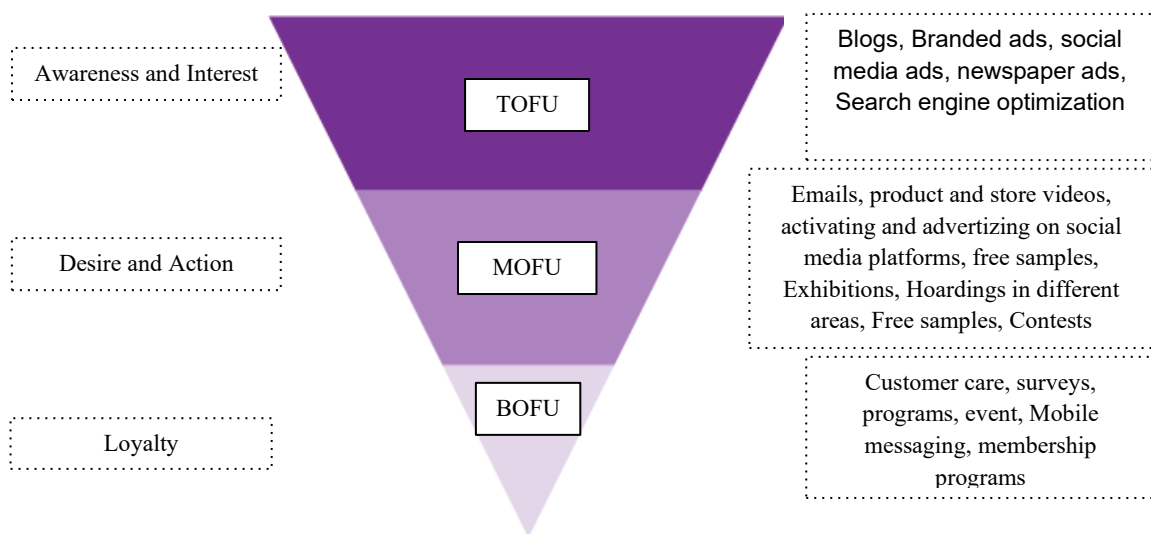
Opening Balance			
Assets		Liabilities	
Cash out		Investment Capital	
Start up costs	₹ 283,720.2	Shares	₹ 257,998.5
Fixed Assets		Long term liability	
Equipment	₹ 225,219.0	Bank loan	₹ 1,031,993.9
Current Assets			
Inventory	₹ 781,053.2		
<b>TOTAL</b>	₹ 1,289,992.4	<b>TOTAL</b>	₹ 1,289,992.4

## 7. Conclusion

### 7.1 Business strategy

#### Goal- Customer acquisition & retention

Is to create relation with the customers to make them comfortable to buy not only once but again and again



**Fig. 15** Marketing Funnel with communication channels

For communication and marketing, the plan is to use the marketing funnel for business to customer model (Fig. 15).

1st stage- TOFU- Awareness and Interest related to brand and its products

Attract prospects, promote the thought through social media leadership, targeted networking, events, SEO for critical visibility to public content, creating a buzz.

2nd stage - MOFU- Desire and Action

Build engagement through various activities like local artists contests, one month plastic free challenges on social media, beach cleaning programs etc. Identify the right target and accordingly engage.

3rd stage- BOFU- Loyalty

Show the customers that Bhoomi has a solution to their problem for eg. the accessibility of the product through an online platform (good quality product at their doorstep). Phone consultations or customer care services to build trust. Yearly reports of the activities on the website for transparency.



**Special promotional and awareness related activities:**

Beach Cleaning Drive: As a supporter of the plastic ban revolution, a sense of responsibility towards society and nature encourages Bhoomi to contribute to beach cleaning drives and provide a platform for the crowd to connect for such a cause. This makes Bhoomi stand out among the crowd as a pioneer to the plastic free revolution in Mumbai.

Local artists contest: To involve and support the sustainable creativity of local artists, a contest will be held wherein the best sustainable product, will get an opportunity to collaborate with Bhoomi and that product will be sold online and at our store. Promotion of small scale influencers who are sustainable warriors will help recognize our brand and will also engage the customers and attract new crowds.

Book donation camps: Boxes having labels of Bhoomi will be located in a few areas around Mumbai for donation of old books, pages etc, which will be later recycled and reused again. This awareness and promotion will be done via various social media platforms. The purpose of this activity is not only promoting a brand but also creating a sense of sustainability and giving back to the society.

Videos on our website: as mentioned before in the mission, awareness related to sustainable lifestyle is an important goal of our company. To achieve this make it at home- eg toothpaste, natural deos etc sessions will be conducted online. This has a dual purpose- engagement of customers and consciousness.

**7.2 Way Forward**

Bhoomi’s mission is not only to run another expensive eco-friendly business, rather transforming the lifestyle of the emerging class people of the city of Mumbai. Through various studies it has been established that the urban Indian masses are fully aware of their environmental footprint and are willing to change their purchase choices (however subject to certain caveats such as price). It is therefore a very momentous time in the Indian zeitgeist to start a business such as Bhoomi (Fig. 16).



**Fig. 16** Areas of impact by the busines

The business aims at comprehensively working in multiple areas such as lifestyle transformation, circular economy, supporting local producers and making a zero-waste lifestyle as accessible as possible.

The business aims at changing the consumption behaviour and re-promote the old Indian way of conscious consumption through the sustainable/zero waste products we plan to offer, the range of which will keep on expanding in the upcoming years. The mission is to create a multiplier effect, so creating a community of members who learn from and inspire each other and attract as many sections of the society as possible. Eliminating the plastic packaging will contribute towards making Mumbai a cleaner city and start waste management even before its generation. Another key feature of the business is its collaboration with different kinds of artists and producers. So the products provided are locally sourced and the decor items are taken in from local upcycling and decor artists. The product reach will be maximized and be made convenient via the website and app and also collaborating with the local retail shops. As the profits start rolling in and the range is widened, our target number of households keeps on increasing every year. The next plan of action would be setting up stores in more areas of Mumbai and subsequently different cities of India.

The calculations undertaken in the proposal show that there is a good potential in this business to start making profits soon. Subject to effective marketing, the products offered will not go out of demand since these are the essential daily life items. The business through its various innovative marketing and communication strategies aims at reaching out to maximum people and creating maximum impact. The Covid-19 pandemic has made people more conscious of their buying choices as per several reports, and hence multiple ways of reaching the customers have been taken care of. The indicative profits are in line with the profit rates prevalent in the Indian consumer sector, which is a strong plus point for establishment of this business idea. We need to be the pioneers of sustainable living in Mumbai and subsequently in India, which will ensure the sustainable way of development.

In the future, Bhoomi aims at becoming a 100% sustainable brand in all aspects of its functioning such as energy consumption through renewables and emission offsetting for activities like transport. The business has the potential to be a trendsetter and hence this idea should definitely be turned into a reality.

## 8. Appendix

### A. Employment Contract

THIS AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ , between [BHOOMI COMPANY LIMITED] a corporation incorporated under the Government of India - Company Act 2015, and having its principal place of business at \_\_\_\_\_ (the "Employer"); and [name of employee], of the City of \_\_\_\_\_ in India (the "Employee").

WHEREAS the Employer desires to obtain the benefit of the services of the Employee, and the Employee desires to render such services on the terms and conditions set forth.

IN CONSIDERATION of the promises and other good and valuable consideration (the sufficiency and receipt of which are hereby acknowledged) the parties enter in contract under the following terms and conditions:

#### 1. Employment

The Employee agrees that he/she will at all times faithfully, diligently, and to the best of his skill, ability, experience and talents, perform all of the duties required of his position. In carrying out these duties and responsibilities, the Employee shall comply with all Employer policies, procedures, rules and regulations, both written and oral, as are announced by the Employer from time to time. It is also understood and agreed to by the Employee that his assignment, duties and responsibilities and reporting arrangements may be changed by the Employer in its sole discretion without causing termination of this agreement. The Employee is required to work 44 hours per week, from 09:00 to 18:00 from Monday to Friday and Saturday from 10:00 to 14:00 at the location assigned by the Employer. Location must not be outside of Mumbai Metropolitan Region

#### 2. Position Title

As a \_\_\_\_\_, the Employee is required to perform the following duties and undertake the following responsibilities in a professional manner.

#### Job description

- a.
- b.
- c.
- d.
- e. Other duties as may arise from time to time and as may be assigned to the employee.

#### 3. Compensation

- a. As full compensation for all services provided the employee shall be paid at the rate of \_\_\_\_\_. Such payments shall be subject to such normal statutory deductions by the Employer.
- b. *(may wish to include bonus calculations or omit in order to exercise discretion).*
- c. The salary mentioned in paragraph (3)(a) shall be review on an annual basis.

d. All reasonable expenses arising out of employment shall be reimbursed assuming same have been authorized prior to being incurred and with the provision of appropriate receipts.

#### **4. Vacation**

The Employee shall be entitled to vacations in the amount of 24 paid days per annum.

#### **5. Benefits**

The Employer shall at its expense provide the Employee with the Health Insurance Plan that is currently in place or as may be in place from time to time. In addition, an Accident Insurance will be included for all employees, as when deemed necessary by the Employer, due to workplace hazards and risks.

#### **6. Probation Period**

It is understood and agreed that the first ninety days of employment shall constitute a probationary period during which period the Employer may, in its absolute discretion, terminate the Employee's employment, for any reason without notice or cause.

#### **7. Performance Reviews**

The Employee will be provided with a written performance appraisal at least once per year and said appraisal will be reviewed at which time all aspects of the assessment can be fully discussed.

#### **8. Termination**

a. The Employee may at any time terminate this agreement and his employment by giving not less than one month written notice to the Employer.

b. The Employer may terminate this Agreement and the Employee's employment at any time, without notice or payment in lieu of notice, for sufficient cause.

c. The Employer may terminate the employment of the Employee at any time without the requirement to show sufficient cause pursuant to (b) above, provided the Employer pays to the Employee an amount as required by the employment or labour laws of India, or other such legislation as may be in effect at the time of termination. This payment shall constitute the employees' entire entitlement arising from said termination.

d. The employee agrees to return any property of BHOOMI COMPANY LIMITED at the time of termination.

e. It is further acknowledged and agreed that following termination of the employee's employment with \_\_\_\_\_ for any reason the employee shall not solicit business from current clients or clients who have retained \_\_\_\_\_ in the 6 month period immediately preceding the employee's termination.

#### **9. Law**

This agreement shall be governed by the laws of the Government of India.

#### **10. Independent Legal Advice**

The Employee acknowledges that the Employer has provided the Employee with a reasonable opportunity to obtain independent legal advice with respect to this agreement, and that either:

a. The Employee has had such independent legal advice prior to executing this agreement, or;

b. The Employee has willingly chosen not to obtain such advice and to execute this agreement without having obtained such advice.

**11. Entire Agreement**

This agreement contains the entire agreement between the parties, superseding in all respects any and all prior oral or written agreements or understandings pertaining to the employment of the Employee by the Employer and shall be amended or modified only by written instrument signed by both of the parties hereto.

**12. Severability**

The parties hereto agree that in the event any article or part thereof of this agreement is held to be unenforceable or invalid then said article or part shall be struck and all remaining provision shall remain in full force and effect.

**13. Non- Competition**

It is further acknowledged and agreed that following termination of the employee’s employment with BHOOMI COMPANY LIMITED for any reason the employee shall not hire or attempt to hire any current employees of BHOOMI COMPANY LIMITED or any of its subsidiaries.

IN WITNESS WHEREOF the Employer has caused this agreement to be executed by its duly authorized officers and the Employee has set his hand as of the date first above written.

SIGNED, SEALED AND DELIVERED in the presence of:

_____	[Name of employee]	
_____	[Signature of Employee]	Date:
_____	[Name of Employer Rep]	Date:
_____	[Signature of Employer Rep][Title]	

## **B. Article of association**

**ARTICLES OF ASSOCIATION OF BHOOMI PRIVATE LIMITED** (The Companies Act, 2013 for a Company Limited by Shares)

### **Preliminary**

The terms used in this Articles of Association are explained as follows, unless explained in the clause differently to represent a different item hereof.

The Company refers to BHOOMI PRIVATE LIMITED.

‘The Act’ means the Companies Act, 2013 and any statutory modification of the Act.

‘The Office’ means the Registered Office for the time being of the Company.

‘The Register’ means the Register of Members to be kept as required by law.

‘Seal’ means the Common Seal of the Company.

‘The Directors’ means the Directors of the Company and includes persons occupying the position of the Directors by whatever names are called.

‘The Dividend’ includes a bonus.

‘In Writing’ or ‘Written’ means and includes words printed, lithographed, represented or reproduced in any mode or in any visible form.

Words imparting ‘Singular’ shall include ‘Plural’ and vice versa, words imparting ‘Masculine Gender’ shall include ‘Feminine Gender’ and words imparting ‘persons’ shall include ‘Bodies Corporate’

The company is a “Private Company” and therefore, governed by the Section 2, Clause 68 of Companies Act 2013;

There shall be no invitation to the public to subscribe for any securities of the Company: shares or debentures.

a. The number of members of the Company is restricted to two hundred (exclusive of persons who are in the employment of the Company and persons who, having been formerly in the employment of the Company were members of the Company while in that employment and have continued to be members after their employment ceased); provided that for the purpose of this provision if two or more persons hold one or more shares jointly in the Company, they shall be treated as a single member, and

b. The right to transfer of shares in the Company is restricted as included herein the later clauses of this Article of Association.

### **Share Capital**

1. The Authorised Share Capital upon the beginning of operation for BHOOMI PRIVATE LIMITED is ₹ 257,998.48, with the shares divided to each of the Directors to have 20% of the Share Capital. The Share capital may from time to time, be divided in accordance with the Company’s regulations and legislative provisions in place at the time, and as allowed by the laws of India.

2. The directors may, from time to time, with the sanction of the Company in General Meeting by ordinary resolution increase the share capital of the Company by such sum to be divided into shares of

such amount and of such classes with such rights and privileges attached thereto as the General Meeting shall direct by specifying the same in the resolution and if no directions be given, as the directors may determine.

3. The Company may by ordinary resolution:
  - a. consolidate and divide all or any of the share capital into shares of larger amount than its existing shares.
  - b. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association.
  - c. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

### **Shares**

4. The Directors can dispose or allot the shares to such persons, at any time and on the terms and conditions as they may deem proper or at their own discretion.
5. The allotments of shares shall be made by the Board of Directors at its meetings only by passing resolutions.
6. Guardians can allot shares to minors for fully paid shares.
7. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein,
8. If by the conditions of allotment of any shares from one Director to another, the whole or a part of the amount of issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time shall be the registered holder of the shares or his heirs, executors, administrators and legal representatives.
9. If a Director of the company does not pay the portion of the capital represented by his share or shares, which when remains unpaid would be recovered by the Directors by first notifying the Director and then recovering the money by reducing the number of shares and reallocating them.
10. The Directors may also allot and issue shares in the capital of the Company, in full or part payment, for any property sold or transferred, goods or machineries supplied or for services rendered to the Company in or about the formation of the Company or the conduct of its business and any such shares may be issued as fully or partly paid up.

The shares to be allotted may be either partly or fully paid up.

### **Certificate of Shares**

11. Every person, who is a new member and their name is entered in the Register of Members shall be entitled to receive within three months after allotment or within two months after the receipt of application for registration of transfer or within such other period as the condition of issue shall provide one certificate for all his shares with payment any amount as the Board of Directors may determine for every certificate after the first.

12. The certificates of title to shares and duplicates thereof, where necessary, shall be issued under the seal of the Company in accordance with the provisions of the law.

13. In an event where two or more people own shares, the Certificate of shares are delivered to the first name that appears on the list.

#### **Transfer of Shares**

14. Every instrument of transfer, duly stamped must be accompanied by the certificate of shares proposed to be transferred and such other evidence as the Directors may require to prove the title of the transferor or his right to transfer of shares. In a case of a loss of the certificate, the Director can request for a wave of submission of the certificate, and provide evidence of its loss or destruction to the satisfaction of the Directors.

15. If a member intends to sell their shares, they must notify the Directors by writing and they shall then offer the shares to other members or find other willing buyers. The time period for this is one month.

16. The value of selling shares will be determined by the Board of Directors of the Company, and shall be priced at a fair amount.

17. In case the Directors fail to find a purchaser within the period specified in sub-clause(b) above the member intending to sell his shares shall be at liberty to do so on such price as he considers proper and the Directors shall, subject to their right to decline such registration under sub-clause (a) above, register transfer of such shares.

18. The Directors shall have power to close the 'Register of Members' for such periods, not exceeding forty-five days in aggregate in a year and thirty days at any one time.

#### **Borrowing Powers**

19. The Directors may from time to time and at their discretion, borrow or raise any sum or sums of money for the purposes of the Company in such manner and on such terms and conditions in all respects as they think fit without security or on security of all or any part of the company and in particular by the issue of debenture or debenture stock of the Company charged upon the whole or any part of the undertaking of the Company or upon any assets of the Company, both present and future, including its uncalled capital for the time being.

20. The debenture stock or other securities may be issued at par, discount or premium and with any special privileges and conditions as to reception, appointment of Directors, conversion into shares and otherwise.

#### **Registration of charges**

21. If there is a charge against the Company, the Company will present the particulars within 30 days to the Registrar of Companies.

#### **General meetings**

22. For business to continue at a General Meetings, there shall be a quorum of three Directors.



23. The Board of Directors, if they see a need, may convene a General Meeting including the Annual General Meeting of the Company, by giving a short notice of seven days, or could be shorter depending on how they gauge the urgency of the matter.
24. One of the Directors shall preside at every General Meeting but if at any meeting no director is present within 30 minutes after the time appointed for holding the same or shall be unwilling to preside, the members present may choose one of them to be the Chairman of the meeting.
25. A member of the Company entitled to attend and vote at any General Meeting of the Company shall be entitled to appoint another person, not necessarily a member of the Company, to represent them and vote on their behalf.
26. No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised any right or lien.
27. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, in case convened upon the requisition of members, shall stand dissolved and in any other case, it shall stand adjourned to the same day in the next week at the same time and place.
28. The company shall hold the Annual General Meeting within six months of the closing of accounts or 15 months from the date of the last Annual General

### **Directors**

29. Subject to the provisions contained in these Articles and the limitations imposed by the Act, the Directors shall be entitled to exercise all such powers and to do all such acts and things as the company is authorized to exercise and do.
30. The number of Directors shall not be less than two and not more than twelve. The premier Directors of BHOOMI COMPANY LIMITED upon the initial launch of the business are: 1. Vidushi Dembi 2. Cecilia Maria Portillo Rivas 3. Hemangi Pravin Jadhav 4. Makandi Consolata Kithinji 5. Vladimir-Nicolae Nechita. The Directors shall not be required to hold any qualification shares in the Company.
31. The Directors may meet for transacting the business. They may adjourn or regulate meetings as they see fit.
32. The quorum for Directors meetings is three Directors.
33. The Board of Directors may elect a Chairperson of its meetings and determine the period for which he is to hold office. If in fifteen minutes the Chairperson of the meeting is not present, the members could appoint someone else to chair the meeting. The Chairperson could also appoint someone to take their role.
34. Except if already expressed otherwise by the Law, the decisions taken at meetings by Directors shall be decided by a majority of votes.
35. In case of equality of votes, the Chairman of the Board of Directors, if any, shall have a second or casting vote.

36. No Director shall retire by rotation. The Board of Directors may decide to pay a Director out of funds of the Company by way of sitting allowance a sum not

#### **Minutes**

37. The minutes at every Directors' meetings or any other Company meetings will also be taken down and filed appropriately in the virtual databases. No physical filing will be done.

38. The minutes of each meeting shall contain:

- a.) A correct summary of the proceedings of the meeting
- b.) the names of the Directors present, committee members and staff members present at the meeting
- c.) the names of the Directors, if any, dissenting from or not consenting to the resolution passed by other members with a clear explanation of the consent and reason.
- d.) Progress of departments and all appointments of officers made at any meeting.
- e.) All meetings should be signed by the attendees of the meeting.

#### **Full-time Directors**

39. The Directors of the Company may serve as full-time, but with one Director appointed as Chief Executive Officer, to look after and carry on the day to day business operations of the Company and their remuneration shall also be determined by the working hours and responsibilities.

40. The full-time directors shall work under the control and supervision of the top Director (the Chief Executive Officer), who is in-charge of running the Company.

#### **Accounts**

41. The Directors will meet to discuss the financial position of the Company with the Finance Department every quarterly (every three months)

42. The Directors and the Chief Finance Officer will meet, from time to time, and determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company, and shall be free to inspect the books of accounts at any time.

#### **Audit**

43. The Auditor of the Company shall be decided upon and contracted by the Directors of the Company.

44. The remuneration shall be as the quotation presented by the Audit Firm to the Company.

45. Audits shall be conducted as required in the Company Act, 2013, and other legislative and tax laws of India.

#### **Winding up**

46. If the Company shall be wound up, the liquidator may, divide amongst the members, the whole of or any part of the assets of the Company, whether in cash or property, according to the shares owned.

47. The Company liabilities shall be catered for by the Company Assets available at the time of Winding up. No personal liability exists on the Directors of the Company.

#### **Secrecy**

48. Subject to the provisions of the Act, any Director or Officer of the Company shall be entitled to not answer any questions about the Company, if giving such information would give out the secrets of the Company.

**Directors' official signatures**

Director's Name:

Address

Position

Date:

Place:

Signature:

Director's Name:

Address

Position

Date:

Place:

Signature:

Director's Name:

Address

Position

Date:

Place:

Signature:

Director's Name:

Address Position

Date: Place:

Signature:

Director's Name:

Address

Position

Date:

Place:

Signature:

Signature:

Witness' name:

Address:

Description:

*I witness the signatures of the subscribers*

Signature:

Place:

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