



PROJECT REPORT ON ADVERTISEMENT WORKS



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	:	ADVERTSEMENT WORKS
NAME OF SCHEME	:	PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME
UNIT (OWN/RENTED)	:	OWNED/RENTED
(A) TOTAL COST OF PROJECT	:	Rs.2,50,000.00
(1) Fixed Capital		Rs.1,10,000.00
(2) Working Capital Limit		Rs . 1,40,000.00
(B) MEANS OF FINANCE	:	Rs. 2,50,000.00
(1) Term Loan for Machinery		Rs. 85,000.00
(2) Working Capital Limit		Rs. 1,40,000,00
(3) Promoter's Contribution		Rs. 25,000.00
SUBSIDY UNDER PMEGP	:	Rs. 62,500.00
EMPLOYMENT POTENTIAL	:	2
NORMAL WORKING HOUR	:	8 HOUR



INTRODUCTION

As advertising has moved on from television and newspaper columns to the web and social media, the digital wave has had its share of patrons and critics. However, for out-of-home advertising solutions, these digital trends have ushered in a new set of tools that help companies offer more personalized products to customers. Irrespective of differences between markets, clientele, or age-groups, most OOH solutions earlier featured a one-size-fits-all solution. Cut to the present, outdoor advertising calls for a more targeted, data-driven, responsive, and personalized approach. Advertising expenditure in the outdoor media market, such as billboards and transit advertising, is set to soar this year, clocking 15 per cent growth year on year. Since it cannot be skipped by consumers or blocked in outdoor environments, the out-of-home (OOH) medium has remained the core channel to reach mass urban audiences. Mobile Van advertising is carried out by fixing an illuminated billboard, displaying the advertisement on a truck which moves around the city and can be parked at targeted places.

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

The Indian advertising industry is expected to touch Rs 776 billion, driven by smart phone penetration and subsequent spends on digital advertising, according to an industry report. The advertising industry is currently estimated to be Rs 559 billion



and expected to grow at a compound annual growth rate (CAGR) of 32 percent to reach Rs 189 billion by 2020, The growth of the advertising industry is highly dependent on the penetration of various media platforms. India, with its developing economy, provides numerous opportunities to advertisers to promote their products and services through the expanding media channels in the region. The economic growth has also led to an increase in the spending power of a significant portion of the population, creating an affluent brand conscious consumer-base. Over the next few years, the Indian advertising market is projected to be the fastest-growing advertising market in Asia, after China. This growth can be attributed to a number of favourable factors.

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.- 15,000.00/-.

PREOPERATIVE EXPENSES

The total estimated cost of required Preoperative Expenses would be Rs.- 3,000/-.

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. 92,000/- 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. 62,500/-



TERM LOAN AND WORKING CAPITAL LOAN PMEGP SCHEME

The unit proposed to have Term loan UNDER PMEGP of Rs. 85,000/- & working capital limit of Rs. 1,40,000/- Own contribution of unit will be Rs. 25,000/-, which is five percent of total cost of project. The total project cost will be Rs.2,50,000/-.

LOAN REPAYMENT SCHEDULE

Total Term Loan	:	Rs. 85,000/-	
Total Duration	:	5 Years	
From the next year			
Each yearly instalment	:	Rs. 17,000/-	
Total instalments	:	Rs. 17,000*5	= Rs. 85,000/-
<hr/>			
Total		Rs. 85,000/--	
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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.



M/S ADVERTISEMENT WORKS

ADDRESS: ZZZZZZZ

FINANCIAL ASPECTS OF THE PROJECT

A. FIXED CAPITAL

I-Plant & Machineries:

S. No.	Particulars	No.	Rate (Rs.)	Amount(Rs.)
1	Computer (I7) 8th generation	1	88750	88750
2	Wooden Frame	25	130	3250
	TOTAL			92000

II-Other Fixed Assets:

S. No.	Particulars	Amount (Rs.)
1	Furniture for unit like racks, chair etc.	10000
2	Other equipments like fan, racks for raw material & partition, electrification etc.	5000
	TOTAL	15000

III-Preliminary & Pre-operative expenses:

S. No.	Particulars	Amount (Rs.)
1	Transportation of Machinery / Equipments	2000
2	Misc. Expenses (Electric fitting , Board etc)	1000
	TOTAL	3000

TOTAL FIXED CAPITAL

S. No.	Particulars	Amount (Rs.)
1	Machinery and Equipments	92000
2	Other Fixed Assets	15000
3	Preliminary and Pre Operative Expenses	3000
	TOTAL	110000

**I- Raw Material (Per Month):**

S. No.	Particulars	Qty.	Rate	Amount (Rs.)
1	Ink for printing (Different types)	100	130	13000
2	Nylon cloth	20	900	18000
3	Ink set (CMYK)	5	3500	17500
4	Others (like-washing ink, reducer, plate's cleaner, different inks etc.)	0	0	68500
	TOTAL			117000

II- Man power (Per Month):

S. No.	Particulars	Qty.	Salary	Amount (Rs.)
1	Skilled Worker	2	8000	16000
	TOTAL			16000

III- Utilities (Per Month):

S. No.	Particulars	Amount (Rs.)
1	Electricity	1500
2	Phone bill	500
3	Packing material	2000
	TOTAL	4000

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

S. No.	Particulars	Amount (Rs.)
1	Repair & Renewal	2000
2	Other	1000
	TOTAL	3000



TOTAL WORKING CAPITAL (Per Month)		
S. No.	Particulars	Amount (Rs.)
1	Raw Material	117000
2	Manpower	16000
3	Utilities	4000
4	Misc. expenses	3000
	TOTAL	140000

<u>C-ANNUAL SALES REALISATION</u>		
S. No.	Particulars	Amount (Rs.)
1	Sale	2000000

D-BREAK EVEN POINT (BASED ON FIRST YEAR OF OPERATION)			
S. No.	FIXED COST	Amount (Rs.)	
1	Interest on loan	9072	
2	Depreciation	16000	
3	Man power expenses (30%)	57600	
4	Operating expenses (30%)	446400	
	Total	529072	
	BEP = Fixed Cost * 100	52907198	74.52
	Fixed Cost + Net Profit	710000	



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Annexture-1

PROJECTED BALANCE SHEET

(Rs. In '000)

PARTICULARS	Operating Years				
	1 st	2 nd	3 rd	4 th	5 th
A-SOURCES:-					
I) CAPITAL / OWN CONTRIBUTION	25	206	409	626	859
ADD:- PROFIT	181	203	218	233	247
TOTAL	206	409	626	859	1106
II) LOAN FUNDS					
SECURED LOANS					
Term Loan from Bank	68	51	34	17	0
C/C Limit from Bank	140	140	140	140	140
TOTAL (I+II)	414	600	800	1016	1246
B- APPLICATION:-					
I) FIXED ASSETS					
GROSS BLOCK	107	107	107	107	107
LESS: ACC.DEPRICIATION	16	29	40	49	57
TOTAL	91	78	67	58	50
II) CURRENT ASSETS LOANS & ADVANCES					
PRELIMINARY EXPENSES	3	3	3	3	3
INVENTORIES	117	123	129	135	140
SUNDERY RECEIVABLES	167	175	183	192	200
CASH & BANK BALANCES	175	367	572	790	1021
LOANS & ADVANCES	10	10	10	10	10
TOTAL	471	677	897	1129	1374
III) CURRENT LIABILITIES & PROVISIONS					
SUNDERY CREDITOR	117	123	129	135	140
PROVISION FOR TAXATAION	0	0	0	0	0
EXPENSES PAYABLE	31	33	34	36	38
TOTAL	148	156	163	171	178
IV) NET CUREENT ASSETS (II-III)	323	522	733	958	1196
TOTAL	414	600	800	1016	1246
Margin Money under PMEGP	63	63	63	-	-



M/S ADVERTISEMENT WORKS

Annexure-2

ADDRESS: ZZZZZZZ

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	2000	2100	2200	2300	2400
CLSOING STOCK	117	123	129	135	140
TOTAL (A)	2117	2223	2329	2435	2540
B- EXPENSES					
OPENING STCOK	0	117	123	129	135
PURCHASES AND CONSUMPTION	1521	1474	1544	1615	1685
SALARY & WAGES	192	202	211	221	230
UTILITIES EXPENSES	48	50	53	55	58
Total (B)	1761	1843	1931	2019	2107
C- GROSS PROFIT (A-B)	356	380	397	415	433
ADMINISTRATIVE COST	36	38	40	41	43
SELLING & DISTRIBUTION EXPENSES	100	105	110	115	120
DEPRICIATION	16	13	11	9	8
FINANCIAL CHARGES					
Interest on Term Loan @11.75%	9	7	5	3	1
Interest on CC Limit @10%	14	14	14	14	14
D-TOTAL	175	177	180	182	186
E- PROFIT BEFORE TAX (C - D)	181	203	218	233	247
F- PROVISION FOR TAXATION	0	0	0	0	0



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					Annexure-3
PROJECTED CASH FLOW STATEMENT					
					(Rs. In '000)
PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
A-SOURCE OF FUND					
1. Increase in Capital	25	-	-	-	-
2. Increase in Term Loan	85	-	-	-	-
3. Increase in C/C Limit	140	-	-	-	-
4. Profit / (Loss)	181	203	218	233	247
5. Depreciation added back	16	13	11	9	8
6. Increase in Creditors	148	7	7	7	7
TOTAL (A)	595	223	236	249	262
B-DISPOSAL OF FUND					
I) FIXED ASSETS PURCHASED					
1. Furniture & Fixtures	15	-	-	-	-
2. Plant & Machinery	92	-	-	-	-
II) CURRENT ASSETS					
3. Increase in Stock	117	6	6	6	6
4. Increase in Debtors	167	8	8	8	8
5. Increase in Preliminary Exp.	3				
6. Increase in Loans & Advances	10	-	-	-	-
III) OTHERS					
7. Payment of Term Loan	17	17	17	17	17
8. Decrease in Creditors	0				
TOTAL (B)	421	31	31	31	31
Opening Cash & Bank Balance	0	175	367	572	790
Surplus/(Deficit) (A - B)	175	192	205	218	231
Closing Cash & Bank Balance	175	367	572	790	1021
Note :-Above statement prepared & compiled by us as per the information provided by proprietor					

**M/S ADVERTISEMENT WORKS****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	15	92	107
1st year Dep.	2	14	16
Balance at the end of 1st year	13	78	91
2nd year Dep.	1	12	13
Balance at the end of 2nd year	12	66	78
3rd year Dep.	1	10	11
balance at the end of 3rd year	11	56	67
4th year Dep.	1	8	9
balance at the end of 4th year	10	48	58
5th year Dep.	1	7	8



M/S ADVERTISEMENT WORKS

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Annexture-5

PROJECTED FINANCIAL RATIOS

(Rs. In '000)

PARTICULARS		Operating Years				
		1st	2 nd	3 rd	4th	5th
1. CURRENT RATIO	CURRENT ASSETS	471	677	897	1129	1374
	CURRENT LIABILITIES	288	296	303	311	318
=		1.63 TIMES	2.29 TIMES	2.96 TIMES	3.63 TIMES	4.32 TIMES
2. GROSS PROFIT RATIO	GROSS PROFIT	356	380	397	415	433
	SALES	2000	2100	2200	2300	2400
=		17.80%	18.08%	18.07%	18.05%	18.04%
3. NET PROFIT RATIO	NET PROFIT	181	203	218	233	247
	SALES	2000	2100	2200	2300	2400
=		9.05%	9.66%	9.90%	10.12%	10.28%
4. DSCR	PAT+DEP.+INTT. ON TERM LOAN	206	223	234	245	256
	INTEREST+LOAN INSTALMENT	26	24	22	20	9
=		7.90 TIMES	9.26 TIMES	10.59 TIMES	12.19 TIMES	27.54 TIMES
5. INTT. COVERAGE RATIO	PAT+DEP.+INTT.	220	237	248	259	270
	INTEREST	23	21	19	17	15
=		9.54 TIMES	11.24 TIMES	12.99 TIMES	15.16 TIMES	17.89 TIMES



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Loan Amount Rs. 85000				Annexure-6
Rate of Interest: 11.75%				
Tenure: 5 Years				(Rs. In '000)
Sl. No.	Installment	Interest	Principal	Balance Loan
1st Year	26	9	17	68
2nd Year	24	7	17	51
4th Year	20	3	17	17
5th Year	18	1	17	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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