



PROJECT REPORT ON DONA PATTAL MAKING



Govt. of Uttarakhand

Directorate of Industries, Uttarakhand

Industrial Area Patel Nagar, Dehradun.

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PROJECT HIGHLIGHTS

PROPRIETOR : XXXXX
ADDRESS OF THE PROPRIETOR : YYYYY
DIST..... STATE.....
CONSTITUTION : PROPRIETORSHIP
CATEGORY OF UNIT : MICRO UNIT
FATHER NAME : XXXXXX
DATE OF BIRTH : XX-YY-ZZZZ
CATEGORY OF THE PROPRIETOR : XXXXXX
QUALIFICATION : XXXXXX
LOCATION OF UNIT : XXXXXX

PROPOSED PROJECT : DONA PATTAL MAKING
NAME OF SCHEME : PRIME MINISTER'S EMPLOYMENT
GENERATION PROGRAMME
UNIT (OWN/RENTED) : OWNED/RENTED

(A) TOTAL COST OF PROJECT : Rs.10,00,000.00
(1) Fixed Capital Rs. 6,60,000.00
(2) Working Capital Limit Rs . 3,40,000.00
(B) MEANS OF FINANCE : Rs. 10,00,000.00
(1) Term Loan for Machinery Rs. 6,10,000.00
(2) Working Capital Limit Rs. 3,40,000,00
(3) Promoter's Contribution Rs. 50,000.00
SUBSIDY UNDER PMEGP : Rs. 3,50,000.00
EMPLOYMENT POTENTIAL : 6
NORMAL WORKING HOUR : 8 HOUR



INTRODUCTION

Disposable paper Bowls, and saucers as the name suggests are made out of special quality paper reinforced with polythene sheets to make it leak proof. These products are conveniently used for serving eatables during family functions, eating chats and snacks, fruits, sweets etc. Most of the sweet shops use it for serving their customers with dry as well as wet sweets/ namkeens. The caterers utilize it during parties and social functions. These are a convenient replacement for crockery and utensils. These have many advantages over conventional crockery/ steel utensils. Whereas conventional utensils need care in handling, have to be cleaned before and after use need lot of space for storage and are difficult to handle these products are light in weight, are disposable after use, cheaper and can be stored easily. These are very cheap as compared to convention utensils. The paper plates and bowls are made by fusing two layers of good quality paper with a sheet of polythene. The product can be in any desired shape and size depending upon the die employed for manufacture. The quality of paper used is generally of importance as it should be firm enough to maintain the shape and hold the weight of the eatable served in it. The Promoters conceived the ideas of setting up above mentioned unit. The proposed unit will also generate job potential in the above area, therefore villagers and other person will benefited by getting employment. The report includes inter – alia details, regarding background of the promoter marketing, technical and financial aspect of the project.

PROMOTER & MANAGEMENT

The promoter is reported to have good financial standing presently. The Promoters is actively associated with the implementation of the project. Promoter is over all in charge of the working of the unit.

MARKET AND DEMAND

These products have an urban as well as rural market. These products are mostly used during social functions, religious gatherings, parties, marriages, outings, in sweet shops, by caterers etc. The products have many advantages and are hence preferred as compared to standard utensils/crockery for serving eatables. They can easily be disposed off after use and hence save a lot of labour as far as cleaning/drying of utensils are concerned. These are easily transportable and easy to handle. In our country people are religious and organize functions throughout the year all such occasions call for social gathering and celebrations with meals, snacks sweets being served. Further, our vast population organizes marriages, celebrates birthdays and other family functions on a regular basis. Sweet shops and small eateries can be found at every street corner and all such joints use these disposable plates and bowls. Thus keeping in view the culture of the people and the habits there is a vast market for the products not only in urban areas but also in rural areas.



MAJOR BENEFITS OF THE PROJECT

- I. Easy availability of material.
- II. Job opportunity for local people.



FURNITURE, FIXTURES ETC.

The total estimated cost of required Furniture & Fixtures including electrical fittings would be Rs.- 60,000.00/-.

PREOPERATIVE EXPENSES

The total estimated cost of required Preoperative Expenses would be Rs.- 10,000/-.

PLANT, MACHINERY AND EQUIPMENTS

Plant, Machinery, Tools, Shed and other equipment's required for the proposed unit are available indigenously. The various items required for installation of Rs. 5,90,000/- details as per quotation attached herewith.

QUALITY CONTROL

The concern proposed to set up above unit for which provision testing equipment have been proposed in the project report.

TECHNICAL KNOW- HOW

The process for sale of products is simple and no sophisticated technology is involved. There is no requirement of any type of technical knowhow.

TRANSPORTATION

The proposed location is connected by road and near to the city. Thus the unit is not likely to face difficulty on account of transportation.



UTILITIES

a) **Power:**

The total connected load for the smooth operations of the unit has been estimated and Electricity connection will be obtained as per required load including lighting load if required.

b) **Water:**

The water will be available. Necessary provision for storage of water and water supply has been made in the project cost.

MANPOWER

The unit would require total manpower of person of different category. The details of salary/wages proposed to be paid together with annual Salary/wages bill is given in separate annexure.

DEPRECIATION

The depreciation on fixed assets has been computed in annexure of this project report in accordance with the admissibility of the same under the Income Tax Act, 1961.

TRAINING

Applicant has to complete two week EDP training specially designed for the purpose, which will be organized by KVIC/KVIB/DIC or the institution organized by or under the administration control of Minister of MSME or any other training center of repute before disbursement of loan by the bank. After the successfully completion of EDP



training arranged by the KVIC/KVIB/DIC, the beneficiary will deposit his own contribution in the bank as per the guideline of scheme.

CAPITAL SUBSIDY UNDER PMEGP

Unit is eligible to get capital subsidy under Prime Minister Employment Generation Programme 35% of the total cost of the project (except cost of land). Total subsidy to be received Rs. 3,50,000/-

TERM LOAN AND WORKING CAPITAL LOAN PMEGP SCHEME

The unit proposed to have Term loan UNDER PMEGP of Rs. 6,10,000/- & working capital limit of Rs. 3,40,000/- Own contribution of unit will be Rs. 50,000/-, which is five percent of total cost of project. The total project cost will be Rs.10,00,000/-.

LOAN REPAYMENT SCHEDULE

Total Term Loan	:	Rs. 6,10,000/-
Total Duration	:	5 Years
From the next year		
Each yearly instalment	:	Rs. 1,22,000/-
Total instalments	:	Rs. 1,22,000*5 = Rs. 6,10,000/-

Total		Rs. 6,10,000/--
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INTEREST COMPUTATION

Interest computation is given in Annexure 6.



PROJECTED INCOME/PROFITABILITY

The projected Income & profitability statement has been shown in the attached profit & loss account. Projected Balance sheet for the next five years is also enclosed as here for the reference.

ECONOMIC VIABILITY

Based on the projections attached it is observed that sufficient revenue shall be generated through operations served & it indicates the economic viability of the proposal. Hence the project can be considered as economically favourable and viable.

CONCLUSION

Based on the grounds discussed aforesaid it is concluded that project is economically & feasibly viable and should be considered favourably.



Dona Patal Making

ADDRESS: ZZZZZZZ

FINANCIAL ASPECTS OF THE PROJECT

A. FIXED CAPITAL

I-Plant & Machineries:

S. No.	Particulars	No.	Rate (Rs.)	Amount(Rs.)
1	Machine (Thermocol)	1	400000	400000
2	Machine (Paper)	1	100000	100000
			GST 18%	90000
	TOTAL			590000

II-Other Fixed Assets:

S. No.	Particulars	Amount (Rs.)
1	Furniture for unit like racks, chair etc.	40000
2	Other equipments like fan, racks for raw material & partition, electrification etc.	20000
	TOTAL	60000

III-Preliminary & Pre-operative expenses:

S. No.	Particulars	Amount (Rs.)
1	Transportation of Machinery / Equipments	8000
2	Misc. Expenses (Electric fitting , Board etc)	2000
	TOTAL	10000

TOTAL FIXED CAPITAL

S. No.	Particulars	Amount (Rs.)
1	Machinery and Equipments	590000
2	Other Fixed Assets	60000
3	Preliminary and Pre Operative Expenses	10000
	TOTAL	660000



B. WORKING CAPITAL

I- Raw Material (Per Month):

S. No.	Particulars	Qty.	Rate	Amount (Rs.)
1	Thermocol Sheet	1424	140	199360
2	Paper Roll for making Cup	1200	45	54000

MEN POWER EXPS.

II- Man power (Per Month):

S. No.	Particulars	Nos.	Rate	Amount (Rs.)
1	Marketing Sales man	4	10000	40000
2	Skill Worker	2	7500	15000

UTILITIES

S. No.	Particulars	Amount (Rs.)
1	Electricity	5000
2	Phone bill	500
3	Packing material	11140
	TOTAL	16640

IV- Misc. or other expenses: (Per Month)

S. No.	Particulars	Amount (Rs.)
1	Repair & Renewal	3000
2	Other	2000
	TOTAL	5000



TOTAL WORKING CAPITAL (Per Month)		
S. No.	Particulars	Amount (Rs.)
1	Raw Material	253360
2	Manpower	65000
3	Utilities	16640
4	Misc. expenses	5000
	TOTAL	340000

C-ANNUAL SALES REALISATION		
S. No.	Particulars	Amount (Rs.)
1	Sale	5000000

D-BREAK EVEN POINT (BASED ON FIRST YEAR OF OPERATION)			
S. No.	FIXED COST	Amount (Rs.)	
1	Interest on loan	65105	
2	Depreciation	95000	
3	Man power expenses (30%)	234000	
4	Operating expenses (30%)	990000	
	Total	1384105	
	BEP = Fixed Cost * 100	138410479	74.89
	Fixed Cost + Net Profit	1848253	



M/S DONA PATTAL MAKING					
ADDRESS: ZZZZZZZ					
					Annexture-1
PROJECTED BALANCE SHEET					
					(Rs. In '000)
PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
A-SOURCES:-					
I) CAPITAL / OWN CONTRIBUTION					
ADD:- PROFIT	50	514	1047	1633	2271
	464	533	586	638	689
TOTAL	514	1047	1633	2271	2960
II) LOAN FUNDS					
SECURED LOANS					
Term Loan from Bank	488	366	244	122	0
C/C Limit from Bank	340	340	340	340	340
TOTAL (I+II)	1342	1753	2217	2733	3300
B- APPLICATION:-					
I) FIXED ASSETS					
GROSS BLOCK	650	650	650	650	650
LESS: ACC.DEPRICIATION	95	175	244	302	352
TOTAL	555	475	406	348	298
II) CURRENT ASSETS LOANS & ADVANCES					
PRELIMINERY EXPENSES	10	10	10	10	10
INVENTORIES	253	266	279	291	304
SUNDERY RECEIVABLES	417	438	458	479	500
CASH & BANK BALANCES	470	952	1475	2040	2647
LOANS & ADVANCES	10	10	10	10	10
TOTAL	1160	1675	2232	2831	3471
III) CURRENT LIABILITIES & PROVISIONS					
SUNDERY CREDITOR	253	266	279	291	304
PROVISION FOR TAXATAION	12	18	24	31	36
EXPENSES PAYABLE	107	113	118	124	129
TOTAL	373	397	421	446	469



IV) NET CUREENT ASSETS (II-III)					
TOTAL	1342	1753	2217	2733	3300
Margin Money under PMEGP	350	350	350	-	-
Note :-Above statement prepared & compiled by us as per the information provided by proprietor					
M/S DONA PATTAL MAKING					
ADDRESS: ZZZZZZ					
Annexture-2					
PROJECTED COST OF PRODCUTION AND PROFITABILITY					
					(Rs. In '000)
Particulars	Operating Years				
	1st	2nd	3rd	4th	5th
Capacity Utilization	50%	55%	60%	65%	70%
A- INCOMES :					
GROSS RECEIPTS	5000	5250	5500	5750	6000
CLSOING STOCK	253	266	279	291	304
TOTAL (A)	5253	5516	5779	6041	6304
B- EXPENSES					
OPENING STCOK	0	253	266	279	291
PURCHASES AND CONSUMPTION	3294	3192	3344	3496	3648
SALARY & WAGES	780	819	858	897	936
UTILITIES EXPENSES	200	210	220	230	240
Total (B)	4273	4474	4688	4902	5115
C- GROSS PROFIT (A-B)	980	1042	1091	1140	1189
ADMINISTRATIVE COST	60	63	66	69	72
SELLING & DISTRIBUTION EXPENSES	250	263	275	288	300
DEPRICIATION	95	80	69	58	50
FINANCIAL CHARGES					
Interest on Term Loan @11.75%	65	51	36	22	8
Interest on CC Limit @10%	34	34	34	34	34
D-TOTAL					



E- PROFIT BEFORE TAX (C - D)	476	551	610	669	725
F- PROVISION FOR TAXATION	12	18	24	31	36
G- NET PROFIT AFTER TAX	464	533	586	638	689



M/S DONA PATTAL MAKING					
ADDRESS: ZZZZZZZ					
					Annexture-3
PROJECTED CASH FLOW STATEMENT					
					(Rs. In '000)
PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
A-SOURCE OF FUND					
1. Increase in Capital	50	-	-	-	-
2. Increase in Term Loan	610	-	-	-	-
3. Increase in C/C Limit	340	-	-	-	-
4. Profit / (Loss)	464	533	586	638	689
5. Depreciation added back	95	80	69	58	50
6. Increase in Creditors	373	25	24	24	24
TOTAL (A)	1932	638	679	721	762
B-DISPOSAL OF FUND					
I) FIXED ASSETS PURCHASED					
1. Furniture & Fixtures	60	-	-	-	-
2. Plant & Machinery	590	-	-	-	-
II) CURRENT ASSETS					
3. Increase in Stock	253	13	13	13	13
4. Increase in Debtors	417	21	21	21	21
5. Increase in Preliminary Exp.	10	-	-	-	-
6. Increase in Loans & Advances	10	-	-	-	-
III) OTHERS					
7. Payment of Term Loan	122	122	122	122	122
8. Decrease in Creditors	0	-	-	-	-
TOTAL (B)	1462	156	156	156	156
Opening Cash & Bank Balance	0	470	952	1475	2040
Surplus/(Deficit) (A - B)	470	482	523	565	607
Closing Cash & Bank Balance	470	952	1475	2040	2647
Note :-Above statement prepared & compiled by us as per the information provided by proprietor					



M/S DONA PATTAL MAKING			
ADDRESS: ZZZZZZZ			
			Annexture-4
COMPUTATION OF DEPRECIATION			
Depreciation under WDV Method:			(Rs. in '000')
Particulars	Furniture & Fixture	Plant & Machinery	Total
Rate as per I. Tax Act	10%	15%	
Value of Assets at beginning	60	590	650
1st year Dep.	6	89	95
Balance at the end of 1st year	54	501	555
2nd year Dep.	5	75	80
Balance at the end of 2nd year	49	426	475
3rd year Dep.	5	64	69
balance at the end of 3rd year	44	362	406
4th year Dep.	4	54	58
balance at the end of 4th year	40	308	348
5th year Dep.	4	46	50



M/S DONA PATTAL MAKING

ADDRESS: ZZZZZZZ

Annexure-5

PROJECTED FINANCIAL RATIOS

(Rs. In '000)

PARTICULARS		Operating Years				
		1st	2 nd	3rd	4th	5th
1. CURRENT RATIO	CURRENT ASSETS	1160	1675	2232	2831	3471
	CURRENT LIABILITIES	713	737	761	786	809
=		1.63 TIMES	2.27 TIMES	2.93 TIMES	3.60 TIMES	4.29 TIMES
2. GROSS PROFIT RATIO	GROSS PROFIT	980	1042	1091	1140	1189
	SALES	5000	5250	5500	5750	6000
=		19.60%	19.84%	19.83%	19.82%	19.81%
3. NET PROFIT RATIO	NET PROFIT	476	551	610	669	725
	SALES	5000	5250	5500	5750	6000
=		9.52%	10.50%	11.10%	11.64%	12.08%
4. DSCR	PAT+DEP.+INTT. ON TERM LOAN	636	682	716	749	783
	INTEREST+LOAN INSTALMENT	187	173	158	144	67
=		3.40 TIMES	3.95 TIMES	4.52 TIMES	5.20 TIMES	11.74 TIMES
5. INTT. COVERAGE RATIO	PAT+DEP.+INTT.	670	716	750	783	817
	INTEREST	99	85	70	56	42
=		6.76 TIMES	8.45 TIMES	10.64 TIMES	13.96 TIMES	19.55 TIMES



M/S DONA PATTAL MAKING				
ADDRESS: ZZZZZZZ				
Loan Amount Rs. 610000				Annexture-6
Rate of Interest: 11.75%				
Tenure: 5 Years				(Rs. In '000)
Sl. No.	Installment	Interest	Principal	Balance Loan
1st Year	187	65	122	488
2nd Year	173	51	122	366
3rd Year	158	36	122	244
4th Year	144	22	122	122
5th Year	130	8	122	0



DISCLAIMER

This project report is only for the purpose of reference and will give an idea and guidance to budding and existing entrepreneurs on how to prepare a project Report. The readers will come to know about the key components of a project. Every earnest-effort has been made in collecting the data and information available on the subject from different offline and online sources. This report (including any enclosures and attachments) has been prepared solely for the purpose for which it is provided.

Department suggest entrepreneurs to survey the market properly to find the actual cost of fixed assets and working capital. The actual cost of the project or industry will vary according to different elements like location, local regulation, financial requirements of industry, capacity, type of industry, cost of resources and other direct and indirect costs related to the project.

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