



PROJECT REPORT ON MANDAP DECORATION



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	:	MANDAP DECORATION
NAME OF SCHEME	:	PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME
UNIT (OWN/RENTED)	:	OWNED/RENTED
<u>(A) TOTAL COST OF PROJECT</u>	:	Rs.10,00,000.00
(1) Fixed Capital		Rs. 8,00,000.00
(2) Working Capital Limit		Rs. 2,00,000.00
<u>(B) MEANS OF FINANCE</u>	:	Rs. 10,00,000.00
(1) Term Loan for Machinery		Rs.7,50,000.00
(2) Working Capital Limit		Rs.2,00,000,00
(3) Promoter's Contribution		Rs. 50,000.00
SUBSIDY UNDER PMEGP	:	Rs.3,50,000.00
EMPLOYMENT POTENTIAL	:	08 PERSON
NORMAL WORKING HOUR	:	8 HOUR



INTRODUCTION

Indian traditions are so rich and our emotional standards are so high that most of the ceremonies/functions become simply a monument of show-off and extravagance. Even an ordinary man spends so luxuriantly on the marriages. . The traditional Indian wedding, a chaotic mix of colour, food, music and melodrama, has undergone a makeover, and spawned a new industry. The marigolds are being replaced by orchids, the impromptu song and dance by professionally choreographed performances, folk songs have given way to the latest Bollywood remixes and the cuisine is Thai, Italian, Vietnamese, you name it. Then add signature cocktails, bespoke wedding stationary, live twitter updates and more.

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 number of festivals and other events in the social calendar of a state , there is a large scope for such enterprises. At present there are very few units engaged this line of business. For organising numerous social cultural and religious events/festivals, the need for a decorator service unit is very important as all articles necessary for holding such a function are available under one roof. Now-a-days with increasing income levels and changing takes many people prefer to hold large functions/ gatherings of various events. This gives good scope for the services of a decorator service type of enterprise. Considering present trends, the market for such services in expected to grow further.



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 would be Rs.- 40,000.00/-.

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. 7,50,000/- 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. 7,50,000/- & working capital limit of Rs. 2,00,000/- 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. 7,50,000/-
Total Duration	:	5 Years
From the next year		
Each yearly instalment	:	Rs. 1,50,000/-
Total instalments	:	Rs. 1,50,000*5 = Rs. 7,50,000/-

Total		Rs. 7,50,000/--
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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.



MANDAP DECORATION
ADDRESS: XXXXX
FINANCIAL ASPECTS OF THE PROJECT

A. FIXED CAPITAL

I-Plant & Machineries:

S.No	Particulars	Amount(Rs.)
1	Shamiyana, Polls, Structures ,Mandap	450000
2	A.C., Coolers	100000
3	Tables, Chairs,	100000
4	Fans, Drapes,	50000
5	Other Decorative Items	50000
	TOTAL	750000

II-Other Fixed Assets:

S.No	Particulars	Amount (Rs.)
1	Furniture Counter Table, Godrej Almira, Chair & Table	30000
2	Other equipments like Ceiling Fans, Exhaust Fans, RO System, racks for raw material & partition, electrification etc.	10000
	TOTAL	40000



III-Preliminary & Pre-operative expenses:		
S.No	Particulars	Amount (Rs.)
1	Transportation of Machinery	5000
2	Miscellaneous	5000
	TOTAL	10000

<u>TOTAL FIXED CAPITAL</u>		
S.No	Particulars	Amount (Rs.)
1	Machinery and Equipments	750000
2	Other Fixed Assets	40000
3	Preliminary and Pre Operative Expenses	10000
	TOTAL	800000

<u>B. WORKING CAPITAL</u>				
I- Raw Material (Per Month):				
S.No	Particulars	Qty. kg/ltr	Rate (Rs.)	Amount (Rs.)
1	New Cloath for decorations			50000
2.	Other Decoration Items Like flowers, etc.,			50000
	TOTAL			100000

**II- Man power (Per Month):**

S.No	Particulars	Nos.	Rate	Amount (Rs.)
1	Skill Manpower	2	15000	30000
2	Semi Skilled Manpower	2	10000	20000
	TOTAL			50000

III- Utilities (Per Month):

S.No	Particulars	Amount (Rs.)
1	Electricity	4000
2	Phone bill	1000
3	Transporation	20000
	TOTAL	25000

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

S.No	Particulars	Amount (Rs.)
1	Repair & Renewal	15000
2	Other	10000
	TOTAL	25000



TOTAL WORKING CAPITAL (Per Month)

S.No	Particulars	Amount (Rs.)
1	Raw Material	100000
2	Manpower	50000
3	Utilities	25000
4	Misc. expenses	25000
	TOTAL	200000

C-ANNUAL SALES REALISATION

S.No	Particulars	Amount (Rs.)
1	Service income	3200000

**D-BREAK EVEN POINT
(BASED ON FIRST YEAR OF OPERATION)**

S.No	FIXED COST	Amount (Rs.)	
1	Interest on loan	80047	
2	Depreciation	117000	
3	Man power expenses (40%)	240000	
4	Operating expenses (40%)	720000	
	Total	1157047	
	BEP = Fixed Cost * 100	115704688	74.32
	Fixed Cost + Net Profit	1556786	



M/S MANDAP DECORATION					
ADDRESS: XXXXX Annexure-1					
PROJECTED BALANCE SHEET (Rs. In '000)					
PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
A-SOURCES:-					
I) CAPITAL / OWN CONTRIBUTION	50	450	912	1436	2017
ADD:- PROFIT	400	462	524	581	637
TOTAL	450	912	1436	2017	2654
II) LOAN FUNDS					
<u>SECURED LOANS</u>					
Term Loan from Bank	600	450	300	150	0
C/C Limit from Bank	200	200	200	200	200
III) Margin Money under PMEGP	350	350	350	-	-
TOTAL (I+II)	1250	1562	1936	2367	2854
B- APPLICATION:-					
I) FIXED ASSETS					
GROSS BLOCK	790	790	790	790	790
LESS: ACC.DEPRICIATION	117	217	301	373	435
TOTAL	673	573	489	417	355
II) CURRENT ASSETS LOANS & ADVANCES					
PRELIMINERY EXPENSES	10	10	10	10	10
INVENTORIES	-	-	-	-	-
SUNDERY RECEIVABLES	267	280	293	307	320
CASH & BANK BALANCES	347	730	1153	1632	2156
LOANS & ADVANCES	125	150	180	200	220
TOTAL	748	1170	1636	2149	2706
III) CURRENT LIABILITIES & PROVISIONS					
SUNDERY CREDITOR	50	50	50	50	50
PROVISION FOR TAXATAION	8	12	15	18	21
EXPENSES PAYABLE	113	119	125	130	136
TOTAL	172	181	190	199	207
IV) NET CUREENT ASSETS (II-III)	577	989	1447	1950	2499
V) Margin Money under PMEGP	350	350	350	-	-
TOTAL (I+IV)	1250	1562	1936	2367	2854



M/S MANDAP DECORATION

ADDRESS:XXXXX

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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	3200	3360	3520	3680	3840
CLSOING STOCK	-	-	-	-	-
TOTAL (A)	3200	3360	3520	3680	3840
B- EXPENSES					
OPENING STCOK	-	-	-	-	-
PURCHASES AND CONSUMPTION	1200	1260	1320	1380	1440
SALARY & WAGES	600	630	660	690	720
UTILITIES EXPENSES	300	315	330	345	360
Total (B)	2100	2205	2310	2415	2520
C- GROSS PROFIT (A-B)	1100	1155	1210	1265	1320
ADMINISTRATIVE COST	300	315	330	345	360
SELLING & DISTRIBUTION EXPENSES	160	168	176	184	192
DEPRICIATION	117	100	84	72	62
FINANCIAL CHARGES					
Interest on Term Loan @11.75%	80	62	45	27	10
Interest on CC Limit @10.00%	20	20	20	20	20
Bank Charges	15	16	17	17	18
D-TOTAL	692	681	671	665	662
E- PROFIT BEFORE TAX (C - D)	408	474	539	600	658
F- PROVISION FOR TAXATION	8	12	15	18	21
G- NET PROFIT AFTER TAX	400	462	524	581	637



MANDAP DECORATION					
ADDRESS: XXXXX			Annexture-3		
PROJECTED CASH FLOW STATEMENT (Rs. In '000)					
PARTICULARS	Operating Years				
	1st	2nd	3rd	4th	5th
<u>A-SOURCE OF FUND</u>					
1. Increase in Capital	50	-	-	-	-
2. Increase in Term Loan	750	-	-	-	-
3. Increase in C/C Limit	200	-	-	-	-
4. Profit / (Loss)	400	462	524	581	637
5. Depreciation added back	117	100	84	72	62
6. Increase in Creditors	172	9	9	9	9
TOTAL (A)	1688	571	617	662	708
<u>B-DISPOSAL OF FUND</u>					
<u>I) FIXED ASSETS PURCHASED</u>					
1. Furniture & Fixtures	40	-	-	-	-
2. Plant & Machinery	750	-	-	-	-
<u>II) CURRENT ASSETS</u>					
3. Increase in Stock	-	-	-	-	-
4. Increase in Debtors	267	13	13	13	13
5. Increase in Preliminary Exp.	10				
6. Increase in Loans & Advances	125	25	30	20	20
<u>III) OTHERS</u>					
7. Payment of Term Loan	150	150	150	150	150
8. Decrease in Creditors	0				
TOTAL (B)	1342	188	193	183	183
Opening Cash & Bank Balance	0	347	730	1153	1632
Surplus/(Deficit) (A - B)	347	383	423	479	525
Closing Cash & Bank Balance	347	730	1153	1632	2156



M/S MANDAP DECORATION

ADDRESS:XXXXX

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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	40	750	790
1st year Dep.	4	113	117
Balance at the end of 1st year	36	637	673
2nd year Dep.	4	96	100
Balance at the end of 2nd year	32	541	573
3rd year Dep.	3	81	84
balance at the end of 3rd year	29	460	489
4th year Dep.	3	69	72
balance at the end of 4th year	26	391	417
5th year Dep.	3	59	62



MANDAP DECORATION

ADDRESS:XXXXX

Annexure -5

PROJECTED FINANCIAL RATIOS (Rs. In '000)

PARTICULARS		Operating Years				
		1st	2nd	3rd	4th	5th
1. CURRENT RATIO	CURRENT ASSETS	748	1170	1636	2149	2706
	CURRENT LIABILITIES	372	381	390	399	407
	=	2.01	3.07	4.20	5.39	6.65
		TIMES	TIMES	TIMES	TIMES	TIMES
2. GROSS PROFIT RATIO	GROSS PROFIT	1100	1155	1210	1265	1320
	SALES	3200	3360	3520	3680	3840
	=	34.38%	34.38%	34.38%	34.38%	34.38%
3. NET PROFIT RATIO	NET PROFIT	408	474	539	600	658
	SALES	3200	3360	3520	3680	3840
	=	12.75%	14.10%	15.30%	16.29%	17.15%
4. DSCR	PAT+DEP.+INTT. ON TERM LOAN	597	625	652	681	709
	INTEREST+LOAN INSTALMENT	230	212	195	177	160
	=	2.59	2.94	3.35	3.84	4.44
		TIMES	TIMES	TIMES	TIMES	TIMES
5. INTT. COVERAGE RATIO	PAT+DEP.+INTT.	617	645	672	701	729
	INTEREST	100	82	65	47	30
	=	6.16	7.82	10.38	14.85	24.66
		TIMES	TIMES	TIMES	TIMES	TIMES
6. DEBT EQUITY RATIO	TOTAL TERM LIABILITY	600	450	300	150	0
	TOTAL NET WORTH	450	912	1436	2017	2654
	=	1.33	0.49	0.21	0.07	0.00
		TIMES	TIMES	TIMES	TIMES	TIMES
7. STABILITY/GEARING RATIO	TOTAL OUTSIDE LIABILITY	800	650	500	350	200
	TOTAL NET WORTH	450	912	1436	2017	2654
	=	1.78	0.71	0.35	0.17	0.08
		TIMES	TIMES	TIMES	TIMES	TIMES



MANDAP DECORATION				
ADDRESS:XXXXX				
Loan Amount Rs. 750000				Annexture-6
Rate of Interest 11.75%				
Tenure			5 Years	(Rs. In '000)
Sl.No.	Instalment	Interest	Principal	Balance Loan
1st Year	230	80	150	600
2nd Year	212	62	150	450
3rd Year	195	45	150	300
4th Year	177	27	150	150
5th Year	160	10	150	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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Prepared by



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