

PROJECT PROFILES

SL.NO.	NAME OF THE PROFILE
1.	Project profile on Flour Mill
2.	Toilet Soap Manufacturing Unit
3.	Tomato sauce Manufacturing Unit
4.	Project profile on Roasted Rice Flakes
5.	Banana Fiber Extraction and weaving
6.	Computer Assembling
7.	Light Engineering(Nuts, Bolts, Washers, Rivets etc.)
8.	Metal Based Industries: Agricultural Implements, Cutleries& Hand Tools
9.	Manufacturing of Paper Products (Paper Cups)
10.	Project profile on Curry and Rice Powder
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13.	Project profile on Desiccated Coconut Powder
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15.	Project report on Wooden Furniture Manufacturing Unit
16.	Manufacturing of Paper Napkins
17.	Project Profile on Pappad Manufacturing
18.	Project Report on Readymade Garments
19.	Project Report on Pickle Unit
20.	Project Profile on Manufacturing of Palm Plate
21.	Project Report on Note Book Manufacturing
22.	Dairy Products
23.	Project profile on Detergent Power and Cakes
24.	Sanitary Napkin Manufacturing Project
25.	General Engineering Workshop
26.	Rubberised Coir Mattresses
27.	Beauty Parlor

PROJECT PROFILES



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

PROJECT PROFILE ON FLOUR MILL

Introduction

Food is the most required product since human kind came into existence. Modern era looks for quality food products. Therefore demand for food in the market is perennial.

Market Potential

Raw material is available in and around the country side. People looking for quality food material are residing everywhere. There is enough market potential for standardized food products.

Location

The unit is located at the premises of the residences of the target group in a rented building.

Presumptions

Production will be spanning eight hours a day and 25 days in a month. In two years full capacity will be utilized. Minimum wages will be paid to the labourers. Rate of the loan will be 15% per annum. Margin money by the promoter will at the rate of 50%.

Schedule of Implementation

Commencement of commercial production will start within six month clearing all mandatory measures.

Technical aspect

Manufacturing process: The various steps involved in the flour manufacturing are as follows.

- Washing
- Grading
- Drying
- Flouring
- Packing

FINANCIAL ASPECTS

A. Fixed Capital

Land and Building :- 100 sq/m area rented.

Plant and Machinery

Sl. No	Item	Cost (Rs.)
1	Pulvariser with accessories	16,600
2	Double stage pulvariser	17,800
3	Roaster	20,500
4	Gas connection	10,000
5	Weighing Balance	8,000
6	Sealing Machine	3,000
7	Vessels	6,000
	Total	125,000

Working Capital

Sl.	Item	Cost
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No		(Rs.)
1	Raw Materials	50,000
2	Wages	39,000
3	Electricity Charges	9,000
4	Gas	2,000
	Total	100,000

Total Project Cost

Sl. No	Item	Cost (Rs.)
1	Building	25,000
2	Machinery	125,000
3	Working Capital	100,000
	Total	250,000

Means of Finance

Promoter's contribution	125,000
Bank Loan	125,000
Total	250,000

Sales Turnover

Expected Sales Turnover per month – 115,000

Monthly Expenditure

Sl. No	Item	Amount (Rs.)
1	Working Capital	100,000
2	Loan Repayment	5,000
	Total	105,000

Profit per Month

Sales	-	115,000
Expenditure	-	105,000
Profit	-	10,000

TOILET SOAP MANUFACTURING UNIT

INTRODUCTION

In present age, all people want to appear smart and elegant in his personality. The history of soap industry in India is very old say since 1889. The use of soap or soap like cleaning agent has always been associated with man's inherent instinct to keep his body and other belonging clean. Soap help remove slag from skin to make skin a brilliant glow. The principal raw material of soap is oil and fats. According to these raw materials the quality of soap and category of soap is changed. The necessary raw materials are needed to be of high purity and the finished product should have the balanced pH as its froth may enter the eye. Toilet soaps are made by combining liquid fats (like vegetable oils or animal fat) with an alkali like sodium hydroxide (also called lye). The process is called "saponification"; the definition of "saponify" is literally "to turn fat or oil into soap by reaction with an alkali. During the curing process, the sodium hydroxide and water evaporate out of the product, leaving behind just awesome soap". "Superfatting," which refers to the process of adding liquid fats to soap after saponification, is popular for its rich, moisturizing effect. Clear soaps will add glycerin and sorbitol (a sugar alcohol with emollient properties), and products labeled "antibacterial" usually rely on triclosan, a substance that kills bacteria and helps prevent fungus growth. A simple production method with high return soaps are invariably used in every household. The antibacterial soap with a moisturizer added has huge market potential. The market is spread from remote village to the metro cities alike. The industry gives a good profit and high employment oriented.

MARKET POTENTIAL

There is a vast market available for Beauty Toilet Soap in Kerala and its around. It being soft in nature will act on skin giving soothing effect. This Beauty soap is nothing but a toilet soap of good and refined quality and balanced pH, so this soap have as good market as other toilet soap have. Because of its charming name this soap can be used by all male, female irrespective of caste, creed and sex. As the fashion grows up its market potential will also grow accordingly. Considering the population trend in the state, there is still an ample scope for growth of this industry. There are so many kind of toilet soap flooded in the market but because of its peculiar name and nature, quality and properties it will also grab good market in present scenario.

QUALITY CONTROL & STANDARD

In order to maintain the best quality of the product it is very much necessary to manufacture this soap under some specific standards. This mean to say that some standard specification has got to be followed to maintain certain qualities such as pH, acid, No. total fatty matter(TFM) available and moisture etc. Taking into account its use the product should

be skin-friendly in all respects and point of view. To manufacture this

Beauty Soap a general standard for toilet soap i.e. IS: 2888-194 or

revised can be followed. Some changes in the product specification can be taken into account to improve the quality soap to satisfy the customer's demand and requirement.

BASIS & PRESUMPTION

- ◆ The unit will work 6 days a week. On single shift basis (8 hours)
- ◆ The calculations have been carried out on present data available.
- ◆ If necessary other type of soap like shower gel can also be manufactured by using the same machinery.
- ◆ The production capacity i.e. 80% have been taken into account.
- ◆ The wastage has been considered at a rate of 2%.

	Toilet Soap
Quantity (Kg)	364560 Nos
Value (Rs)	Rs. 47,39,280.

IMPLEMENTATION SCHEDULE:

- i. Registration of Unit (EM-1) - One day.
- ii. Loan Sanction (including TFR) -2 Months
- iii. NOC-Pollution Control Board -1 Month
- iv. Installation of machinery -1 Month
- v. Power connection -1 Month
- vi. Testing operation -1 Month
- vii. Production -7 Month onwards.

TECHNICAL ASPECT

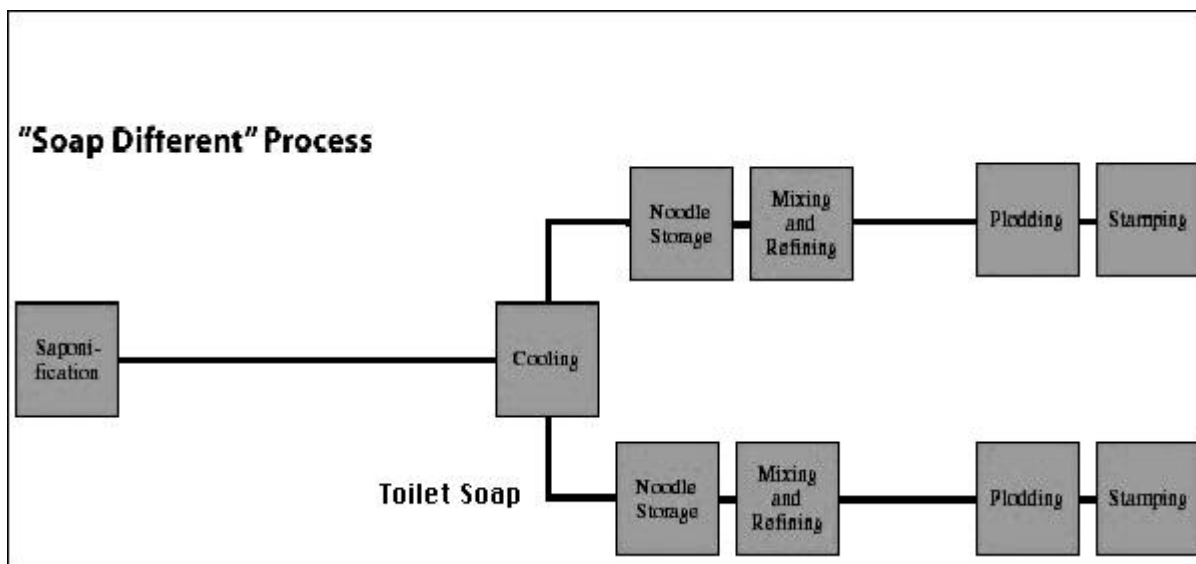
This Beauty soap will be manufactured as per the set formulation, Stated as below, so as to have the skin friendly soap for daily use.

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	Name of raw material	Quantity (Kg)
1	Coconut oil	50
2	Tallow	50
3	Caustic soda	50
4	Colour (green, blue, rose,orange,yellow, etc)	0.05
	Perfume mixtures for the soap	
1	Bergamot oil	5.5
2	Jasmine oil	3.0
3	Lavender oil	3.5
4	Palm rose oil	3.5
5	Lemon oil	2.5
6	Cedar wood oil	2.0
7	Tincture for musk	0.5

MANUFACTURING PROCESS

The beauty toilet soap can be made or manufactured into 2 steps namely preparation of soap base and to obtain finished products soap base. For making the soap base the specifications is carried which is done by either remitting and perfuming and secondly by milling process. Fat should be used of high standard quality. Weigh fat oil & lye (sodium- hydroxide) accurately, if the lye is weighed more, the soap will be hard and harmful to skin and if the lye is low, the fat will not be saponified properly. Melt oil fat into a kettle and filter it to remove any impurity. Now add caustic soda lye into it slowly and stir continuously when the oil is saponified fully add perfume and colours and pour into moulds.



FINANCIAL ASPECTS

LAND & BUILDING:

1	Covered area	Sq. Ft.	500
2	Uncovered area Sq.	Sq. Ft.	250
3	Total area	Sq. Ft.	750
4	Whether constructed or Rented		Constructed
5	If constructed, constructed Value	Rs	5,00,000/-
	Total	Rs	5,00,000

MACHINERY AND EQUIPMENT:

SN.	Description	Qty- Nos	Value (Rs.)
1	Saponifying fans -100kg	4	7000
2	Melting pans/kettle with agitator/ stirrer 100kg	1	8000
3	Lye Storage tank with SS lining 50 lit. each	4	6000
4	Frames(for cooling soap) 50kg. Capacity	4	6000
5	Automatic soap stamping m/c (50 pcs per minute)	1	4000
6	Cutting machine	1	4000
7	Boiler	1	35000
8	Hydrometer, beaker, cylinder pHmeter, spatula and furniture	-	20000
9	Installation/Electrification	-	10000
	Total		100000

Total fixed cost Rs.1,00,000 + Rs. 5,00,000/- = Rs. 6,00,000/-

RAW MATERIAL & PACKING Material (PER MONTH):

S.N.	Particulars	Quantity (Kg)	Rate (Rs)	Value (Rs)
1	Coconut oil	1000	170	1,70,000
2	Tallow	1000	50	50,000
3	Lye	1000	14	14,000
4	Colour	1	100	1,000
5	Perfumes			5000
6	Packing material			10,000
	Total			2,50,000

STAFF & LABOUR (PER MONTH):

S.N.	Particulars	Nos	Salary	Value (Rs)
1	Manager / Director	1	10000	10000
2	Chemist	1	6000	6000
3	Skilled workers	2	4000	8000
B	Technical-Unskilled worker	2	3000	6000
(i)	Clerk	1	3000	3000
(ii)	Peon/ Watch man	1	2000	2000
	Sub-Total			35000
	Plus perquisites @ 15% of salaries			5000
	TOTAL			40,000

OTHER EXPENSES (PER MONTH):

1	Power / Electricity Charges		3000
2	Water Charges		500
3	Maintenance & repair.		4500
4	Printing postage & stationery		2000
5	Cartage/ transportation charges		4000
6	Selling/ publicity		4000
7	Telephone		1200
8	Insurance		800
	Total		20,000

WORKING CAPITAL (FOR ONE MONTH):

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material (Only 30 Days)	250000
2	Salaries & Wages	40000
3	Other Expenses	20000
	Total	3,10,000

Working capital for 3 months $310000 \times 3 = 9,30,000/-$

TOTAL CAPITAL INVESTMENT:

Building	500000
Machinery & Equipment	100000
Working capital for 3 month	930000
Total	15,30,000

Promoter's contribution (25% of total capital investment) : 3, 82,500/-

Govt. finance (Bank Loan Amount): 11,47,500/-

FINANCIAL ANALYSIS

Cost of Production (Per Annum)

Total recurring cost per year(i.e Working Capital for 12 months)	310000×12 months=37,20,200/-
Depreciation on machinery & Equipment (@ 10%)	$100000 \times 10\% = 10,000/-$
Depreciation on Building (@ 5 %)	$500000 \times 5\% = 25,000/-$
Interest on total investment (@ 10%) [Bank Loan Amount	$1147500 \times 10\% = 1,14,750/-$
Grand Total:	38,69,950/-

SALES PROCEEDS (PER ANNUM):

	Qty (Kg)	Value (Rs.)
Total capacity of project	37200Kg	
Wastage (@ 2%)	744Kg	

Net production		(37200-744)=36456Kg
No. of soap cake bearing 100 gram of weight each		36456/0.100=364560 Nos
Cost of each cake[100gm pack]		Rs: 13/-
Total sale		Rs 13.00 * 364560 Nos = 47,39,280/-

Profit Analysis (P.A.)

Net Profit =[Sales- Cost of Production]=

47,39,280-38,69,950= 8,69,330.

Income Tax at 30%=2,60,799.

Profit after tax=[8,69,330-2,60,799] =6,08,531/-

Rate of Return

On total sale =[Profit * 100/Cost of Production] 6,08,531x100/38,69,950= 15.72 %.

On total capital investment:= [Profit * 100/Total Capital Investment]

6,08,531x100/15,30,000= 39.77 %

BREAK- EVEN ANALYSIS

Fixed cost x 100

Fixed cost + Net Profit

FIXED COST

Rent [own building]	Rs: 0/-
Total Depreciation[Machinery & Building]	Rs: 35,000/-
Interest on Total Investment	Rs: 1,14,750/-
40 % of Salary & Wages[40000*12/ 40%]	Rs: 1,92,000/-
40% of utilities & other contingent expenses[20000*12/ 40%]	Rs: 96,000/-
Total:	Rs: 4,37,750

Net Profit =6,08,531/-

Fixed Cost: 4,37,750/-

B.E.P= $\frac{4,37,750 \times 100}{4,37,750+6,08,531}$ =41.84 %

4,37,750+6,08,531

Manufactures/ Suppliers of Machinery:

1	Mezhukkattil Mills No. 4/43, Chunangamvely, Erumathala Post , Ernakulam - 683112, Kerala www.indiamart.com/mezhukkattil-mills Ph: 08042964764
2	National Precisionss No. 138/1, Semmam Palayam Pirivu, Nasiyanur PO , Erode - 638107, Tamil Nadu www.indiamart.com/national-precisionss Ph: 08376808718
3	Rising Industries Teghoria Loknath Mandir, Jhowtala, Ghosh Dutta Para, Tanushree Apartment , Kolkata - 700157, West Bengal www.risingmachinery.com Ph: 08586924234
4	Frigmaires International P. O. Box No. 16353, Janata Industrial Estate, Lower Unit No. 8, Senapati Bapat Marg, Opposite Pheonix Mill, Mumbai - 400013, Maharashtra www.feprojects.com Ph: 08447571763
5	Adhi Sakthi Projects No. 40/9, Earikkarai Road, Near Wipro Computers, Kothapurinatham, Thiruvandarkoil , Pondicherry -605102, Pondicherry www.adhisakthiprojects.com Ph: 08588811550
6	United Detergent Engineers No. 14, Bajanai Koil Street, Uppilipalayam , Coimbatore - 641015, Tamil Nadu www.indiamart.com/uniteddetergentengineers Ph: 09953361667
7	Surya Machines 225, Kattoor Street, Valiyam palayam Road, Kalappatti, Coimbatore - 641048, Tamil Nadu www.indiamart.com/suryamachines Ph: 09442334760

Suppliers of Raw Materials

1	Mathewsons Exports & Imports Private Limited Mathewsons Building, Kaloor , Kochi - 682017, Kerala www.indiamart.com/mathewsons-exim Ph: 08045327801
2	Intermas 12 / 25, College Road, Panayapally , Kochi - 682002, Kerala www.indiamart.com/intermas-cochin Ph: 08042954720
3	Nagarjuna Herbal Concentrates Ltd. Thodupuzha, , Kochi - 685 588, Kerala www.indiamart.com/nagarjunaherbal Ph: 09961883222

4	Punarnava Herbals Edappally North P. O. , Kochi - 682024, Kerala www.indiamart.com/punarnava-herbals Ph: 09895603033
5	Rich Exports & Imports Blue Bells, Vikas Nagar, Maradu , Ernakulam - 682304, Kerala www.indiamart.com/rich-exports-imports Ph: 08043049648
6	Grocer Online Door No. 60/479 B1, Koithar Complex Panampalliy Nagar, Ernakulam - 682036, Kerala www.indiamart.com/grocer-online Ph: 09567727138
7	Neo Products Sopas And Perfumes Market road, Thripunithura , Ernakulam - 682301, Kerala www.indiamart.com/neo-products Ph: 09847427383

TOMATO SAUCE MANUFACTURING UNIT

INDRODUCTION

Tomato is one of most popular vegetables used for human consumption. Apart from their use in food preparations, tomato products like sauces, ketchups etc are used as table enricher especially along with fast food items like pizzas, burger, puffs etc. This is made from tomato juice and many other ingredients and preservatives are added to it to enhance its shelf life and taste. These products are consumed by people of all age groups and demand is going up.

MARKET POTENTIAL

Tomatoes are available during the season at cheaper rates and prices start shooting up during off-season. But main reason for these products becoming popular is their extensive use as enrichers along with bread and other such preparations, in making some fast food items like pizza, burger etc. and as additives with many food preparations. Hence, these products are witnessing increase in demand year after year. They have already become popular in urban and semi-urban areas and are now making in-roads in rural markets as well. Thus, there is a good scope for these products especially in semi-urban and rural areas.

BASIS AND PRESUMPTIONS

1. The production is based on a single shift basis of 8 hours per day and 25 working days in a month.
2. Land and building has been acquired monthly Rent of Rs 10000.
3. Rate of interest for fixed and working capital @ 15 % per annum.

IMPLEMENTATION SCHEDULE

It will take one year to complete all the formalities before starting the commercial production.

TECHNICAL ASPECTS

PROCESS OF MANUFACTURE

Ripe and matured tomatoes are washed and graded. The graded tomatoes are then boiled in steam kettles. The boiled tomatoes are then pulped and the juice is filtered out from seeds, fiber and solid waste. Spices and condiments like ginger, garlic, clove, pepper, salt, sugar, vinegar etc are added. Allowed preservatives are added to the sauce pulp. The sauce is quickly cooled and allowed to solidify into a thick pulpy sauce. The sauce is then packed in sterilized bottles and pouches, sealed and stored for sale. The recovery of juice varies depending on the quality and variety of tomato.

POLLUTION CONTROL

This industry does not create any kind of pollution and as such there is no need to take any preventive measures for pollution control

PRODUCTION CAPACITY

Srl No.	Product	Per Annum(Kg)	Value(Rs)
1	TOMATO SAUCE	30000	28,50000

FINANCIAL ASPECTS

MACHINERY AND EQUIPMENTS

Sl.No	Items	Amount in Rs.
1	Pulper	60000
2	Stirrers	20000
3	Steam Jacketed Kettles	40000
4	Precision Weighing Scale	10000
5	Containers & vessels	20,000
6	Furnitures	20000
7	Desktop computer	30000
Total Fixed Capital		₹ 200,000

Requirement of Power = 10HP

MAN POWER REQUIRED

Sl.No	Profession	Nos.	Salary In Rs.
1	Manager	1	15000
2	Sales Person	2	24000
3	Skilled workers	1	10000
4	Semi Skilled Workers	1	8000
Total			₹ 57,000

UTILITIES AND OTHER EXPENSES

Power Charges	6500
Water charges	1000
Rent	10000
Telephone charges	500
Miscellaneous expenses	500
Total	₹ 18,500

WORKING CAPITAL

Particulars	No. of month	Amount
Tomato	3	135000
Other ingredient	3	112500
Packing Raw Material	3	75000
Salaries	3	171000
Utilities	3	55500
Rent , Telephone and other miscellaneous expenses	3	33000
Total Working Capital		₹ 5,82,000

TOTAL PROJECT COST

1	Fixed Capital	200,000
2	Working Capital	582,000
Total Project Cost		₹ 7,82,000

MEANS OF FINANCE

1	Own Capital	1,95500
2	Term Loan	1,50000
3	Working Capital Loan	4,36500

COST OF PRODUCTION PER MONTH

Total recurring cost	2328000
Depreciation on machinery @10%	18000
Depreciation on furniture @20%	4000
Interest on term loan + Working capital loan @15%	87975
Total Cost of Production	₹ 24,37,975

TURN OVER PER YEAR

Item Name	Quantity(kg)	Rate/kg(Rs)	Value(Rs)
Tomato sauce	30,000	95	28,50000

NET PROFIT (BEFORE TAXATION) PER YEAR

Net Profit (before taxation) Per year	4,12,025
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NET PROFIT RATIO

$$\begin{aligned}
 &= (\text{Net profit per year} * 100) / \text{Turnover per year} \\
 &= (412025 * 100) / 28,50000 \\
 &= 14.45\%
 \end{aligned}$$

RATE OF RETURN ON TOTAL INVESTMENT

$$\begin{aligned}
 &= (\text{Net profit per year} * 100) / \text{Total investment} \\
 &= (412025 * 100) / 782,000 \\
 &= 52.68\%
 \end{aligned}$$

BREAK EVEN POINT

Fixed Cost

Rent for one year	120000
Total depreciation	22000
Interest on total investment	87975
40% of salaries	273600
40% of utilities	91800
Total	595375

$$\begin{aligned} \text{BEP} &= (\text{Fixed Cost} * 100) / (\text{Fixed Cost} + \text{Net Profit}) \\ &= (595375 * 100) / (595375 + 412025) \\ &= 59.10\% \end{aligned}$$

Addresses of Machinery and Equipment Supplies

1. M/s Ganesh Engineering works Coimbatore, Tamilnadu.
2. M/s Precision Weighing Technology Pvt Ltd , Coimbatore, Tamilnadu.
3. M/s Patel Industries Bangalore , Karnataka.

Raw Material Suppliers

1. Palayam Vegetable Market Kozhikode, Kerala
2. M/s Polytech plastic industries , Coimbatore, Tamilnadu.

PRODUCT PROFILE OF ROASTED RICE FLAKES

INTRODUCTION

Generally the beaten rice is a popular food for all kinds of human living in India. Most people used this as a raw food in ancient times which is very easy to produce and prepare at home. Now the people are making different kinds of recipes with this by adding sweetness or spices. This is rich in fiber and carbohydrate and can be consumed even by those suffering from diabetes, high blood pressure etc. Now the medical journals are also encouraging the same. Another point to be remembered is that paddy is available in plenty in India (and kerala) and hence the raw material has no shortage.

PRODUCT

CFTRI Mysore has introduced new methods to evolve the roasted flakes with different spices and sweetness. This can be directly used as a snack or light food. This can easily attract both small children and elders. Also one of the specialties is the easiness with which the product can be prepared though it consumes a little time.

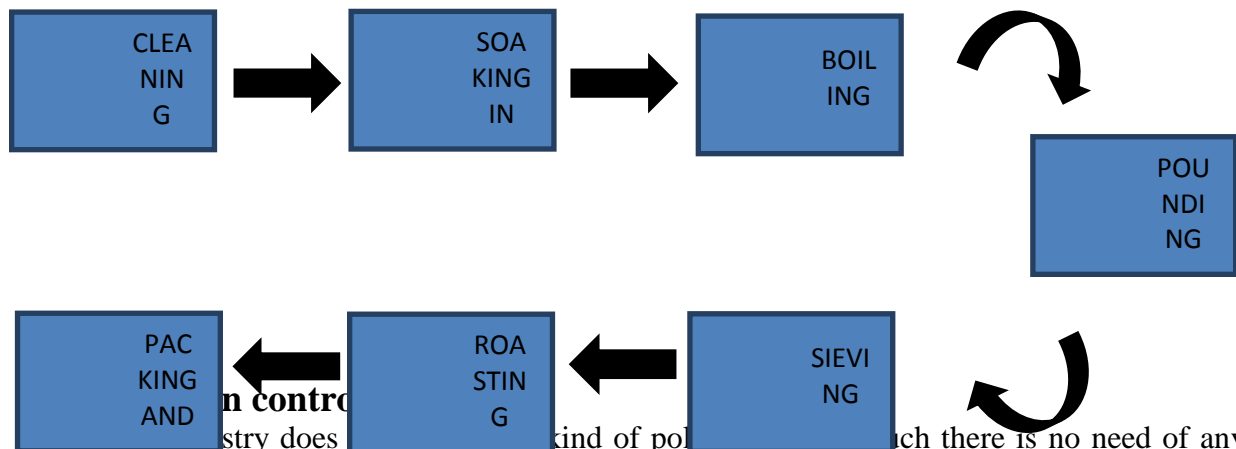
MARKET POTENTIAL

This product in the market is relatively new one. Hence it has tremendous scope. A good quality product in attractive pack will give a boost in marketing the product. The main scenario in rice flakes is that it is pure in nature and adding spices or sweets will not contaminate it in any way.

TECHNICAL ASPECTS

The Process

The paddy is cleaned and stones are removed. It is soaked in water and boiled in a boiler. When it is lowered its temperature is reduced a little and is pounded or pressed mechanically to form flakes. It is sieved and roasted by adding the required flavors. This product is packed and labeled in different weights.



preventive measures.

FINANCIAL ASPECTS

Fixed Capital

Land and building

It is estimated that a land of 250sqm is required with 125sqm with buildup area. Cost of land in rural area is calculated as Rs1,25,000/- and the cost of construction is taken as Rs3,25,000/-

Plant and machinery

It is suggested to install a unit with annual production capacity of 250MT based on 300 working days and 1 shift per day.

No	ITEM	QUANTITY	PRICE(IN LAKHS)
1	Avil mill	2	1.50
2	Roaster	2	1.00
3	Husk fired Furnace	1	0.25
4	Paddy soaking tanks	4	0.60
5	Sieves	4	0.25
6	Sealing machines	1	0.25
		TOTAL	3.85

Furniture and fixing

A provision of Rs40,000/- is provided for the working tables furniture and fixtures storage facilities.

Utilities

Power requirement shall be 15 hp and daily water consuming is Rs750 for 800 liters

Manpower requirement

Particulars	Monthly salary(Rs)	Total Monthly salary(Rs)
Skilled workers	3500	7000
Semi-skilled Workers	3000	6000
Helpers	2000	8000
Sales man	3000	3000
	TOTAL	24000

Details of project cost

A) Land and building

Particulars	Area	Cost(Rs)
Land	250SqM	125000
Building	125SqM	325000
	TOTAL	450000

B) Plant and machinery

A total cost of Rs3.85 Lakhs is calculated in this head.

C) Miscellaneous assets

A provision of Rs40,000/- is provided to this project

D) Preliminary and preoperative expenses

This include some charges like registration, trial run expenses, interest during implementation etc. and are covered with a provision of Rs50,000/-

E) Working capital requirement (with a capacity utilization of 60%)

Particulars	Period	Margin	Promoters	Bank	Total(Lakhs)
Stock of Materials	1 Month	30%	0.30	0.80	1.10
Stock of Finished Goods	½ months	25%	0.14	0.41	0.55
Receivables	1 Month	25%	0.26	1.39	1.65
Working Expenses	1 month	100%	0.20		0.20
		Total	0.90	2.60	3.50

Cost of project

Item	Amount(Lakhs)
Land and Building	4.50
Machinery	3.85
Miscellaneous assets	0.40
Preliminary & Preoperative Expenses	0.50
Contingencies @10% on fixed assets	0.84
Working Capital	3.50
	13.59

Means of Finance

Promoters contribution		4.07
Loan from bank	Term loan 6.92 Working capital 2.6	9.52
Total		13.59

Assumptions

a) **Utilities:** the annual expenditure towards power and water is estimated to be Rs 60000/-

b) **Selling expenses:** Rice flakes will be sold through retailers. For this commission and transportation charges will be there. Hence a provision @ 12.5% is provided.

c) **Interest** on term loan is calculated as 12% per annum assuming a repayment period of 4 years. Interest on working capital is taken as 14% per annum.

d) **Depreciation.** It is calculated assuming @10% on building and @20% on plant and machinery

Raw material required per annum

Product	Quantity(MT)	Rate/ price	Value(In Lakhs)
Paddy	250	8900	22.25
Spices	25	4000	1.0
			23.25

Sales Revenue at 100%

Product	Quantity	Selling price	Sales(In Lakhs)
Roasted flakes	200	12000	24.00
Rice Bran	25	2000	1.0
			25.0

Calculation of profit

No	Particulars	Year1	Year2	Year3	Year4
A	Installed capacity	250MT			
	Capacity utilization	60%	70%	80%	100%
	Sales realization	24.5	31.85	34	38.25

B	Cost of production	Year1	Year2	Year3	Year4
	Raw materials	13.95	16.28	18.60	20.93
	Utilities	0.36	0.42	0.42	0.54
	Salaries	2.88	2.88	2.88	3.17
	Stores & Spares	0.20	0.20	0.20	0.20
	Repairs and Maintenance	0.30	0.30	0.30	0.30
	Selling expenses	1.91	1.99	1.99	1.99
	Administrative Expenses	0.30	0.30	0.30	0.30
	Total	19.9	22.37	25.48	28.76

C	Profit before Interest and Taxation	4.6	9.48	8.52	9.49
	Interest on Term loan	0.83	0.83	0.63	0.43
	Interest on working capital	0.36	0.36	0.36	0.36
	Depreciation (0.32+.77)	1.09	1.09	1.09	1.09
	Profit before tax	2.32	7.20	7.43	8.40
	Income tax @10%	0.23	2.28	2.08	2.52
	Profit after Tax	2.09	5.04	5.2	5.88
	Cash accruals	3.18	6.13	6.29	6.97

Break Even Analysis

No	Particulars	Amount(Lakhs)	
A	Sales		25.0
B	Variable cost		
	Raw materials	13.95	
	Utilities (60%)	0.22	
	Salaries (60%)	1.73	
	Stores & Spares	0.2	
	Selling expenses(60%)	1.15	
	Admn.expenses(50%)	0.15	
	Interest on working Capital	0.36	
			17.76
C	Contribution		

			7.24
D	Fixed Cost		
	Depreciation	1.09	
	Utilities	0.14	
	Salaries	1.15	
	Selling expenses	0.76	
	Administrative expenses	0.15	
			3.29
E	Break-even point (D/C)		45.44 %

Return on investment

Profit after tax/investment
 $= 2.09 / 13.59 * 100$
= 15.37

SOME SUPPLIERS OF MACHINERIES

- 1) Indopol food processing industry pvt. Ltd Faridabad 121003
Ph 2276161
- 2) SP Engg.worksFazalGunj,Kanpur

BANANA FIBRE EXTRACTION AND PROCESSING
VARIOUS PRODUCTS, SCOPE IN KERALA



BANANA FIBRE EXTRACTION AND WEAVING

INTRODUCTION

Banana fibre is eco friendly like jute fibre. The technology of banana fibre extraction has been developed in South India where in a good number of banana fibre extraction units have been running very successfully. Some firms are exporting the banana fibre products. Banana growing states of N.E. Region has adopted the technology from South and started production of banana fibre and fabric. This can create a lot of employment opportunities for almost all age groups.

MARKET POTENTIAL

The banana fibre is being used for weaving attractive pieces of clothes, rugs, sarees etc. Besides, it is also being used to produce a variety of items such as hats, photo frames, trinket boxes, gift bags, picture frames, hand bags, belts, baskets and sandals etc. Dresses woven out of natural fibres are in great demand inside and outside India.



PLANT CAPACITY

Capacity utilization	:	70%
Average daily production envisaged	:	10 Kg cloth.
Working days/year	:	25 days in a month and 300 days in a year.
Annual production		
Door Mat	:	1000 nos
Floor covering	:	1000 nos
Screen	:	1600 Mt.
Durry	:	1500 Nos.

RAW MATERIALS

The main raw material for the unit is banana tree which is abundantly available in the State of Meghalaya, Mizoram, Arunachal Pradesh and Assam.

1. Cost of Banana Stem	: 1.40 lakhs
2. Misc. items	: <u>0.20 lakhs</u>
Total : <u>1.60 lakhs.</u>	

SUGGESTED LOCATION :

Banana growing areas in Kerala – Palakkad(Attappadi, Mannarkkad), Kottayam, Kozhikkode

PROCESS

Banana Fibre Processing and Weaving :

The extraction of the natural fibre from the plant required certain care to avoid damage. In the present experiments, initially the banana plant sections were cut from the main stem of the plant and then rolled lightly to remove the excess moisture. Impurities in the rolled fibres such as pigments, broken fibres, coating of cellulose etc. were removed manually by means of comb, and then the fibres were cleaned and dried. This mechanical and manual extraction of banana fibres was tedious, time consuming, and caused damage to the fibre. Consequently, this type of technique cannot be recommended for industrial application. A special machine was designed and developed for the extraction of banana fibres in a mechanically automated manner. It consisted mainly of two horizontal beams whereby a carriage with an attached and specially designed comb, could move back and forth. The fibre extraction using this technique could be performed simply by placing a cleaned part of the banana stem on the fixed platform of the machine, and clamped at the ends by jaws. This eliminated relative movement of the stem and avoided premature breakage of the fibres. This was followed by cleaning and drying of the fibres in a chamber at 20°C for three hours. These fibres were then labeled and ready for lamination process. After extraction of fibre, weaving is done in the looms as per normal process like any other material.

MACHINERY

The major equipment required are :

Sl.No.	Particulars	Nos.
1.	Banana fibre extractor	2
2.	Loom complete with all accessories	4
3.	Bobbin circle	1
4.	Charkha	1
5.	Bobbin	100
6.	Pirn	100
7.	Shuttle	8
8.	Misc. items	L.S.

INFRASTRUCTURE

The major infrastructural requirement are :

Covered
area : 1200 Sq.ft.
Power : 5 KW.

TOTAL CAPITAL REQUIREMENT

The total capital requirement including fixed capital and working capital is estimated at Rs.1.70 lakhs as follows. Of this, the project cost comprising fixed capital and margin money on working capital is Rs.1.55 lakhs.

(Rs. In lakh)

Fixed Capital :

Land and Building	Own
Plant and Machinery	0.90
Misc. fixed assets.	0.30
Preliminary & Pre-op. Expenses:	<u>0.10</u>
Total(A) :	1.30

Working Capital :

Raw materials & Packing materials	15 days	0.09
Finished goods	15 days	0.20
Working Expenses	1 month	0.16
Receivables	15 days.	<u>0.25</u>
	Total (B) :	<u>0.70</u>
	Total(A) + (B)	1.70

Note : Working capital May be financ

Bank Finance (65%)	Rs. 0.45 lakh
Margin Money (35%)	<u>Rs. 0.25</u> lakh.
Total :	<u>Rs. 0.70 lakh.</u>

Capital Cost of Project

Fixed Cost	:	Rs. 1.30 lakh
Margin Money for Working Capital.	:	<u>Rs. 1.25 lakh</u>
Total :		<u>Rs. 1.55 lakh.</u>

MEANS OF FINANCE

Promoter's contribution (35%)	:	0.55 lakh
Term Loan (65%)	:	<u>1.00 lakh.</u>
Total :		<u>1.55 lakh</u>

OPERATING EXPENSES

The annual operating expenses are estimated at Rs 4.99 lakhs as given below :

		(Rs. in lakhs)
Raw materials	:	1.60
Packing materials.	:	0.20
Utilities	:	0.40
Wages & Salaries	:	1.50
Rent, Insurance etc.	:	0.30
Other overheads.	:	0.35
Selling expenses @ 5% on annual Sales.	:	0.33
Interest on term loan @ 12.50%	:	0.13

Interest on bank finance
for working capital @11%. : 0.05

Depreciation 10% on M/c. : 0.13
Total : 4.99

SALES REALISATION

Items	Qty.	Rates(Rs)	Value (Rs) (Lakhs)
Door Mat (13' x 22')	1000 Nos.	60/-	0.60
Floor Covering (4' x 6')	1000 Nos.	300/-	3.00
Screen	1600 Nos.	50/-	0.80
Durry (2.5' x 5.0')	1500 Nos.	150/-	2,25
Total			6.65

PROFITABILITY

Based on the sales realization of Rs 6.65 lakhs and the operating expenses of Rs 4.99 lakhs, the profit at rated capacity utilization would be Rs 1.66 lakhs per year. This works out to be return on investment of 98%. The unit will break even at about 31% of the targeted annual production.

HIGHLIGHTS

The major highlights of the project are as follows:

Total capital require	Rs.	1.70 lakhs.
Promoter's contribution	Rs	0.55 lakhs.
Annual Sales realization	Rs.	6.65 lakhs.
Annual operating expenses	Rs.	4.99 lakhs.
Annual Profit (Pre-tax)	Rs.	1.66 lakhs.
Pre-tax return on sales		25%.
Break-Even Point.		31%.
No. of persons employed.		8 Nos.

SUPPLIERS OF MACHINERY

Addresses of Machinery and Raw Material Suppliers :

Supplier of Banana Fibre Extractor :

Eco Green Unit "Sugandavanam" Sethumadai, Pollachi TK, Coimbatore Dist, Tamilnadu. Pin - 642133. PH : 04253 244269 Mobile : 94433 66374	Krishi Vigyan Kendra Kalavacharla, East Godavari District Andhra Pradesh 0883 – 2449871	Mother India No.12-B.I Floor,First Street, Rajendra Nagar,Palayamkottai- 627 002, Tamilnadu,India. Call : + 91- 0462- 2561 325 / 2561 354 Fax : + 91- 0462- 4000037, Mail : business@motherindiaworld.com , Click: welcome to mother india
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Looms and other accessories are available in the local market

COMPUTER ASSEMBLING

Introduction :

Computers are now a days used for various applications in day to day life. A Micro Enterprise unit proposed activity Computer assembling & Sales. For this computer parts will be Purchased from dealer and assembling in the unit. Assembled Computers will be marketed through the distributors appointed by the entrepreneur. The distributor will also inform the needs of the computer through the market Survey.

Raw Materials: Mother Board, ATX Cabinet, Mouse, Key Board, Monitor, Packing Material

Manufacturing process: Cabinet setting, Fix the SMPS (Switched Mode Power Supply), Fix the Mother Board, Fix the Processor, Fix the Hard Disk, Fix the CD Writer Installation of operating system & Soft Ware.

Fixed Assets

1. Land & Building : Rented
2. Plant and Machinery:

Sl.No	Items	Rate	Quantity	Value
1.	Screw Driver	250	04	1000
2.	Multi meter	1000	04	4000
3.	Soldering Iron	250	04	1000
4.	Soldering Station	6000	04	24000
5.	Other fitting Items			5000
6.	Building furnishing & Furniture Fittings			<u>65,000</u>
	Total			<u>1,00,000</u>

3. Raw Materials/Month

Sl.No	Item	Rate	Quantity	Value
1.	Mother Board	5000	53	2,65,000
2.	ATX Cabnet	1500	53	79,500
3.	Mouse	500	53	26,500
4.	Key Board	1000	53	53,000
5.	Monitor	5000	53	2,65,000
6.	Other Packing Material			25,000
	Total			7,14,000

4. Labour cost

Sl.No	Designation	Rate/month	Nos.	Amount
1	System Engineer	25,000	02	50,000
2	Distributor	10,000	01	10,000
	Total		03	60,000

5. Miscellaneous Expenses

Sl.No	Items	Amount
1.	Electricity charges	2, 000.00
2.	Rent	5, 000.00
3.	Transporting	10,000.00
4.	General Expense	8, 000.00
	Total	25,000.00

6. Working Capital

Sl.No	Items	Amount
1	Raw Materials	7,14,000
2	Labour Cost	60,000
3	Misc. Expenses	25,000
	Total	7,99,000

7. Total Cost of Project

Sl.No	Items	Amount
1	Land & Building Rented	
2	Machinery & Equipments	1,00,000
3	Working Capital	7,99,000
	Total	8,99,000

8. Means of Finance

Sl.no	Items	Amount
1	Own fund 30%	2,69,700
2	Bank Loan 70%	6,29,300
	Total	8,99,000

Assumption

1. Installed Capacity - 900 Nos.
2. Shift - 01
3. Capacity Utilisation - 70
4. Rate of Loan Interest - 13%
5. Selling Expenses - 5%
6. Depreciation
 - Machinery - 10 % ie. 10,000/-
 - Repair & Maintenance - 2% ie. 2,000/-
 - Insurance - 2% ie 2,000/-

Profitability Statement

Sl.No.	Particulars	
1.	No. of working days	300
2.	No. of shifts	01
3.	Installed Capacity	900
4.	Capacity Utilisation	70%
5.	Production	630unit
6.	Selling Price /unit	16500/-

A. Sales

10,39,5000/-

B. Cost of Production

Sl.No.	Particulars	Amount
1.	Raw Materials	85,68,000
2.	Salaries	7,20,000
3.	Power Charges	24,000
4.	Rent	60,000
5.	Depreciation	12,000
6.	Insurance	2,000
7.	General Expense	96,000
	Total	94,82,000

C. Gross Profit (A-B)	9,13,000
D. Selling Expense 5%	5,19,750
E. Interest on Loan	81,809
F. Total of(D & E)	6,01,559
G. Net Profit before tax (C-F)	3,12,441
H. Income Tax	11,000
I. Net Profit	3,00,441
J. Depreciation	12,000
K. Cash Surplus (I+J)	3,12,441

LIGHT ENGINEERING

(NUT, BOLT, WASHER, RIVETS, etc.)

1. Introduction

The project is envisaged for establishing a machining unit for the manufacture of simple fastening components such as screws, bolts, nuts, washers, car clips, rivets and so on. These items are required by all types of industries including automobiles.

2. Market:

The products have a good demand in local market. Transportation industries like bicycles, automobiles, body builders, aircrafts etc, building activities such as construction areas, electrical industries and other heavy and light industries are the common customers. Hence the marketing of these products will not be a tough

3. Manufacturing Process

An unfinished work piece requiring machining will need to have some material cut away to create a finished product. A finished product would be a work piece that meets the specifications set out for that work piece by engineering drawings or blueprints. A lathe is a machine tool that can be used to create that diameter by rotating a metal workpiece, so that a cutting tool can cut metal away, creating a smooth, round surface matching the required diameter and surface finish. A drill can be used to remove metal in the shape of a cylindrical hole. Other tools that may be used for various types of metal removal are milling machines, saws, and grinding machines. Many of these same techniques are used in woodworking.the "traditional" machining processes, such as turning, boring, drilling, milling, broaching, sawing,shaping, planing, reaming, and tapping, or sometimes to grinding.

FINANCIAL ASPECTS

- | | |
|--------------------|------------------|
| 1. Land | Free hold |
| 2. Building | Rented |

3. Plant & Machinery

Sl.N	Item	Qt		
1	Lathe Machine	1	Rs.	125,000.00
2	Tread rolling			Rs.
3	Stand Drill	1	Rs.	9,500.00
4	Hand Grinders	2	Rs.	13,000.00
5	Hand Driller	3	Rs.	16,000.00
6	Hammer & Tools		Rs.	6,000.00
7	Rivette Machine	1	Rs.	8,000.00
8	Cutting	1	Rs.	8,000.00
9	Sheet Cutters	2	Rs.	3,750.00
10	Transportation, Errection, Sales Tax etc.		Rs.	3,250.00
	Total		Rs.	3,00,000.00

4. Raw Material Required per month

1	M S	1675 kg & Rs. 55/=	Rs.	56,250.00
2	Metal Sheet	1100 kg & Rs.	Rs.	33,750.00
3	Other items	L S	Rs.	10,000.00
	Total		Rs.	1,62,225.00

5. Man Power per month

1	Manager	1	Rs.	8,000.00
2	Skilled Workers	2	Rs.	16,000.00
3	Helper	1	Rs.	4,500.00
	Total		Rs.	28,500.00

6. Other Expense per month

1	Power		Rs.	2,000.00
2	Rent		Rs.	3,000.00
3	Postage & Telephone		Rs.	500.00
4	Miscellenious expenses		Rs.	2,500.00
	Total		Rs.	8,000.00

7 Working Capital Requirement

1	Stock of Raw	30	Day	Rs.
2	Raw Materials in	2	Day	Rs.
3	Stock of Finished	3	Day	Rs.
4	Credit Sale	10	Day	Rs.
5	One Month working expenses			Rs.
	Total			Rs.

8. Production per Month

2500 Kgs of Nuts , Bolts , Washer etc @ Rs.90 / Kilo Rs. 2,25,000.00

9. Total Project Cost

1	Land		Free hold
2	Building		Rented
3	Plant & Machinery	Rs.	3,00,000.00
4	Working Capital	Rs.	3,29,200.00
	TOTAL		Rs.

0 MEANCE OF FINANCE

1	Promoters Contribution	Rs.	1,88,800.00
2	Term Loan	Rs.	2,21,000.00
3	Working Capital Loan	Rs.	2,30,400.00
	TOTAL	Rs.	6,292,200.00

11. Cost of Production and Profitability Statement for a normal year of operation

Year	1 st
Number of Working Days	300
Number of Shift	1
Installed Capacity	4500000.00
Capacity Utilisation	60
Production	2700000.00
A. Net Sales	2700000.00

B. Cost of Production

Raw materials	1951500.00
Salaries	96000.00
Wages	246000.00

Power Charges	24000.00
Repairs and Maintenance	12000.00
Depreciation&insurance	39000.00
Total	2368500.00
C.Gross Operating Profit	331500.00
D. Administrative and Selling Expenses	
Administrative Expenses&	72000.00
Selling Expenses	
E. Financial Expenses	
Interest on Term Loan	26831.00
Interest on Working Capital Loan	32256.00
F. Total D & E	131087.00
G. Net Profit	200413.00
H. Provision for taxes	4041.00
I. Net profit	196372.00
J. Withdrawals	0.00
K. Depreciation	36000.00
L. Cash Surplus	232372.00
12. Break- Even Point	42.37%
13. DSCR	3.1
14.Return on Investment	31%

METAL BASED INDUSTRIES

AGRICULTURAL IMPLEMENTS, CUTLERIES & HAND TOOLS

Introduction :

Metal based industries have greater development in every field such as industries, agricultural implements, building materials etc. Large number of agricultural implements, cutlries, hand tools etc have good demand and scope.

Raw Materials :

High carbon steel, MS items, Welding rod, handles, other items and consumables are locally available.

Manufacturing process :

The process includes cutting, bending, drilling, welding etc by using machinaries and assembled together necessary handles are attached and kept for marketing.

Marketing:

Agricultural implements and hand tools will have good demand and scope. The products can be marketed through out the state and neighbouring states.

Installed Capacity (in Nos)

1. Agricultural Implements - 20,000
2. Cutleries - 40,000
3. Hand Tools - 20,000

Fixed Assets

1. Land & Building : Rented
2. Machinery & Equipments

	Items	Rate	Quantity	Value
	Welding Set		01	
	Buffing Motor		01	
	Drilling Machine		01	
	1 Hp Motor		01	
	Bench Grinder		01	
	Hand Drilling Machine		01	

	Hand Grinder		01	
	Bench vise		01	
	Pannel Board & Electrification		Total SI No.1 + 9 Sub-Total	1,50,000
	Miscelleneous Assets(3)			25,000
	Preliminary & Pre - Operative Expenses(4)			5,000
	Total Fixed Capital (2+3+4)			1,80,000

Working Capital

Recurring Expenses /Month

1. Requirement for Raw Materials at 50% of capacity utilization – 60,000/-
2. Wages – 16,000/-
3. Utilities & Other Expenses – 14,000/-
- Total 90,000/-
4. Working Capital requirement – 1,50,000/-

(Two months raw Material cost and one month work expenses are estimated as Working Capital)

5. Total Cost of Project

Sl.No	Items	Amount
1	Land & Building	Rented
2	Machinery & Equipments	1,80,000
3	Working Capital	1,50,000
	Total	3,30,000

6. Means of Finance

Sl.no	Items	Amount
1	Own fund	1,14,000
2	Term Loan	1,26,000
3	Working Capital	90,000
	Total	3,30,000

7. Monthly Profitability Statement

A. Sales	1,10,000
----------	----------

B. Cost of Production

Sl.No.	Particulars	Amount
1.	Raw Materials	60,000
2.	Wages	16,000
3.	Utilities & other expenses	14,000
4.	Repairs 2% on Machinery	250
5.	Depreciation 10% of Fixed Assets	1,458
6.	Insurance	125
	Total	91,833

C. Gross Profit (A-B) 18,167

D. Financial Expenses

Interest on Loan 13% 2,340

E. Administrative Expenses

1% on sales 1,100

F. Selling Expenses 3% sales 3,300

G. Total of(D+ E+F) 6,740

H. Net Profit before tax (C-G) 11,427

I. Annual Profit 1,37,124

J. Return on Investment 41.55%

MANUFACTURE OF PAPER PRODUCTS

(PAPER CUPS)

1. INTRODUCTION:

A paper cup is a disposable made out of paper and after lined with plastic or wax prevent liquid from leakage out or soaking by paper. Paper cups are made from renewable resources. The cups should be made from food grade paper which is hygienic in nature. It is capable for holding both hot & cold liquid for longer time. The uses of paper cups have wide range. Give the rapid changes in life style; it is the right time to enter the consumer segment to popularize the home consumption of paper cups.

There are several inherent advantages in using Paper Cups as compared to cups of other materials. These Paper Cups are gaining popularity all across the globe as a beautiful and stylish way of minimizing exposure to food borne infections.

Paper Cups have numerous advantages like; they are manufactured in a very simple process using Food Grade Raw Materials with least waste and are easiest to recycle. They are ideal for individual servings at all kinds of parties, functions, picnic occasions, marriages, chat, tea & food joints, etc. Non-toxic in nature, the shapes and surface designs on these paper cups are attractive and present an inviting look. These paper cups can also be custom printed with an outlet's logo, brand punch line or advertising message.

2. MARKET POTENTIAL

A wide range of paper cups are now produced and marketed in India. The paper cups are reckoned to be a high potential business for India. Manufacturing Paper Cups is the purpose of satisfying needs and wants of Consumers is the market place. Developing a strategy for delivering an effective combination of food grade quality and cost effective features for consumers within the target market is done.

The prospects of paper cups depend on the value of customers who utilize it. But in our country paper cups are used by all the people as it is easy to use, hygienic and eco-friendly. Hence, per capital consumption has increased and the demand for it is recognized. While the demand for paper cups has shown a good growth, the company will be successful in strategizing its market operations.

As paper cups are a product of daily consumption and necessity, their marketing will not be a problem as the consumers are aware of the advantages of using paper cups. The raw materials are indigenously available and the manufacturing process is also simple.

Paper Cup find potential market in IT companies, Educational Institutions Canteens, Industrial Canteens, Restaurants, Fast Foods, Catering People, Tea Shops, Paper Product Dealers and Super Markets.

3. MANUFACTURING PROCESS OF PAPER CUPS:

We have proposed to use the Automatic Paper Cup Forming Machine for our manufacturing process of Paper Cups. The general structure of paper cup forming machine is composed of three stages. They are:

1. The first stage: mainly finishes transmission of the paper cup's sidewall paper, shaping side-wall and transferring them to the second stage after shaped.
2. The second stage: transmission of the cup-bottom paper, shaping cup bottom, joining the shaped side-wall and cup bottom, automatic transmission and discharging of the shaped cup, and curling the shaped cup's edge.
3. The third stage: mainly includes 45 degree angle separating, preheating, curling bottom, curling rim and so on mechanisms, which are the important parts in finishing paper cup.

4. BASIS AND PRESUMPTION OF THE PROJECT:

- i. The process of manufacture is on the basis of eight hours per day with three hundred working days in a year.
- ii. Labor and wages mentioned in profile are as per prevailing local rates.
- iii. Interest rate at 15% considered in the project
- iv. The Promoter contribution will be 25 % of the total project cost.
- vi. The capacity of the plant nos. of paper cups per day.

5. INSPECTION AND QUALITY CONTROL:

Plant will strictly adhere to the International FDA standards and Indian BIS standards in the process of manufacturing Paper Cups from procuring high quality food grade raw materials to hygienic methods of packaging.

6. PRODUCTION CAPACITY PER ANNUM:

Quantity: 73000 nos. of paper cups per day 22,000,000 nos. of paper cups per annum (300 days)

7. POLLUTION CONTROL

The technology adopted for making paper cups is eco-friendly. Cup forming process is totally automatically done by the machine, only feeding and packaging involves manual work. The scrap papers created out of this manufacturing process also can be sold for recycled paper converters. Hence there is no chance of any pollution out of this industry.

FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and building

Covered area (500 Sq. meters) rented: 5,000

ii. Machinery and Equipments

Sl No	Description	Quantity	Rate	Value
1	Machine	1	8,50,000	8,50,000
2	Dyes	3	50,000	1,50,000
3	Office Equipments and Furniture		50,000	50,000
4	Electrification and Installation		10,000	10,000

Total 10,60,000

iii. Pre Operative expenses 10,000

Total Fixed Capital(ii+iii) 10,70,000

B. WORKING CAPITAL

1. Staff and Labour (per month)

Sl No.	Description	No.	Salary	Total
1	Sale Cum Production Manager	1	15000	15000
2	Skilled Worker	1	10,000	10000
3	Unskilled Worker	1	7000	7000

Total 32000

Add Pre Requisite@ 15% :

Total :

Approximately :

2. Raw Materials Requirements (Per Month)

Sl No.	Description	Quantity	Rate	Value
1	Printed PE Paper	2836 Kg	92	260912
2	Bottom Reel	1134 Kg	78	88452
3	Packing Material			25000
Total			:	374364
Approximately			:	375000

3. Utilities (Per Month)

Sl No	Description	Amount
1	Power	5000
2	Machine Oil & Grease	1000
Total		6000

4. Contingent Expenses(Per Month)

Sl No.	Description	Amount
1	Rent	5000
2	Postage and Stationary	500
3	Transportation charge	10000
4	Maintenance Charge	2000
5	Advertisement	1000
6	Phone	2000
Total		20500

5. Total Working Capital (Per Month)

Sl. No	Description	Amount
1	Raw Material	375000
2	Utilities	6000
3	Salary	37000
4	Contigent	20500
	Total	438500

6. WORKING CAPITAL FOR 3 MONTHS

$$\begin{aligned}\text{Working capital for 3 months} &= 3 * 438500 \\ &= 13,15,500\end{aligned}$$

TOTAL CAPITAL INVESTMENT

Fixed Capital	: 10,70,000
Working Capital for 3 months	: 13,15,500
Total	: 23,85,500

Financial Analysis

a. Cost of Production (Per Year)

Sl. No	Description	Amount
1	Total Recurring Cost	5262000
2	Depreciation on Machine @ 10%	85000
3	Depreciation on Dyes @ 25%	37500
4	Depreciation on Furniture @ 20%	10000
5	Interest on Total Capital Investment @ 15%	268369
	Total	5662869
	Approximately	5662900

b. Turnover (per year)

Sl No	Description	Qty	Rate(Rs)	Value(Rs)
-------	-------------	-----	----------	-----------

1	Paper Cups	22,000,000	0.3	6600000
Total				6600000

c. Net Profit(Before Taxation) (Per Year)

Turn Over : 6600000
 Cost of Production (-) : 5662900
 Total : 937100

d. Net Profit Ratio

$$\text{Net Profit Ratio} = \frac{\text{Net Profit per year}}{\text{Turnover per year}} \times 100$$

$$= 14.20\%$$

e. Rate of Return on Total Investment

$$= \frac{\text{Net Profit Per Year}}{\text{Total Investment}} \times 100$$

$$= 39.28\%$$

f. Break Even Point

Fixed Cost

Sl. No	Description	Amount (Rs)
1	Rent for one Year	60000
2	Total Depreciation	132500
3	Interest on Total investment	268369
4	40% of Salary and Wages	177600
5	40% of Utilities and Contingents	127200
Total		765669
Approximately		765700

$$\text{B.E.P} = \frac{\text{Fixed Cost}}{\text{Fixed Cost} + \text{Net Profit}} \times 100$$

$$= 44.96\%$$

Address of Machinery and Equipment Suppliers

1. AKR Industries
No. 36 A&B New Colony, North Street,
Mannarpuram ,Trich Pin-620020
2. Sri Jata Machine Tech
No. 24/1, SIDCO Industrial Estate, Kurichi Post Pollachi Main Road,
Coimbatore - 641021, Tamil Nadu www.papercupmachineries.in
3. Future Enterprises
No. 9 AA, Anna Nagar Podanur,
Coimbatore - 641023, Tamil Nadu www.futureenterprises.co.in

List of Suppliers of Raw Material

1. Sri Jata Machine Tech
No. 24/1, SIDCO Industrial Estate, Kurichi Post Pollachi Main Road,
Coimbatore - 641021, Tamil Nadu www.papercupmachineries.in
2. Sagun Papers
No. 100, Velayutham Road Near LIC Building,
Sivakasi - 626123, Tamil Nadu
3. Indo China Paper And Boards
No. 54, Industrial Estate ,
Sivakasi - 626123, Tamil Nadu www.indiamart.com/icpaper

Project Profile on Curry and Rice Powder



**National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045**

Project Profile on Curry and Rice Powder

Introduction:

Spices play an important role in enhancing the flavor and taste of the processed foods. India produces almost all the known spices and is the largest exporter of this commodity. Although spices are traded chiefly in an unprocessed form, a small yet significant quantity enters international trade as spice powders. Curry powder is the foremost of those blends or mixes and sometimes consists of 20 or more spices designed to impact the characteristic flavor of an Indian curry which is appreciated all over the world. Apart from the overseas market, processed curry powder is becoming popular in the internal market also. Hence the demand for unadulterated spices and curry powder in attractive handy packages is fast emerging.

Kerala – “The God’s own country” and the “Spices Garden” of the world has seen tremendous growth in spices related consumer industry recently. Although the struggle of poor consumers for getting genuine food items is still at large. To enhance the flavor and aroma of foods spices are used whole or in pieces, as in pulaos and biryanis, or in powdered or ground form. While freshly ground masalas (mixed curry spices are preferred to powdered masalas), owing to the shortage of domestic labour, there is a definite trend today towards using spices mainly in powdered form in many combinations of curry powders. Curry powder, chilli powder, turmeric powder, spices powder etc are greatly consumed for preparing a variety of vegetable and non-vegetable food items. The quality of these products increases the taste and quality of food products. The consumers around the world have always opted for unadulterated food items irrespective of their cost. Considering the recent trend of change followed by the reasons of fast life of people, paved the way for the emergence of a lot of entrepreneurs in the food processing field. Ready to use rice powder will simplify the job of households. Today’s fast life style of people will increase the demand of ready to use food products.

Coconut oil is an important cooking medium in Southern parts of the country especially in Kerala State. Besides, the oil has varied industrial applications. It is used in the manufacture of toilet soaps, laundry soaps, surface active agents and detergents, hair tonics, cosmetics, etc. It is used throughout the country as hair oil as it helps growth of the hair. As massage oil it has a cooling effect on the body. Owing to these qualities coconut oil has a potential market in the country.

Promoter:

The promoter should have enough knowledge and experience in the proposed field and can manage the whole unit successfully. He/She will get all encouragement for the unit from the native people as such the unit will be a blessing to them.

Location of the unit:

The proposed unit may be set up in a building owned by the promoter in Thrissur Corporation area, where in all infrastructure facilities are available.

Consumable Materials:

The main consumables required for the unit Rice, Chilli and coriander, herbs, copra, etc. is available in the market. The annual requirement of raw materials is assessed and given in the annexure.

Employment:

The Unit can provide employment to 4 persons directly. The annual expenditure on labour is assessed and given in the annexure.

Cost of Service and Profitability:

The estimate of this project is on the basis of the following:

- 1) The unit will function for 300 days in a year.
- 2) The capacity utilization has been assumed at 60% in the first year and 65 % afterwards.
- 3) The price of the raw material and services are taken at the prevailing market rates.
- 4) Wages and salaries have been increased by 5% every year.
- 5) Repairs, insurance, telephone charge, etc., are taken at lump.
- 6) No contingency provision is made since the costs are taken at prevailing market price.
- 7) Depreciation has been calculated on Written down Value Method.
- 8) Income tax has been calculated at the rate applicable to proprietary concern

Project Cost

Sl. No.	Particulars	Amount
1	Land	Free Hold
2	Building	Free Hold
3	Plant & machinery	396400
4	Preliminary expense	47000
5	Working capital	2,22,100.00
	Total	Rs. 665,500.00

MEANS OF FINANCE

Percentage of Own capital under the Scheme = 25

Sl No	Particulars	Amount Rs.
1	Own capital	1,66,375.00
2	Term loan from bank	3,32,550.00
3	Working capital loan	1,66,575.00
	Total	Rs. 6,65,500.00

MACHINERY/ EQUIPMENTS

Sl. No.	Description	Rate	Qty	Amount
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a	Multi mill Pulveriser one side double head 12" and other side single head 12"	59500	1	59,500.00
b	10 HP Crompton motor with starter, switch and capacitor	27000	2	54,000.00
c	12" disintegrator with stand	36000	1	36,000.00
d	Uruli Roaster capacity 15 Kg / batch with electric motor	28500	1	28,500.00
e	Parts of flour mill -motor pulley, belt, rail, foundation bolt and belt guard	30000	1	30,000.00
f	Single head pulverisor	26000	1	26,000.00
g	4 Bolt oil expeller	92000	1	92,000.00
h	Electronic weighing balance	14500	1	14,500.00
i	Cubical control panel with all components	29500	1	29,500.00
	VAT 5 % for item no1,3,4,5,6,7,8	14325	1	14,325.00
	VAT 14.5 % for item 2,9	12107.5	1	12,107.50
TOTAL				3,96,433.00

DIRECT MATERIALS

Requirement @ capacity utilisation of 60 %

Sl. No.	Description	Unit	Rate Rs.	Quantity in Kg	Amount/month
1	Rice (kg)	Kg	25	1930	48,250.00
2	Chilly (kg)	Kg	80	605	48,400.00
3	Coriander (kg)	Kg	80	605	48,400.00
4	Turmeric	Kg	85	605	51,425.00
5	Spices	Kg	170	605	1,02,850.00
6	Herbs	Kg	400	605	2,42,000.00
7	Packing Materials (kg)	Kg	80	60	4,800.00
8	Copra	Kg	102	377.5	38,505.00
TOTAL PER MONTH					5,84,630.00
TOTAL PER ANNUM Rs.					70,15,560.00

INDIRECT MATERIALS

Sl. No.	Description	Unit	Rate	Quantity	Amount
1	Coolant, Lubricant etc.	L.S	2000	1	2,000.00
TOTAL PER MONTH					2,000.00
TOTAL PER ANNUM					24,000.00

DIRECT LABOUR

Sl. No.	Description	Nos	Monthly Rate	Amount
	Wages: Skilled Worker	1	8500	8,500.00

	Semiskilled Worker	1	7500	7,500.00
	Unskilled Worker	1	7000	7,000.00
TOTAL				23,000.00
TOTAL PER ANNUM				2,76,000.00

DIRECT EXPENSES

Sl. No.	Description	Expense per Month
1	Power & Fuel	8,600.00
2	Cost of Defective/Rejects	3,000.00
TOTAL PER MONTH		11,600.00
TOTAL PER ANNUM		1,39,200.00

INDIRECT EXPENSES

Sl. No.	Description	Expense per Month
1	Advertising Expenses	5,000.00
2	Insurance	1,200.00
3	Lighting	250.00
4	Rent	500.00
5	Repairs & Maintenance	1,000.00
6	Telephone charges	1,500.00
7	Travelling expense	1,500.00
8	Stationery & Printing	800.00
9	Transporting charges	2,500.00
TOTAL PER MONTH		14,250.00
TOTAL PER ANNUM		171,000.00

WORKING CAPITAL ESTIMATE

Sl. No	Description	Requirement in Days	Amount (Rs.)
1	Raw Material Inventory	6	1,40,,791.00
2	Work in Progress Inventory	1	23,465.00
3	Finished Goods Inventory	1	23,465.00
4	Receivable in Days	1	23,465.00
5	Labour Charges	3	3,780.00
6	Other Expenses/ Overheads	3	3,102.00
TOTAL			2,18,068.00

REPAYMENT SCHEDULE OF BANK LOAN

Amount	499125		Rate of interest	14.00	(%)
Year	Principal	Repayment	Balance	Interest	Total
Year1	499125	71304	427821	71125	142429
Year2	427821	71304	356518	60965	132268
Year3	356518	71304	285214	50804	122107
Year4	285214	71304	213911	40643	111947
Year5	213911	71304	142607	30482	101786
Year6	142607	71304	71304	20322	91625
Year7	71304	71304	0	10161	81464

Depreciation

<i>Year</i>	Machinery	
	Cost	Depn
1	443400	44340
2	399060	39906
3	359154	35915
4	323238	32324
5	290914	29091
6	261823	26182
7	235641	23564

SALES REVENUE AT DIFFERENT LEVELS OF OPERATION

Sl No	Description of Revenue	Volume of Sales at 100% (in Kg)	Volume of Sales at 60% (in Kg)	Average Rate(in Rs)	Value in Rs. at 60%	Value in Rs. in third year
1	Rice Powder	34740	20844	36	750384	875448
2	Chilly Powder	10890	6534	102	666468	777546
3	Coriander Powder	10890	6534	102	666468	777546
4	Turmeric Powder	10890	6534	106	692604	808038
5	Curry powder	10890	6534	205	1339470	1562715
6	Herbal Powder	10890	6534	502	3280068	3826746
7	Coconut oil	5285	3171	153	485163	566024

	Total	89190	53514		7880625	9194063
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BREAK EVEN ANALYSIS 3rd year

70 % Cap.

A.	Variable cost	
	Direct Raw materials	8184820
	Direct Labour	304290
	Direct Expenses	162400
	Total	8651510
B.	Fixed & semi-variable cost	
	Consumable Stores & Indirect Material	24000
	Indirect Labour	112455
	Indirect Expenses	171000
	Financial expense	50804
	Total	358259

Selling price (S.P)	-	9194063
Variable cost (V.C)	-	8651510
Difference (Contr.)	-	542553

Break Even Point = $\frac{\text{Fixed \& semi variable cost X capacity X 100}}{\text{Difference in S.P and V.C X 100}}$

BEP= 46.22 %

COST OF PRODUCTION & PROFITABILITY ESTIMATE

Sl no	Particulars	
		1
	No of working days	300
	No of shifts	1
	Production capacity in No	89190
	Capacity utilisation(%)	60
	Actual production	53514
L	Sales in Lakhs	78.806
II	<u>Cost of production</u>	(all values in Lakh Rupees)
	Raw materials& consumables	70.3956
	Power& fuel	1.032
	Repair& maintenance	0.144
	Salaries& wages	3.780
	Insurance	0.060
	Depreciation	0.443
	Sub total	75.855
III	<u>Selling & Administration Expense</u>	
	Telephone charges	0.180

	Travelling expense	0.300
	Transporting	0.180
	Advertising	0.120
	Sub total	0.780
IV	<u>Financial Expense</u>	
	Interest on bank loan	0.711
	Sub total	0.711
V	Total (II+III+IV)	77.346
VI	<u>Operating profit</u>	1.460
VIII	Pre-expense written off	0.008
IX	Taxation	0.000
X	<u>Net profit</u>	1.452
XI	Withdrawals	0.145
XII	<u>Net cash accruals</u>	1.307
XIII	Cumulative Surplus	1.307

DEBT SERVICE COVERAGE RATIO

Sl no	Particulars	
1	Net profit	1.452
2	Depreciation	0.443
3	Interest on loan	0.711
4	Pre expense written off	0.008
5	Total	2.615
6	Repayment of term loan	0.713
7	Interest on loan	0.711
8	Total (Rs in lakhs)	1.424
9	Debt Service Coverage Ratio	1.836

CONCLUSION:

On examining the technical aspects like availability of raw materials, availability of skills and opportunity of market, it can be stated that the project is technically feasible. The income generated is enough for the repayment of loan and for the better prospects of the unit.

Project Profile on Bakery Products



**National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045**

Project Profile on Bakery Products

Introduction

The bakery industry plays an important role in industrial activities of food processing industry in the country. In the modern times, it provides nutritious food to go large number of households in cities. The Indian Bakery sector consists of some of the foods like cakes, breads, biscuits, and chips etc.. Since the development of new food technology, a variety of products are prepared in the Bakery.

Promoter:

The promoter of the unit is well experienced in manufacturing and marketing bakery products. He can manage the whole unit successfully using his good social contacts and great managing power.

Location of the unit:

The promoter proposes to start the unit in free hold building i.in Thrissur District. The location is well suited for the proposed activity and all infrastructure facilities are available.

Market potential:

Now a days, Bakery products are an item of mass consumption. In view of its low price and with rapid growth and changing eating habits of people, bakery products have gained popularity among masses of the sector overall. The growth rate of bakery products has been tremendous in both urban and rural areas. Increased number of working women, Change in Indian meal pattern, increased income, urbanization etc., has increased the demand for bakery products.

Quality control & standard:

Strict quality control norms and hygienic conditions as per Health regulations will have to be maintained at every stage in the production process. All ingredients used and expiry date will have to be clearly spelt out on each packed snack food.

Manufacturing process:

Mixing of ingredients except flour in required proportion in paste form.



Preparation of dough by mixing with flour.



Placing dough in moulding and cutting machine



Frying



cooling & packing

Cakes:

To make cakes, wheat flour and baking powder along with cream, sugar and ghee is mixed thoroughly till it becomes fluffy. Then mixture of beaten eggs is added to it along with caramel colour and chopped fruits before the mixture are poured into cake pans and baked for around 30-40 minutes.

Raw Materials:

The major raw material required is flour, maida, etc .Other items are yeast, sugar, ghee, milk powder, salt, edible colour and flavours. All the materials are locally available.

Cost of the Project

Particulars	Amount
Land	Owned
Building	Owned
Machinery	3,50,000.00
Working capital	1,86,000.00
TOTAL	5,36,000.00

MEANS OF FINANCE

Particulars	Amount
Promoters Contribution	89,700.00
Term Loan From Bank	2,97,500.00
Working Capital Loan from Bank	1,49,000.00
Total	5,36,000.00

WORKING CAPITAL REQUIREMENTS

Sl.No.	Item	Period	Amount(Rs)
1	Stock of raw material	25 days	81,750.00
2	Work in process	2 days	6,540.00
3	Stock of finished goods	3days	9,810.00
4	Receivable	15 days	49,050.00
5	Working expense	30 days	39,150.00
	Total		1,86,300.00
		rounded to	1,86,000.00

PRODUCTION AND SALES AT 60% CAPACITY(MONTH)

No.	Item	Quantity	unit	rate	Amount
1	Fried Chips	100	kg	75	7,500.00
2	Pakka Vada, Mixture, Sweet fry etc	70	kg	70	4,900.00
3	Cake of different types	150	kg	300	45,000.00
4	Puffs Cuttlet Samosa	15000	Nos.	5	75,000.00
5	Other food items	7500	Nos	5	37,500.00
	Total				1,69,900.00

COST OF PRODUCTION AND PROFITABILITY ANALYSIS

Particulars	1st Year
No. of working days	300
No.of shifts	1
Installed Capacity	27,74,000.00
Capacity Utilization	60%
Production	20,38,800.00
Sales	20,38,800.00
Cost of Production	
Raw materials	9,81,000.00
Salaries	42,000.00
Wages	3,24,000.00
Power Charges	33,600.00
Repairs & Maintenance	7,000.00
Insurance	3,500.00
Depreciation	35,000.00
Total	14,26,100.00
Gross Operating Profit	6,12,700.00
Administrative & Selling expenses	70,200.00
Financial expenses	
1. Interest on Term loan	39,420.00
2. Interest on WC loan	20,860.00
Total	1,30,480.00
Net Operating Profit	4,82,220.00
Income Tax	13,000.00
Net Profit	4,69,220.00
withdrawals	1,00,000.00
Add Depreciation	35,000.00
Cash Surplus	4,04,220.00

BREAK EVEN ANALYSIS

Sales	20,38,800.00
Variable cost	14,14,660.00
Contribution	6,24,140.00
Fixed cost	1,41,920.00
BEP (%)	23 %

CONCLUSION

On examining the technical aspects like availability of raw materials, availability of skills and opportunity of market, it can be stated that the project is technically feasible and economically viable.

Project Profile on Steel Furniture



**National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045**

Project Profile of Steel Furniture

Introduction:

The unit is a proposed micro enterprise propose to manufacture steel fabricated furniture which are required both for domestic and commercial establishments. With the growth of industrial, commercial and household activities the demand of office automation, equipments and steel furniture has increased considerably. Wooden furniture after some period is worn out due to defects in wood quality and normal wear and tear. Due to elegant appearance, durability and innovative designs, steel furniture is becoming popular in modern society. Steel furniture is preferred over other kinds of furniture due to its durability, fold ability (in many cases) and easy transportability. These items find their extensive use in industrial, commercial and household activities. These steel products are the only replacement of wood in terms of cost and durability. These products will be varied in shapes and sizes as per the demand. Fabrications of steel related items are well established business and no sophisticated know-how is required. Though a number of units are carrying out the above activities, still there exists a gap in the demand supply curve.

Location:

The proposed unit is to be set up in a rented building in Thrissur, where in all infrastructure facilities are available.

Process of manufacture:

The main process steps are –

- (A). Cutting or shearing of the materials to size.
- (B). Welding the sized material as per design of product to be made.
- (C). Grinding edges and surfaces to smoothness.
- (D) Finishing process to the article produced.

Raw Materials and Consumable Materials:

The main Raw materials & consumables required for the unit are stainless steel square and round pipes of various sizes, stainless steel sheets, welding electrodes, cutting blades, screws; cutting fluid, cotton waste etc. are available in the market.

Employment:

The Unit can provide employment to 4 persons directly.

Assumptions

The estimate of this project is on the basis of the following:

- 1) The unit will function for 300 days in a year.
- 2) The capacity utilization has been assumed at 60% in the first year and 65 % afterwards.
- 3) The price of the raw material and services are taken at the prevailing market rates.
- 4) Wages and salaries have been increased by 5% every year.
- 5) Repairs, insurance, telephone charge, etc., are taken at lump.
- 6) No contingency provision is made since the costs are taken at prevailing market price.
- 7) Depreciation has been calculated on Written down Value Method.
- 8) Income tax has been calculated at the rate applicable to proprietary concern.

CONCLUSION

On considering the various aspects of the project both financially & technically it can be seen that the above scheme will be a great success. Further it is certified that the project report is technically feasible and economically viable.

MACHINERY AND EQUIPMENT

SI No	Items	Qty	Unit	Rate	Amount
1	Bench drill with motor	1	Nos	18,800.00	18,800.00
2	Welding set 300amp	1	Nos	11,000.00	11,000.00
3	Cut off	1	Nos	10,800.00	10,800.00
4	Hand drill	1	Nos	3,800.00	3,800.00
5	Hand drill 2.20	1	Nos	9,200.00	9,200.00
6	Grinder	2	Nos	2,400.00	4,800.00
7	Welding cable set	2	Nos	2,000.00	4,000.00
8	MMA welding set	1	Nos	15,200.00	15,200.00
9	Ring and spanner set	1	Nos	4,000.00	4,000.00
10	Bench grinder	1	Nos	13,000.00	13,000.00
11	Screwdriver set	1	nos	2,800.00	2,800.00
12	Cut off meter saw	1	Nos	16,000.00	16,000.00
13	Compressor	1	Nos	13,000.00	13,000.00
14	Buffing motor	1	Nos	22,000.00	22,000.00
15	Straight sander	1	Nos	6,000.00	6,000.00
16	Pipe bending machine	1	Nos	94,500.00	94,500.00
17	2Hp Motor	1	Nos	9,200.00	9,200.00
	TOTAL				2,58,100.00

Requirements Of Raw Materials Per Month(60% Capacity Utilisation)

SI No	Items	Qty	Unit	Rate	Amount
1	Stainless steel pipe	350	Kg	210.00	73,500.00
2	SS sheets and strips	150	Kg	150.00	22,500.00
3	Glass sheet	200	Sq ft.	120.00	24,000.00
4	Other essential items				28,400.00
	TOTAL				1,48,400.00

MAN POWER REQUIREMENT

SI No	Designation	No	Monthly Salary	Amount
1	Skilled worker	1	10,000.00	10,000.00
2	Semi Skilled worker	2	9,000.00	18,000.00
3	Un skilled worker	1	8,000.00	8,000.00
	TOTAL			36,000.00

OTHER EXPENCE PER MONTH

SI No	Item	Amount
1	Power	2,000.00
2	Rent	2,000.00
3	Office expenses , etc.	500.00
4	Transportation	3000.00
5	Postage and telephone	500.00
6	Stationary	500.00
7	Miscellaneous	2,000.00
	TOTAL	10,500.00

WORKING CAPITAL

SI No	Item	Period in days	Total Amount	Loan From Bank	Margin
1	Stock of Raw materials	7	41,552.00	39,474.00	2,078.00
2	Work in process	4	23,744.00	22557.00	1,187.00
3	Stock of finished goods	5	29,680.00	28,196.00	1,484.00
4	Receivables	5	29,680.00	28,196.00	1,484.00
5	Working Expenses	30	46,500.00	44,175.00	2,325.00
	Total		1,71,156.00	1,62,598.00	8,558.00
		Say	1,71,200.00	1,62,600.00	8,600.00

PRODUCTION PER MONTH (Capacity utilization 60%)

Sl No	Item	Qty	Unit	Rate	Amount
1	Coat	15	Nos	5,275.00	79,125.00
2	Steel table	12	Nos	4,250.00	51,000.00
3	Teapoy	15	Nos	2500.00	37,500.00
4	Steel chair	30	Nos	2,000.00	60,000.00
	TOTAL				2,27,625.00

PROJECT COST

Sl No	Particulars	Amount
1	Building	Rented
2	Machinery & Equipment	2,58,100.00
3	Electrification and Errection	25,000.00
4	Preliminary & Pre-operative expences	6,000.00
6	Working Capital	1,71,200.00
	Total	4,60,300.00

MEANS OF FINANCE

Sl No	Particulars	Amount
1	Term Loan from Bank (75%)	2,16,825.00
2	Working Capital Loan from bank(75%)	1,28,400.00
3	Promoter's Contribution(25%)	1,15,075.00
	Total	4,60,300.00

COST OF PRODUCTION & PROFITABILITY STATEMENT		
	Particulars	1st Year
	No. of working days	300
	No. of shifts	1
	Installed Capacity	4552500
	Capacity Utilisation	60
	Production	2731500
	Receipts	
A	Sales	2622240
B	Cost of Production	
	Raw materials	1780800
	Salaries	216000
	Wages	216000
	Power Charges	24000
	Repairs & Maintenance	5160
	Insurance	2581
	Depreciation	25806
	Total	2270347
C	Gross Operating Profit	351893
D	Administrative & Selling expenses	102000
E	Financial expenses	
	1. Interest on Term loan	27704
	2. Interest on WC loan	17976
	3. Interest on MM loan	0
F	Total of D & E	147680
G	Net Operating Profit	204213
H	Income Tax	421
I	Net Profit	203792
J	Withdrawals	0
K	Add Depreciation	25806
L	Cash Surplus	229598

BREAK - EVEN ANALYSIS	
Particulars	1 Year
FIXED COST	
Salaries	216000
Repairs & Maintenance	5160
Insurance	2581
Administrative expenses	18000
Depreciation	25806
Interest on Term Loan	27704
Total	295251
VARIABLE COST	
Raw materials	1780800
Wages	216000
Power Charges	24000
Selling expenses	60000
Interest on WC loan	17976
Total	2098776
BEP in % of Installed Capacity	56.40
DSCR	3.95

REPAYMENT SCHEDULE OF TERM LOAN @ 13.5%					
Year	Instalment Number	Principal	Inst. Amt	Interest	Balance
1	1	216825	7740	7318	209085
	2	209085	7740	7057	201345
	3	201345	7740	6795	193605
	4	193605	7740	6534	185865
			30960	27704	
2	5	185865	7740	6273	178125
	6	178125	7740	6012	170385
	7	170385	7740	5750	162645
	8	162645	7740	5489	154905
			30960	23524	
3	9	154905	7740	5228	147165
	10	147165	7740	4967	139425
	11	139425	7740	4706	131685
	12	131685	7740	4444	123945
			30960	19345	
4	13	123945	7740	4183	116205
	14	116205	7740	3922	108465

Project Profile On Desiccated Coconut Powder



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

Project Profile on Desiccated Coconut Powder

Introduction

India is the third largest coconut producing country in the world. As per the survey reports conducted by coconut development board in 2013-14 the annual production of coconut in Kerala is 5798.04 million nuts and the state has become the 3rd largest coconut producing state in the country. In Kerala about 60% of the coconuts are used for the manufacturing of oil and the rest for the preparation of food. Copra and coconut oil are the two major products of the coconut processing industry. Nearly 60% of the total production of nuts is utilized for food uses and the rest goes in for oil extraction. In spite of the fact that Kerala has the necessary raw material to launch new product lines, minimum efforts has been taken place for producing more value added products like coconut chips. Coconut vinegar, desiccated coconut powdered has taken place in the application of modern technology for full utilization of various coconut products such as desiccated coconut, coconut cream powder, partially defatted coconut gratings, bottled coconut water, etc., Desiccated coconut is widely used in the preparation of sweets, confectionery, curry preparation etc. At present about 4000 tones of desiccated coconut is produced annually. The main concentration of units producing desiccated coconut is in Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Orissa and Maharashtra. Desiccated coconut is not only a value added product but it being a labor intensive industry will also generate a large number of employment opportunities.

Market Potential

Being a mass consumption item, desiccated coconut has a good market. At present about 4000 tones of desiccated coconut is manufactured annually and used mainly by confectionery and biscuit industry. In Kerala coconut is the major ingredient used in the preparation of Breakfast lunch and Dinner. In the preparation of curries coconut paste is usually added. Instead of that desiccated coconut powder may be added . Desiccated coconut may find good market in areas where coconuts are not produced particularly in Northern India. Now-a-days food habits of our people are changing very fast and a number of food items are being introduced every day where desiccated coconut may also find use. So there is a good scope for new small scale units to come up in this line of manufacture.

Basis and Presumptions

The Project Profile is based on the following presumptions:

- (i) Working hours/shift : 8 hrs.
- (ii) No. of shift/day : 1
- (iii) Working days : 300
- (iv) Labor charges : As per State Government's Minimum Wages Act.
- (v) Rate of interest : 15%
- (vi) Value of machinery and equipments : Taken on the basis of
A particular supplier
- (vii) Value of raw material : As per local market Packing material/others
rate (on whole sale rate)
- (viii) Land : owned
- (ix) Building Construction charge : @Rs. 2000 per sqft

- (x) Break-even Point Calculated on full capacity utilization basis
- (xi) Pay-back period 7 years

Implementation Schedule

The project implementation schedule

- (i) Project preparation 0-1 month
- (ii) Site selection, acquisition of 1-2 months land and land development
- (iii) Sanction of loan 1-3 months
- (iv) Construction of building 3-4 months
- (v) Sanction of electric power, water 4-5 months
- (vi) Procurement of Machinery 5-6 months and Equipments
- (vii) Electrification & installation 6-7 months
- (viii) Recruitment of staff and labour 7-8 months
- (ix) Trial run 8-10 months
- (x) Commercial production 10-11 months

The project could yield result by the end of the 12th month.

Government Policy

Being a food processing unit it will be eligible to get 25-to30% subsidy on the total fixed capital investment under ESS Scheme and 15-35% subsidy on the total project cost under PMEGP Scheme.

Technical Aspects

Process of Manufacture First step in the manufacture of desiccated coconut is the selection of coconuts. The quality of desiccated coconut depends upon the quality of coconuts used. Fully matured coconuts of about 12 months are used for the preparation of desiccated coconut. Fully matured nuts are stored with the husk for about one month so that the water inside the kernels is absorbed. This also facilitates coconut kernels to get separated from shell walls. The coconuts are dehusked and their shells are removed. The brown portion of nuts called tasta is removed by scrapping it off. About 10-15% of the kernel goes as paring by this process. These parings can be pressed out after drying to get oil which can be used for soap making. Deshelled coconuts are broken into pieces, washed properly and disintegrated into powders of various grades. The powder is then dried in a drier by spreading it out uniformly in trays. The temperature in the drying chamber is maintained at about 1800 F and the powder is stirred occasionally during the drying process to ensure uniform drying. Great care should be taken during drying. When powder is dried, it is cooled and passed through a vibratory screen having different sizes (12, 14 and 16 mesh). The segregated material is packed in oil proof, moisture proof polythene lined plywood boxes of 25 kgs. It may also be packed in polybags of 250 gms, 500 gms for retail sale. During the process of manufacturing desiccated coconut, a number of byproducts such as coconut shell, parings, and husks are obtained which may be converted into various items of great importance. It has been worked out that 100 kgs of desiccated coconut is obtained from 1000 coconuts.

Quality Control and Standards

The unit should obtain licence under the Food Safety and Standards Authority of India.

Pollution Control

The main effluent produced in the process of desiccated coconut is the after wash water having dissolved solids and coconut oil. The level of dissolved solids and oil is not significant and the effluent water could be safely used for irrigation purpose or drained out after trapping solids and oils. The water having detergent used for cleaning equipments should be disposed off separately. Proper disposal facility should be made available for dumping refuse and perishable spoiled products and a separate pit constructed for this purpose. Proper hygiene and sanitation will ensure environment free of pollution. However, a no objection certificate is required to be obtained from State Pollution Control Board and care should be taken to control pollution Energy Conservation Electrical energy is the main energy source in the process of desiccated coconut manufacturing. Efforts should be made to keep power load at the minimum at a time. Capacitors should be fitted for motors to keep power factor to its maximum. Improved designs of tube light with electronic choke should be fitted for lighting purposes for getting efficient light with less electric energy consumption. Factory shed should be constructed in such a way that natural light could be utilized, optimum temp. should be maintained in the drying chamber to get desired product with less energy. Proper maintenance of electrical equipments and machinery will further ensure energy conservation. Proper monitoring should be done in the operation of machinery and equipment particularly drier and when not required, it should be switched off.

The financial aspcts are detailed below.

FINANCIAL ASPECTS		
A	FIXED CAPITAL	
i)	Land and Building	
Sl.No	Particulars	Amount(in Rs)
1	Land	Owned
2	Building 2000sqft @Rs.2000per Sqft	400000
3	Over Head Tank	40000
	Total	440000

ii)	Machinery and Equipments	
Sl.NO	Particulars	Amount(in Rs)
1	Cabinet type hot air drier with blower, motor and other accessories	185000
2	Disintegrator 12" size with 10HP motor and accessories	105000
3	Vibratory sifting machine fitted with GI wire mesh and 2 Hp motor	50000
4	Aluminium Trays 10 nos	15000
5	Platform weighing Balance	10000
6	Polythene sealing machine 2 nos	5000
7	Other misc items like scrapping knives, trolleys etc	10000
8	working tables	20000
9	Lab testing equipments	20000
10	Electrification and installation	50000
11	Essential Office furniture	25000
	Total	495000

iii)	pre Operative Expenses		25000
	TOTAL FIXED CAPITAL (i+ii+iii)		960000

B	WORKING CAPITAL		(For one month)
i)	RAW MATERIALS		
1	coconut with husk 75000nos 2 Rs 10		750000
2	Polythene bags 75 kg @ Rs120 per bag		9000
3	Plywood Boxes of 25kg capacity 300nos @ Rs.100 per box		30000
4	Labels, gums and other packing aids L.S		10000
	Total		799000

ii)	SALARIES AND WAGES		
I	Manager cum Food technologist 1		20000
2	sales man		10000
3	Skilled workers-2		30000
4	Helpers 10 nos		50000
	Total		110000
iii)	utilities		
1	Electricity charges		4000
2	water		300
3	Firewood		7000
	Total		11300

iv)	Other Contingencies		
1	Printing postage, telephone		400
2	Repair and maintenance		1000
3	Transportation		5000
4	Advertisement and publicity		5000
5	Insurance		1000
6	Misc		1300
	Total		13700
	Total working capital(i+ii+iii+iv)		934000

C	TOTAL CAPITAL INVESTMENT		
	a)	Fixed Capital	960000
	b)	working Capital	934000
	Total		1894000
D	Source of Fund		
	a	Term loan	720000
	b	working Capital Loan	700500
	c	Own fund	473500
	Total		1894000

E **Total loan required** **1420500**

	The Capacity utilization in this project has been worked out to be 60% in the 1st year 70% in the 2nd year		
F	cost of production		
1	Total recurring expenditure		934000
2	Depreciation on Building and tank @5%		1833
3	Depreciation on machinery and equipments @ 10%		2917
4	Depreciation on hand tools@ 15%)		438
5	Depreciation on Office equipments@ 20%		1000
6	Interest on loan(15%)		17756
	Total production cost		957944
	Say		958000

G	Turnover (per month) in Rs		
1	Desiccated Coconut 7.5 Tone @ Rs.130000 per ton)		975000
2	Coconut shell 2 MT @35000per mt		70000
3	Coconut husk 75000 nos @ 40ps)		30000
	TOTAL		1075000

H **Net profit per month** **117000**

I **Annual profit** **1404000**
(Before tax)

J **Net profit Ratio on sales** **11%**

The above net profit is sufficient for the repayment of loan amount of Rs. 1420500 @ Rs. 16920 per month with interest and also to meet the monthly living expenses of the promoter and his family. The project is found to be technically feasible, economically viable and eligible for being financed. BEP and viable and eligible for being financed. BEP and repayment schedule are shown below

K					BREAK EVEN POINT			
	I)	FIXED COST						
		a)	Depreciation					6188
		b)	Interest					17756
		c)	40% of salary and wages					44000
		d)	40% Of other expenses					5480
	Total							73424
	2)	Net profit						117000
	BEP	$\frac{\text{FIXED COST} \times 100}{\text{FIXED COST} + \text{NET PROFIT}}$						38.56%

REPAYMENT SCHEDULE						
Basis; Interest rate 15%, period of repayment 7yrs						
Year	Opening Balance	Amount repayable			Closing Balance	
		principal	Interest	Total		
1st	1420500	202930	213825	416755	1217570	
2nd	1217570	202930	182636	385566	1014640	
3rd	1014640	202930	152196	355126	811710	
4th	811710	202930	121757	324687	608780	
5th	608780	202930	91317	294247	405850	
6th	405850	202930	60878	263808	202920	
7th	202920	202920	30438	233358	0	

LIST OF MACHINERY SUPPLIERS

- 1) M/s. Avery India Ltd. Falnir Road Cross, Mangalore - 1.
- 2) M/s. Ganapathi Bhandarkar and Company Azizuddin Road, Mangalore - 1.
- 3) Premier Engg. Products, 3rd floor, C.R.C. Building, M.G. Road, Cochin - 682 011. (Dryer)
Heat Flow Engineers, Plot 305, Netaji Nagar, Perungadi, Madras - 600 096. (Dryer)

Project Report on Foot Wear



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

PROJECT HIGHLIGHTS

Activity	Foot Wear Making
1. Fixed Capital	33.51 Lakhs
2. Working Capital	7.81 Lakhs
3. Total	41.32 Lakhs
4. Means of Finance	
a. Own	16.32 Lakhs
b. Term Loan	22.00 Lakhs
c. Working Capital Loan	3.00 Lakhs
TOTAL	41.32 Lakhs
5. Total Connected Load	5HP
6. Employment potential	11 Nos
7. Expected Revenue	108.90 Lakhs
8. Operating Profit	9.77 Lakhs
9. Net Profit anticipated	9.72 Lakhs
10. Breakeven point	43%
11. Infrastructure	
d. Land & building	Available
e. Power	Available
f. Raw Materials	Available
g. Road	Available

Introduction

Foot wears are the greatest safeguard of our body. Wearing foot wears, which protects the body from penetrating germs, bad materials to our body. The promoter has clearly analyzed the availability of raw materials, latest high-tech machinery and marketing strategy. The unit can manufacture 2000pieces of foot wears within 2 days.

Demand/Scope:- The product is generally used by every gents, ladies and kids. The foot wears is an inevitable daily using product for a healthy life. Moreover there are no such units in north Kerala hence the demand is great.

Marketing Area:- The main marketing areas are throughout Kerala, Karnataka and Tamilnadu.

Raw materials:- The main raw materials are Voralast GE, Voralaste CE ,Polyrol, Rexin, Latex, Excel- Viva Sheet, MCL Reducers,Printing Ink ,Packing Cartons etc..

Manufacturing Process:-

Initially rexin /excel viva sheet cut in the form of different sole sizes by using cutting machine and then folded by applying rubber milk & gum on viva sheet and folded and stitched together then printed and embossed the brand name.

After the embossing and stitching process the half-finished rexin material fitted in a mold the one part of the mold filled with PU resin in liquid condition then closed the mold and allow to passes through high temperature medium after this heating process the material removed from the mold and then passes to the shoe sole trimmer section in this section the extended rexin portion removed and passes to the final packing section.

Financial Implication:-

1. **Land and building-** The cost of land is Rs 4 Lakhs and the unit has constructed the required building and the cost of building is Rs 8 Lakhs.

2. Plant and machineries-

a. 40 Station Banana (PU making Machine)	1 no	12,07,500.00
b. 3HP Air compressor	1 no	48,090.00
c. Side Trimming Machine	1 no	
d. Poly ISO Loading Pump	2 no	
e. Silicon Spray Tank	1 no	
f. Air Drier	1 no	
g. Mixer	1 no	29,400.00
h. Molds:-		
• Kids Size 1 to 5 (5pair)		1,57,500.00
• Gents 6 - 10 (5pair)		1,68,000.00
• Ladies 5 - 9 (5pair)		3,15,000.00

i. Computer with all accessories	2 nos	41,300.00
j. Barcode printer	1 no	19,200.00

TOTAL		19,85,990.00

3. Electrification Cost :-

• Wiring material cost	80,611.00
• Labour Charge	10,000.00
• K.S.E.B Deposits	6,000.00

TOTAL 96,611.00

4. Miscellaneous Assets :-

• Office Table 1 x 8000.00	8,000.00
• Executive Chair 2 x 5000	10,000.00
• Sofa Set 1 no	15,000.00

TOTAL 33,000.00

5. Pre- Operative Expenses :-

• Registration & licences	15,000.00
• Reports, Travelling Expenses	10,000.00
• Other Cash Expenses	10,000.00

TOTAL 35,000.00

Working Capital

1. Raw materials-

a. Voralast ge liquid 143		
	ISOC/Nate Rs 245.00 x 1320Kg	3,23,400.00
b. Voralast ge 776 polyol		
	Rs 225.00 x 1200Kg	2,70,000.00
c. Carton Box	12000Nos x Rs 6.75	85,050.00

TOTAL 6,87,450.00

2. Salary/Wages –

a. Machinist	5nos x Rs 10000.00	50,000.00
b. Packing	4 nos x Rs 5000.00	20,000.00
c. Accountant	1 nos x Rs 6000.00	6,000.00
d. Computer operator	1 nos x Rs 6000.00	6,000.00

TOTAL 82,000.00

3. Other Expenses –

a. Telephone	1,500.00
b. Electricity	5,600.00
c. Transport	3,000.00
d. Advertisement	1,500.00
e. Repair	3,200.00
f. Insurance	1,700.00
g. Misc Expenses	4,500.00

TOTAL

21,000.00

Total Working Capital

a. Raw materials	6,78,450.00
b. Salary/Wages	82,000.00
c. Other Expenses	21,000.00

TOTAL **7,81,450.00**

PROJECT COST

Land	4,00,000.00
Building	8,00,000.00
Plant&Machinery	19,85,990.00
Misc Assets	33,000.00
Electrification	96,610.00
Pre Op Expenses	35,000.00
WorkingCapital	7,81,450.00

TOTAL **41,32,050.00**

Means of Finance

a. Term Loan	22,00,000.00
b. Working Capital Loan	3,00,000.00
c. Own Contribution	16,32,050.00

TOTAL **41,32,050.00**

Cost of Production (1 month)

a. Raw Materials	6,78,450.00
b. Salary/Wages	82,000.00
c. Other Expenses	21,000.00
d. Interest on loan	27,080.00
e. Depreciation	17,550.00

Total **8,26,080.00**

Sales per Month

Ladies Foot Wear	
Rs 120.00 x 15000 nos	1,80,000.00
Rs 135.00 x 1000 nos	1,35,000.00
Rs 250.00 x 1000 nos	2,50,000.00
Gents Foot Wear	
Rs 145.00 x 800 nos	1,16,000.00
Rs 160.00 x 800 nos	1,28,000.00
Rs 265.00 x 370 nos	98,050.00

Total **9,07,050.00**

a.) Revenue/Sales Month

Monthly Revenue/Sales	9,07,050.00
Less Cost Production/Expenses	8,26,080.00

Difference (Profit)	80,970.00

Annual sales	Rs	108.90 Lakhs
Annual Profit	Rs	9.72 Lakhs

b.) Net profit Ratio

$$= \frac{\text{Net profit(p.a)} \times 100}{\text{Turnover (p.a)}} = \frac{9.72 \times 100}{(9.07 \times 12)} = 8.93 \%$$

c.) Rate of return on total capital Investment

$$= \frac{\text{Net profit(p.a)} \times 100}{\text{Total Investment}} = \frac{9.72 \times 100}{(56.94)} = 17.07 \%$$

d.) Break-even point

$$\text{B.E.P} = \frac{\text{Annual Fixed cost}}{(\text{Annual Fixed cost} + \text{Annual Net Profit})}$$
$$\text{B.E.P} = \frac{7.32 \times 100}{7.32 + 9.72} = 43 \%$$

Conclusion

The unit needs Rs 22.00Lakhs as term loan and Rs.3 Lakhs as working capital Loan .The promotor contribution will be Rs 16,32,050.00 .The term loan will be repaid in 7 years 84 monthly instalments or as per bank norms.The unit also eligible to receive 30% subsidy under E.S.S.The project is technically and economically viable.

Project Profile on Wooden Furniture Manufacturing Unit



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

1.INTRODUCTION

Wooden furniture's are a symbol of Kerala tradition. They were used in kerala from 100s of years ago. This project is meant to setup a manufacturing unit of wooden furniture such as Chair, Coat, windows and door etc .The unit will undertake the job work also. The unit envisages manufacturing of wooden furniture on different designs out of quality wood like Teak, Anjili, Rose wood etc. But mainly on teak wood.

2.MARKET

As the furniture would not have any fixed brand or company name, therefore, there would be less competition. The demand of wooden furniture and wooden building materials is increasing as construction and housing industry expand. Attractive and genuine wooden furniture have good access in market. The demand for the furniture made up of woods is growing due to the increased standard of living of people and outlook. On occasions like wedding, it has become customary to gift wooden furniture like double bed, sofa, dressing table, dining table to the daughter. The finished products can also be sold through furniture marts

3. MANUFACTURING PROCESS

The line of process is used for wooden furniture is made as per the measurements; shaping, bending & chiseling as per design; finishing touch with sand paper; finally apply varnish/paint/lamination; and furniture can be laminated using laminated sheet.

BASIS AND PRE ASSUMPTIONS

- 1.0 The production is based on a single shift basis of 8 hours per day and working days in a month
- 1.1 Laborer will be engaged on monthly basis keeping in view the present rate prevailing in the market
- 1.2 Land and buildings are rented.
- 4.The unit will get subsidy for the power requirement as it will get registered under MSME Act

4.FIXED CAPITAL

4.a Land & Building :- Rented building of 700 sq ft of rent @2000 per month.

4.b Machinery and Equipment

<u>SL No</u>	<u>Particular</u>	<u>Quantity</u>	<u>Rate</u>	<u>Amount</u>
1	15''combi max planner	1	75000	75000
2	3 HP Single phaseMotor	1	12000	12000
3	Blade Grinder with motor	1	21000	21000
4	Hand drill machine	1	24000	24000
5	Sander machine	1	28000	28000
6	Stand type drilling machine with motor	1	2000	2000
7	12'' planner	1	40000	40000
	Rixo(mini)	1	85000	85000
8	Leith	1	38000	38000

9	Cutter	1	15000	15000
10	Hand Tools & other small		25000	15000
11	equipments etc TOTAL			355000/

4 c. furniture expenses

10000/

Power requirement for the unit

14.5 HP

5. WORKING CAPITAL

5 a. Raw material required for one month

Sl.No	Items	Qty	Rate	Amount
1	Woods of different type	5Cum	25000	125000
2	Plane glass	3 No	1200	3600
3	Fevicol	25Kg	250	6250
4	Ply	200 sq ft	35	7000
5	Sun mica	200 sq ft	42	8400
	Total			150250

5 b. wages and salaries

Sl No	Designation	No	Rate	Amount
1	Workers	4	9000	36000
	Total			36000

5 c. Utilities and Contingencies/Month

1. Rent	-	Rs.2000/-
2. Power charges	-	Rs.1500/-
3. Miscellaneous	-	Rs.500/-
Total		- Rs 4000/-

6 Total Working Capital Requirement

1. Raw materials for one month	- Rs.	150250/-
2. Wages and salaries for one month	-Rs	36000/-
3. Utilities and contingencies for one month	-Rs.	4000/-
Total working capital requirement of the unit	-Rs	190250/-

7. TOTAL CAPITAL

1. Fixed Capital	-	Rs. 365000
2. Working Capital(3 months)	-	Rs. 570750/-
Total capital investment	-	Rs 935750/-

8.SOURCES OF FUNDS

1. Own Capital(20% of project cost)	-Rs 187150
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= 62.24%

12.a FIXED COST

Rent	Rs: 24000/-
Total Depreciation[Machinery & furniture]	Rs: 54750/-
Interest on Total Investment	Rs: 89832/-
40 % of Salary & Wages[432000*12/ 40%]	Rs: 172800
40% of utilities & other contingent expenses[48000*12/ 40%]	Rs: 19200/-
Total:	Rs: 360582

12 b BREAK- EVEN ANALYSIS

$$\frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Net Profit}} = 38.23\%$$



Project Profile on Manufacturing of Paper Napkins



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

Manufacture Of Paper Napkins

1. Introduction

Paper napkin is a small piece of tissue paper used for hand or face cleaning. These are becoming popular with the catering industry due to manifold usages. Now a days they are being more and more used in households, institutions etc. These are absorbent, hygenic, light and can be had with attractive printing.

2. Market Demand

Urbanisation has made a profound impact on our dining habits. One of the notable change is the increased use of paper napkins now a days, which was otherwise could be seen only in western countries. Plain paper napkins are now being widely used in restaurants, households, vehicles, industries, institutions etc. Paper napkins with colourful layout and attractive designs are having bright prospects with our restaurants focussing on tidiness and adornment.

3. Production Targets

Basis of Estimation	:	300 Working Days in a Year Single Shift basis 8 hours per shift
Quantity (Kg)		150000
Value (Rs)		9750000

4. Manufacturing Process

Tissue paper roll are fed to the flexographic printing machine with attachment for the manufacturing of paper napkins wherein, these are printed and cut to the size with the device already fixed with the machine

5. Land and Building

Rent for each month	4000
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6. MACHINERY AND EQUIPMENT

SL.NO	Description	Qty.	Value (Rs.)
1	Two colour flexographic machine with attachment of paper napkin	1	400000
2	Testing Equipment	L.S.	
3	Edge sealing and cutting machine	L.S.	
4	Hand Tools	L.S.	
5	Sales Tax, Freight & Insurance etc		40000
	Total		440000

7. RAW MATERIALS (PER MONTH)

SL.NO	Particulars	Quantity (tonne)	Value (Rs)
1	Tissue Paper 21 GSM	12.5	700000
2	Inks & Other Consumables	L.S.	10000
3	Packaging Material	L.S.	3000
		Total	713000

8. STAFF AND LABOUR (PER MONTH)

SL.NO	Employee	No.	Amount
A	Administrative and Supervisory		
(i)	Manager	1	7000
(ii)	Peon/ Chowkidar	1	2000
B	Technical (Skilled-Unskilled)		
(i)	Skilled Worker	1	6000
(ii)	Unskilled Worker	2	8000
	Sub-Total		23000
	Plus perquisites @ 20% of salaries		4600
	TOTAL		27600

8. OTHER EXPENSES (PER MONTH)

1	Rent of Land & Building	4000
2	Electricity Charges	2500
3	Transport	3000
4	Consumable & stores etc.	1000
5	Postage expenses/ telephones	1000
6	Stationery	1000
7	Repairs & Maintenance	1000
	Total	13500

9. WORKING CAPITAL (ONE MONTH)

SL NO	DESCRIPTION	AMOUNT (RS)
1	Raw material	713000
2	Salaries & Wages	27600
3	Other Expenses	13500
	Total	754100

10. TOTAL CAPITAL INVESTMENT

Machinery & Equipment	440000
Working capital for one month	754100
Total	1194100

11. SOURCE OF FUNDS

SL NO	ITEM	AMOUNT (RS)
1	Term Loan	308000
2	Working capital loan	527870
3	Own Contribution	358230

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	9049200
Depreciation on machinery & equipment	88000
Interest on term loan and working capital loan @ 14%	117021.8
Total	9254222

13. SALES PROCEEDS (PER ANNUM)

SL NO.	Item	Qty (Kg)	Value (Rs.)
1	Paper Napkins	150000	9750000
	Total		9750000

14. PROFITABILITY

1	Annual Gross Profit	495778
2	% of Profit on Sales	5.08%
3	Break Even Analysis	
3.1	Annual Fixed Cost	367021.8
3.2	Annual Sales	9750000
3.3	Annual Variable Cost	8887200
3.4	Break Even Point	42.54%
4	Debt Service Coverage Ratio	2.05

Project Report on PAPPAD MANUFACTURING



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045
PAPPAD MANUFACTURING

❖ *Introduction*

Papad is also known as Papadam. Papad is nothing but the thin Indian wafer, which can be referred as a cracker or flat bread. Papad is generally made from dried lentils, it can be eaten fried

or roasted. There are variety of papad flavors available in the market, that are made to suit the requirement of each and every individual.

The basic composition of the papad varies from a number of ingredients such as cereal flour, pulse flour, soya flour, spice mixes, chemical mixes and different vegetable juices for improving both organoleptic and nutritional characteristics.

Before making any papad, its dough is required to make. That dough contains salt and peanut oil and some flavors to make the special regional papad. Baking soda is also one of the main ingredient for making good papad. The dough is shaped into a thin, round flat bread and then dried (traditionally in the sun). Papad can be cooked by deep-frying, roasting over an open flame, toasting or microwaving.

In India, Papad has a vital place in every meal. It is highly served or accompanied either as a snack, chaat or with main course recipes. Papad is an example of the genius of Indian cuisine. Originally there are two types of Papad – North Indian papad and South Indian papad. They come into different sizes and textures such as mini papad, big papads, roasted papad, khakra and many more.

Papads of various brands are easily available in the market. One of the most famous market brand is Lijjat. You can get variety of tasty and flavorful Lijjat papads with different shapes and sizes. Always check that they are dry and not stuck with each other.

USES:

- 1.3 Papad is a great accompaniment with drinks and mocktails, one of the best example is masala papad.
- 1.4 Papads are typically served as an accompaniment with any meal in India.
- 1.5 Papad can be eaten as a starter or snack dish.
- 1.6 Fried, roasted, open-flame papad and oven-made papad are some of the best varieties of papad.
- 1.7 A famous Rajasthani delicacy is papad curry or papad ki sabji, that is made from the papad only.
- 1.8 Papad can be enjoyed with variety of pickles, chutneys and sauces.
- 1.9 You can get papad of several flavors of your choice, such as Punjabi masala, urad dal, moong dal, asafoetida, black Pepper, green chilly, red chilly, cumin, garlic, ginger, cardamom, cloves and cinnamon, etc.
- 1.10 Since the years, Papad has been used to serve with dal and rice, as it enhance the taste of the meal.
- 1.11 You can munch the Papad as a great snack dish.
- 1.12 Papad can be served with soup or with the main meal.

- 2.0 Papad is often crushed and sprinkled on the rice.
- 2.1 A traditional Indian thali, platter, marriage buffets, parties, etc always includes papad in their menu.
- 2.2 You can crush the raw papads for coating the kebabs and tikkis.
- 2.3 Papad is used for making several Gujarati subzis like Methi- Papad nu shaak, Ghatia- papad nu shaak, etc.

STORAGE:

- 3.0 Papad should be stored in air tight container.
- 3.1 It can be stored for 10-12 months.
- 3.2 Sometimes keep them under fresh air and sun light for few minutes for preserving even more better.
- 3.3 Although storage can be done, but it is advisable to buy limited stock or small packets of papad and use them as per your requirement.

BENEFITS:

Papad is a good appetizer and a source for digestive.
Roasted or grilled papad helps to absorb the fatty material from the mouth and throat.
Papad should be eaten in moderate proportion, else it can become the reason of acidity.
Papad is very high in sodium, hence not advisable for hypertensive people.
Papads are made of lentils, hence are free from gluten, rich in protein and dietary fiber



Location , Land & Building

The unit will be located in a rented building. The monthly rent amount for this unit will be Rs 5000/month.

❖ Work Style / Activity

The raw materials of the units are Uzhunnu Mavu, Rice Powder, Castic Soda, Salt, Oil. It can be purchased in a large scale and avail locally. The Uzhunnu Mavu, Castic soda, salt and oil are mixed thoroughly and then put that mixture to the automatic pappad making machine. Then pappad can make according to the die that we are giving. This Pappad may pass through the drier also. Normally this project aims pappad size of “5 Inch”.

❖ Equipments

Fully auto pappad making machine is the major equipments required for the manufacturing of Pappad. In addition, the accessories like Sealing Machine, Tables, Chair and rack are required.

❖ Estimation of the working capital

The estimated requirement of working capital of the unit comes to Rs 3,23,000 the basis for the estimation of working capital is cost of the raw material required per month, and the labor charges. The details are furnished in the financial analysis of the report.

❖ Cost of the Project.

The total cost of the project comes to Rs 10,23,000; which is arrived from the financial analysis.

❖ ***Source of Fund.***

The promoter is expecting a composite loan of Rs. 8,18,000 from the Bank, which includes the Term loan for the fixed investment and working capital. The pro moter's contribution is shown as Rs. 2,05,000. Details are furnished in the financial analysis of the report.

❖ ***Assumptions***

This project report is prepared based on the following assumptions.

1. The unit is expected to operate 25 days in a month on single shift basis.
2. Working capital is estimated based on raw material and other expenses required per month.
3. Any change in the government or bank policy will make corresponding change in the project report.

❖ ***Conclusions***

By virtue of the contacts of the promoter in the business activity the unit is expecting an ascending future. The project is prepared on the basis of reasonable and reliable estimates and assumptions. The project can generate enough cash to pay the interest as well as installment of loan. The project is technically feasible and financially viable.

Pappad Manufacturing Unit

ABSTRACT

- Name & Address
- Type of Organization Proprietary
- Unit Address
- Panchayath
- Building Number /Survey no
- Village
- Activity Pappad Manufacturing (Pappad)
- Scope of Project New Project
- | <u>Project Cost</u> | | & | <u>Means of Finance</u> | |
|---------------------|-----------|---|-------------------------|-----------|
| Fixed Investment | ` 700000 | | Term Loan | ` 560000 |
| Working Capital | ` 323000 | | W.C. Loan | ` 258000 |
| | | | | 818000 |
| Total | ` 1023000 | | Promoter's Share | ` 205000 |
| | | | Total | ` 1023000 |
- Subsidy Eligible ` 191625 (as per ESS)
- Repayment Period 3
- Gross Profit after 1st year ` 592300 >>> Rs 49400 / Month (average)
- Scheme SME finance
- Rate of Return 56%
- Average DSCR 2.61
- DER 1.07
- IRR 75% ; as NPV is + Ve
- BEP 64% (Break Even Point at 70% Capacity Utilization)
- Current Ratio 6.79
- Net Profit Ratio 13%
- Payback Period In between 1 and 2 year
- Employment Potential 4
- Name of Bank
- Project Implementation Period From May 2015 To August 2015

Project Details

Fixed Capital Investment

A Land & Building
Cost of Land

Nil

Land Development Cost	Nil
Building	Nil
Total	0

B Machinery /Equipments

Si No	Item	Make	Unit Price	Qty	Ext Price
1	Fully Auto Pappad Machine	PP deluxe	565000	1	565000
2	Flour Kneading Machine	Inclusive of Pappad Machine			
3	Flat Sheet Making				
4	Pappad Sheeter				
5	Cutter Machine				
6	Electric Drier				
7	Tax		28250	1	28250
8	Sealing Machine		7000	1	7000
				Total	600250

C Furniture / Fixtures

Si No	Item	Make	Unit Price	Qty	Ext Price
1	Table		15000	1	15000
2	Chair		700	5	3500
3	Rack		10000	2	20000
				Total	38500

D Preliminary & Pre-operative cost

Si No	Details	Amount
1	Erection & Electrification	25000
2	Preliminary Expenses (Others)	15000
3	Trial Production	15000
	Total	55000

E Contingency

Si No	Details	Amount
	Contingency / Others/ Miscellaneous Expenses	6250
	Total	6250

**F Total Capital Expenditure (A + B + C + E) 700000
Sales Realization (@ 100% Capacity Utilization)**

Si No	Item	Unit Price	Qty	Ext Price	Yearly Sales
1	Pappad	7.5	65625	492187.5	5906250
	Total			492187.5	5906250

H Raw Materials

Si No	Item	Unit	Amt/Mont	Qty or Mo	Ext Price
1	Rice Powder	Kg	32	3240	103680
2	Caustic Soda	Kg	70	540	37800
3	Uzhunnu Mavu	Kg	115	30600	3519000
4	Oil	Kg	75	900	67500

5	Salt	Kg	15	1080	16200
6	Packing Cover	Kg	150	204	30600
				Total	3774780

I Wages

Si No	Type of Worker	Numbers	Monthly Wages/Worker	Monthly Wages	Yearly Wages
1		0	0	0	0
				Total	0

J Salary

Si No	Type of Worker	Numbers	Monthly Salary/worker	Monthly Salary	Yearly Salary
1	Manager/Proprietor	1	15000	15000	180000
2	Worker	2	11250	22500	270000
3	Helper	1	8750	8750	105000
				Total	555000

K Other Expenses / Year

SI No	Elements	Amount
1	Repairs & Maintenance	10000
2	Power & Fuel	155250
3	Other Overhead expenses	10000
4	Telephone Expenses	6000
5	Stationery & Postage	10000
6	Advertisement & Publicity	10000
7	Other Miscellaneous Expenses	8000
8	Rent (if building on rental)	60000

L Capacity Utilization of Manufacturing & Administrative Expenses

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Capacity Utilization	70%	72%	74%	76%	78%	80%	82%	84%
No of Shifts/day	1	1	1	1	1	1	1	1

A. Manufacturing Expenses

Raw Materials	2642346	2717842	2793337	2868833	2944328	3019824	3095320	3170815
Wages	0	0	0	0	0	0	0	0
Repairs & Maintenance	7000	7200	7400	7600	7800	8000	8200	8400
Power & Fuel	108675	111780	114885	117990	121095	124200	127305	130410
Other Overhead expenses	7000	7200	7400	7600	7800	8000	8200	8400
Total (A)	2765021	2844022	2923022	3002023	3081023	3160024	3239025	3318025

B. Administrative Expenses

Salary	555000	582750	611888	642482	674606	708336	743753	780941
Telephone Expenses	6000	6600	7260	7986	8785	9663	10629	11692

Stationery & Postage	10000	11000	12100	13310	14641	16105	17716	19487
Advertisement & Publicity	10000	11000	12100	13310	14641	16105	17716	19487
Other Miscellaneous	8000	8800	9680	10648	11713	12884	14172	15590
Rent (if)	60000	66000	72600	79860	87846	96631	106294	116923
Total (B)	649000	686150	725628	767596	812231	859724	910280	964120

Total A+B	3414021	3530172	3648650	3769619	3893255	4019748	4149304	4282145
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M Assessment of Working Capital

		1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Capacity Utilization	if 100%	70%	72%	74%	76%	78%	80%
	Shift/Day	1	1	1	1	1	1

i Variable Production Cost

Raw Material	3774780	2642346	2717842	2793337	2868833	2944328	3019824
Wages	0	0	0	0	0	0	0
Repair & Maintenance	10000	7000	7200	7400	7600	7800	8000
Power & Fuel	155250	108675	111780	114885	117990	121095	124200
Other Overhead Expenses	10000	7000	7200	7400	7600	7800	8000
Total	3950030	2765021	2844022	2923022	3002023	3081023	3160024

ii Fixed Production Cost

Salary	555000	555000	582750	611888	642482	674606	708336
Telephone Expenses	6000	6000	6600	7260	7986	8785	9663
Stationery & Postage	10000	10000	11000	12100	13310	14641	16105
Advertisement & Publicity	10000	10000	11000	12100	13310	14641	16105
Other Miscellaneous Expenses	8000	8000	8800	9680	10648	11713	12884
Rent (if)	60000	60000	66000	72600	79860	87846	96631
Total	649000	649000	686150	725628	767596	812231	859724

iii Manufacturing Cost

Variable Production Cost	3950030	2765021	2844022	2923022	3002023	3081023	3160024
Fixed Production Cost	649000	649000	686150	725628	767596	812231	859724
Total	4599030	3414021	3530172	3648650	3769619	3893255	4019748

iv Elements of Working Capital & Amount of Working Capital

					1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year
Si No	Item	Days	Basis	Amount	70%	72%	74%	76%	78%	80%

1	Raw Material	10	Material Cost	125826	88078	90595	93111	95628	98144	100661
2	Work in Process	1	Production Cost	13167	9217	9480	9743	10007	10270	10533
3	Finished Goods	1	Manufacturing Cost	16257	11380	11767	12162	12565	12978	13399
4	Receivables	7	Manufacturing Cost	113801	79660	82371	85135	87958	90843	93794
5	Working Expenses	25	Fixed Cost	54083	54083	57179	60469	63966	67686	71644
Total				323134	242419	251392	260621	270124	279920	290031
W.C. can be withdrawn from WCL Acc.				258000	258000	258000	258000	258000	258000	258000
Margin of WC to be invested				65134	0	0	2621	12124	21920	32031

1. Project Cost & Means

of Finance i Total

Project Cost

Fixed Capital Investment	700000	Say,	700000
Working Capital Investment	323134	Say,	323000
Total	1023134	Say,	1023000

ii Means of Finance (Loan from Bank & Own Contribution)

Term Loan from Bank	560000 - 80 % of F.C.I.
Working Capital Loan from Bank	258000 - 80 % of W.C.I.
Total Loan Amount from Bank	818000
Own Contribution	205000

Total 1023000

iii Subsidy Eligible 191625 (as per ESS)

1 Schedule of Repayment of Term Loan & Working Capital

Loan i Term Loan

Year	Opening Balance	Installment	Closing Balance	Interest @ 13%
1st Year	560000	124444	435556	72800
2nd Year	435556	186667	248889	56622
3rd Year	248889	186667	62222	32356
4th Year	62222	62222	0	8089
5th Year	0	0	0	0
6th Year	0	0	0	0
7th Year	0	0	0	0
8th Year	0	0	0	0

ii Working Capital Loan

(Installment of Working Capital is shown as if the WCL is also closed along with the Term Loan)

Year	Opening Balance	Installment	Closing Balance	Interest @ 13.5%
1st Year	258000	57333	200667	34830
2nd Year	200667	86000	114667	27090
3rd Year	114667	86000	28667	15480
4th Year	28667	28667	0	3870
5th Year	0	0	0	0
6th Year	0	0	0	0
7th Year	0	0	0	0
8th Year	0	0	0	0

Schedule of Depreciation on Fixed Assets

i Building @ 10%

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Opening Balance	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
Closing Balance	0	0	0	0	0	0	0	0

ii Machinery & Fixtures @ 10%

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Opening Balance	638750	574875	517388	465649	419084	377175	339458	305512
Depreciation	63875	57487.5	51738.75	46564.88	41908.39	37718	33946	30551
Closing Balance	574875	517388	465649	419084	377175	339458	305512	274961

iii Total Depreciation

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Building	0	0	0	0	0	0	0	0
Machinery	63875	57488	51739	46565	41908	37718	33946	30551
Total	63875	57488	51739	46565	41908	37718	33946	30551

Financial Analysis of Project

I Projected Profit & Loss Account

In Lakhs

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Capacity Utilization	70%	72%	74%	76%	78%	80%	82%	84%
Sales Or Receipts	41.34375	42.525	43.70625	44.8875	46.06875	47.25	48.43125	49.6125

Manufacturing Expenses

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Raw Materials	26.42	27.18	27.93	28.69	29.44	30.20	30.95	31.71
Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Power & Fuel	1.09	1.12	1.15	1.18	1.21	1.24	1.27	1.30
Other Overhead expenses	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Depreciation	0.64	0.57	0.52	0.47	0.42	0.38	0.34	0.31

Production Cost Total	28.29	29.02	29.75	30.49	31.23	31.98	32.73	33.49
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Administrative Expenses

Salary	5.55	5.83	6.12	6.42	6.75	7.08	7.44	7.81
Telephone Expenses	0.06	0.07	0.07	0.08	0.09	0.10	0.11	0.12
Stationery & Postage	0.10	0.11	0.12	0.13	0.15	0.16	0.18	0.19
Advertisement & Publicity	0.10	0.11	0.12	0.13	0.15	0.16	0.18	0.19
Other Miscellaneous Expenses	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.16
Rent (if)	0.60	0.66	0.73	0.80	0.88	0.97	1.06	1.17
Total (B)	6.49	6.86	7.26	7.68	8.12	8.60	9.10	9.64
Interest on Bank Loan @								
Term Loan 13 %	0.73	0.57	0.32	0.08	0.00	0.00	0.00	0.00
Working Capital Loan 13.5 %	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35

Cost of Sale	35.86	36.79	37.68	38.59	39.70	40.92	42.18	43.48
Preliminary & Pre-Op & Contingency. written-off	0.20	0.20	0.20	0.00	0.00	0.00	0.00	0.00
Net Profit before Tax	5.28	5.53	5.83	6.30	6.37	6.33	6.25	6.14
Less Tax	0.03	0.05	0.08	0.13	0.14	0.13	0.13	0.11
Net Profit	5.26	5.48	5.74	6.17	6.23	6.19	6.13	6.02
Retained Profit	5.26	10.73	16.48	22.64	28.88	35.07	41.19	47.22

II Rate of Return (Return on Investment)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Net Profit	5.26	5.48	5.74	6.17	6.23	6.19	6.13	6.02
Total Investment	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23
Rate of Return	51%	54%	56%	60%	61%	61%	60%	59%
Average Rate of Return	56%							

III Debt Service Credit Ratio (D.S.C.R.)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Net Profit	5.26	5.48	5.74	6.17	6.23	6.19	6.13	6.02
Add:								
Depreciation + Interest	1.37	1.14	0.84	0.55	0.42	0.38	0.34	0.31
Total - A	6.62	6.62	6.58	6.71	6.65	6.57	6.46	6.33
Payments :								
On Term Loan								
Interest	0.73	0.57	0.32	0.08	0.00	0.00	0.00	0.00
Installments	1.24	1.87	1.87	0.62	0.00	0.00	0.00	0.00
On Working Capital								
Interest	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Total -B	2.32	2.78	2.54	1.05	0.35	0.35	0.35	0.35
DSCR = A/B	2.85	2.38	2.59	6.39	19.10	18.87	18.56	18.17
Average DSCR	2.61							

IV Cash Flow Statement

Source	Im period	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Gross Profit	0.00	6.36	6.44	6.50	6.73	6.72	6.68	6.60
Add: Depreciation		0.64	0.57	0.52	0.47	0.42	0.38	0.34
Term Loan	5.60							
Working Capital Loan		2.58	0.00	0.00	0.00	0.00	0.00	0.00
Promoters Capital	1.40	0.00	0.00	0.03	0.10	0.10	0.10	0.10
Preliminary & Pre-Operative & Contingency Written off		0.20	0.20	0.20	0.00	0.00	0.00	0.00
Total	7.00	9.78	7.22	7.25	7.29	7.23	7.15	7.04

Application								
Fixed Capital Invested	7.00							
Increase in Current Assets		2.42	0.09	0.09	0.10	0.10	0.10	0.10
Repayment of Term Loan		1.24	1.87	1.87	0.62	0.00	0.00	0.00
Interest on Term Loan		0.73	0.57	0.32	0.08	0.00	0.00	0.00
Interest on WC Loan		0.35	0.35	0.35	0.35	0.35	0.35	0.35
Income Tax		0.03	0.05	0.08	0.13	0.14	0.13	0.13
Total	7.00	4.77	2.92	2.71	1.28	0.58	0.58	0.58

Opening Balance	0.00	0.00	5.01	9.31	13.84	19.85	26.50	33.07
Surplus	0.00	5.01	4.30	4.53	6.01	6.65	6.57	6.46
Closing Balance	0.00	5.01	9.31	13.84	19.85	26.50	33.07	39.54

V Projected Balance Sheet

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Liabilities								
Promoters Capital-periodic	1.40	1.40	1.43	1.52	1.62	1.72	1.82	1.93
Retained Profit	5.26	10.73	16.48	22.64	28.88	35.07	41.19	47.22
Term Loan O/S	4.36	2.49	0.62	0.00	0.00	0.00	0.00	0.00
Working Capital Loan	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58
Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sundry Creditors	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	13.59	17.20	21.10	26.74	33.07	39.37	45.60	51.73
Assets								
Gross Fixed Assets	6.39	5.75	5.17	4.66	4.19	3.77	3.39	3.06
Less: Depreciation	0.64	0.57	0.52	0.47	0.42	0.38	0.34	0.31
Net Fixed Assets	5.75	5.17	4.66	4.19	3.77	3.39	3.06	2.75
Balance of Preliminary & Pre-Op & Contingency	0.41	0.20	0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	2.42	2.51	2.61	2.70	2.80	2.90	3.00	3.11
Cash in Bank / Hand	5.01	9.31	13.84	19.85	26.50	33.07	39.54	45.87

Total	13.59	17.20	21.10	26.74	33.07	39.37	45.60	51.73
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VI -i Break Even Analysis

FIXED COST

Salaries	5.55	5.83	6.12	6.42	6.75	7.08	7.44	7.81
Repair & Maintenance	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Insurance	0.60	0.66	0.73	0.80	0.88	0.97	1.06	1.17
Administrative expenses	0.94	1.03	1.14	1.25	1.38	1.51	1.67	1.83
Depreciation	0.64	0.57	0.52	0.47	0.42	0.38	0.34	0.31
Interest on MM loan								
Interest on Term loan	0.73	0.57	0.32	0.08	0.00	0.00	0.00	0.00
Total	8.53	8.73	8.90	9.10	9.50	10.02	10.59	11.20

VARIABLE COST

Raw Materials	26.42	27.18	27.93	28.69	29.44	30.20	30.95	31.71
Wages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Power Charges	1.09	1.12	1.15	1.18	1.21	1.24	1.27	1.30
Selling expenses	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Interest on WC loan	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Total	27.93	28.72	29.50	30.29	31.08	31.87	32.66	33.44

VI -ii Break Even Point And Ratio Analysis

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Fixed Cost	8.53	8.73	8.90	9.10	9.50	10.02	10.59	11.20
Variable Cost	27.93	28.72	29.50	30.29	31.08	31.87	32.66	33.44
Total Cost	36.46	37.45	38.40	39.39	40.58	41.89	43.24	44.64
Sales	41.34	42.53	43.71	44.89	46.07	47.25	48.43	49.61
Contribution (Sales -VC)	13.42	13.81	14.20	14.59	14.99	15.38	15.77	16.17
B.E.P in % =(FC/Contributi	64%	63%	63%	62%	63%	65%	67%	69%
Break Even Sales =(BEP*Sale	26.28	26.90	27.38	27.98	29.19	30.78	32.50	34.37
Break Even Units in quantity	500536	498135	493360	490851	499030	513041	528531	545521
Current Ratio	2.88	4.58	6.38	8.74	11.36	13.94	16.49	18.99
Net Profit Ratio = (Net Profit/Sales)	13%	13%	13%	14%	14%	13%	13%	12%

VII Debt Equity Ratio

DER = LONG TERM LOAN LIABILITY/(CAPITAL)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
Term Loan O/S	4.36	2.49	0.62	0.00	0.00	0.00	0.00	0.00
Promoters Capital-periodic	1.40	1.40	1.43	1.52	1.62	1.72	1.82	1.93
DER	3.11	1.78	0.44	0.00	0.00	0.00	0.00	0.00
DER (Average 4 yrs)	1.07							

VIII Pay Back Period

Particulars	0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Cash flows After Tax	-7.65	5.89	6.05	6.26	6.63	6.65	6.57	6.46
PV factor @ K=.13	1.00	0.89	0.78	0.69	0.61	0.54	0.48	0.43
Present Value @ K=.13	-7.65	5.22	4.74	4.34	4.07	3.60	3.15	2.75
Cumulative Cash		-2.43	2.30	6.64	10.71	14.31	17.47	20.22
Payback Period	1	In between 1 and 2 year						

IX Net Present Value (NPV)

Particulars	0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Cash flows After Tax	-7.65	5.89	6.05	6.26	6.63	6.65	6.57	6.46
Net Present Value	17.90							

X Internal Rate of Return

Particulars	0th Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Cash flows Before Tax	-7.65	5.92	6.10	6.34	6.76	6.79	6.70	6.59
IRR Before Tax -5yrs	75%							
Cash flows After Tax	-7.65	5.89	6.05	6.26	6.63	6.65	6.57	6.46
IRR After Tax -5yrs	75%							

VIJAY ENGINEERING

ISO 9001:2008 Certified Company
Crisil Rating NSIC SE-3B
S.S.I.Registration No.27221201079
Mfg. & Supplier of Papad Making Machine, Chapati Making Machine,
Packaging Machine, Sealing Machine
207, Manish Chamber, Sonawala Lane, Goregaon (E). Mumbai - 400063.
Ph: 022-32960232,
09320267508 **Email:**
info@vijayengineering.in
Website: www.vijayengineering.in /www.packpointindia.com

Ref. No. PP/7739

Date: May 25, 2015

To : Renju Mani.
IPO , Kerala
EMAIL renjumani@gmail.com
Mobile 09446606178

QUOTATION

Sr. No	Particular	Qty	Rate	Amount
1.	Model – PP delux Fully Auto Papad Machine with Electric Drier (120 Kg to 150kg / 8Hrs Shift) 17 HP <input type="checkbox"/> Combine Machine.(Flour Kneading Machine & Flat Sheet Making)Two In One.(2.Hp Motor) <input type="checkbox"/> Papad Sheeter With Cutter Machine With 1 Die Roller. (Die Size : 7.5"/5.5")(Roller Size 300.MM Dia) <input type="checkbox"/> Electric Drier (7 belt) Total Installation Area of Machine (LxBxH) (in Feet) (28' x 2.5 x 6')	1	5,65,000/-	5,65,000.00
				5,65,000.00
				28250.00
				+ Vat @ 5 % ...
	Total			5 93,250.00

Terms & Conditions :

- Payment Terms:** 50% advance along with order and balance 50% before machine delivery. Payment made in favor of "**Vijay Engineering**"
- Packing Charges : will be extra
- Installation Charges : Rs.5000/-
- Transportation charges pay by you. (Road Permit)
- Company is not at all responsible for damage in Transit. To avoid these conditions Customers are requested to do Transit Insurance in advance at there end..
- No advance will be refunded if the order is cancelled.
- Subject to Mumbai Jurisdiction
- Delivery :** 60 days **Approx**, until & unless the balance is not received delivery will be not made.

Warranty: We warranty the following parts of the

Machinery— 1) Electrical Motors, 2) Gear Box

Electrical Components e.g. Motors, Drivers, Switches etc. have at 1 year manufacturer's warranty, in case of defects arising in any such component it should be referred to its original manufacturer.

Conveyor Belts are not covered under any sort of warranty.

Thanking you,

For VIJAY ENGINEERING

Minakshi Panchal

Project Report on Readymade Garments



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

Project Report on Readymade Garments

The readymade garment industry is considered an off-shoot of India's Textile industry which dates back to the middle of 19th century. The textile industry is the maximum revenue gathering industry in the country. The industry can be divided in to two segments, the natural fibre segment and the man made synthetic fibre segment. The industry even after the introduction of power – driven machines or mechanical process of button holding, stitching or embroidery, continued to remain labour intensive and cheap labour is our forte.

The overall demand of clothing has gone up in the state because of increasing degree of industrialisation, effecting clothing habits. The increasing level of communication leading to increased travel and tourism has in turn created the demand for both seasonal and occasional clothing.

LOCATION.

The unit here mentioned will set up in a rented building. Location plays a major role in overall output of the unit .

There will not be any problems if the required power and communication facilities are available . Then with out any doubt one can easily say that the land selected is very suitable these type of units.

PROMOTER.

Name :
Address :
Qualification :
Experience :

LAND & BUILDING.

The unit will be set up in a rented building. It is made available on rented basis and the rent per month is Rs. 2000. We have already considered the suitability of the location. The power, Communication facility etc are available. Hence with out doubt one can say that the site selected is very suitable for these types of units.

PLANT & MACHINERY.

The plant & machinery are enlisted in the economics of the project. They include sewing machines, embroidery machines, furniture, cutting table etc. The cost of the same will be Rs. 1,25,000.00. The selected machinery can be made available from authorized suppliers of these items.

RAW MATERIALS.

The raw materials needed include fabrics of different kinds and other sewing materials. They are easily available and care will be taken on the quality of the same.

STAFF & LABOUR.

The unit will be operated in one shift. The staff and labors needed for the unit will be selected from locally. The details of staff & labors are enlisted in the economics of the project.

OTHER EXPENSES.

The probable other experiences are considered in the economics of the project. They include rent, electricity charges, transportation, communication, travelling, maintenance, postage & stationery etc.

POWER

The total connected load required for running the unit is estimated as 2 H.P. only- single phase.

MANUFACTURING PROCESS.

The clothing are taken and cut to required design. Then they are stitched together to form the product. The necessary buttons, zips, hooks etc are fixed and it is then taken to ironing and ready for sale. The embroidery works are carried out if necessary.

MARKETING.

The marketing of any product is the decision making factor of the existence of the unit and on considering that the promoter has taken all the possible ways for marketing such as direct sales and personal contacts etc. In fact the promoter had made a wide network of marketing for the last one year and is capable for the forthcoming years also. The marketing area is concentrated in retail shops of small towns and there are a number of dealers through which the product can be sold. Most care will be taken in the change of fashion and trends as they are much affected in the field of ready-made garments.

MODE OF FINACE

The promoter expects financial assistance from leading nationalized branch. This unit will be financed under ESS scheme and eligible for 40% subsidy of total fixed investment .

ASSUMPTION

It is assumed that there will not be any major increase in the rate of raw material and any major changes in prices will be compensated with corresponding change in product.

CONCLUSION

On revealing the various aspects of the project and studying the financial & technical features of the scheme it can easily be noted that the above project will be a great success. The economics of the project is detailed as follows.

FINANCIAL ASPECTS

1 FIXED CAPITAL

1.1 Land and Building

Rented at rate of Rs. 2000 per month.

1.2 Machinery and Equipments

Sl. No.	Description	Qty.	Rate (Rs.)	Value (Rs.)
1	Stiching machine	6	8000	48000
2	Motor for Stiching machine	6	3000	18000
3	Overlock Machine	1	20000	20000
4	Scissors	5	500	2500

Sub total : 88500

1.3 Office Furniture items

Sl. No.	Description	Qty.	Rate (Rs.)	Value (Rs.)
1	Working table	1	16000	16000
2	Cutting table	1	12000	12000
3	Fibre stool	8	500	4000
4	Steel almirah	1	4500	4500
5	Steel Rack	2	4500	9000
6	Iron box	1	2500	2500

Sub total : 48000

2 Working capital

2.1 Staff and Labour (per month)

Sl no	Description	No	Salary (Rs.)	Total (Rs.)
1	Manager cum designer	1	6000	6000
2	Cutting master	2	5000	5000
3	Skilled workers	6	4000	24000

Grand total : 35000

2.2 Raw Materials (per month)

Sl no	Description	Qty	Rate (Rs.)	Total (Rs.)
1	Clothes for Churidars	2400 mtr	60	144000
2	Clothes for Nighty	1800 mtr	45	81000
3	Other items like laze, buttons, threads		5000	5000
4	Packing materials	1800 pieces	5	9000

Grand total : 239000

2.3 Utilities and Other Contingent Expenses (per month)

Sl No.	Description	Amount Rs.
1	Power	300
2	Water	50

3	Stationary	100
4	Repair and maintenance	1000
5	Transportation	2500
6	Telephone	250
7	Miscellaneous	1000

Grand total : 5200

Total Working Capital : 279200

3 TOTAL CAPITAL INVESTMENTS

Land	Rented
Building	Rented
Plant & Machinery	136500
Working Capital	279200

Grand total : 415700

4 SOURCE OF FINANCE

Promoters Contribution	83140
Term loan for machinery	109200
Working Capital Loan	223360

Grand total : 415700

5 Financial Analysis

5.1 Cost of Production (per year)

Sl no	Description	Amount Rs
1	Total recurring cost	279200
2	Depreciation on machinery @10%	8850
3	Depreciation on furniture @20%	9600
4	Interest on Term Loan @14%	15288
5	Interest on Working Capital Loan @14%	31270

Grand total : 344208

5.2 Turnover (per year)

Sl no	Items	Qty	Rate Rs	Total Rs
1	Churidar	800	600	480000
2	Nighty	800	200	160000

Grand total : 640000

5.3 Net Profit (per year)

Turnover	640000
Cost of production(-)	344208

Total : 295792

6 Net Profit Ratio

(Net profit per year/Turnover per year)x100 = **46.2175 %**

7 Break even point

Sl no	Description	Amount Rs
1	Rent for one year	24000
2	Total depreciation	18450
3	40% salary and wages	168000
4	40% of utilities and other contingent expenses	24960

Grand total : 235410

$$\begin{aligned} \text{B.E.P} &= (\text{Fixed cost} \times 100) / (\text{Fixed cost} + \text{Net profit}) \\ &= (235410 \times 100) / (235410 + 295792) \\ &= 23541000 / 531202 \\ &= \mathbf{44.316\%} \end{aligned}$$

The Project is Economically viable and Technically feasible. The project is submitted for approval.

Project Report of Pickle Unit



**National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045**

Project Report of Pickle Unit

1. INTRODUCTION

The project report includes the techno economic feasibility of setting up and functioning of a food production unit under the name and style of PICKLES. The project is at Kutiyattur in Kannur District.

2. PROMOTER.

The unit will function as a sole proprietary concern under the proprietor of Mr. Sivadasan, aged 45, residing at Kuttiyattur in Kannur district. The promoter has 15 years experience in marketing of pickles in Kannur and Kasargod District. And he has also got training in pickle making from Food craft Institute Calicut.

3 NATURE OF THE PROJECT.

The proposed activities of the unit comprised of production and sale of Pickles.

4 LOCATION AND INFRASTRUCTURAL FACILITIES.

Location.: The project is proposed to be located at Kuttiyattur in Kannur District.

Land and Building.: The proposed unit will function in a rented building bearing Building number KP I/155 Of Kuttiyattur Grama Panchayath. The unit required an building area of 900 Square Feet. The land and building space is enough for proper carrying out of activities of the unit.

Raw materials.: The important raw materials required by the units are Mango, Lime, Ginger, Garlic, Pickle powder and Oil. All the raw materials required for the unit is available in any quantity at reasonable rate from local market. This place is well known for Kuttiyattur mango which has highly demand in Malabar area. So there will not be any scarcity for the availability of raw materials.

Transportation.: The location of the unit is aside the main road and is also nearest to Kannur Municipality. There is enough space in premises for parking the vehicles and smooth flow of men and materials.

Labour.: The labour can easily procure from local places at reasonable cost at any volume

Power. : The unit requires 8 HP power to commence production. Power will be arranged by the unit.

Water.: The main water requirement for the unit is for drinking and sanitation purpose of workers. There is enough well water facility in the premises of the unit. Thus it can be concluded that the location of the unit is blessed with all infrastructural facilities.

5. TECHNICAL FEASIBILITY.

Scope and Marketing

The proposed product of the unit is pickle .The pickles being daily used food products has a ready market always. Unlike past all class of consumers, consuming readily available pickles from market rather than making them in home. The unit proposed to making good quality pickles at reasonable cost, therefore it can easily establish its brands name in market. The people now a days depending ready to eat pickles due to factors like lack of time to make them, efforts involving in preparing pickles. The promoter has experience in food product business for last few years, and has good contact with various markets, grocery shops , hotels etc. All these will enable him to market the products without any difficulty. Thus by consideration of all above factors , it can conclude that there is high scope for pickles manufacturing units.

Govt. licenses and permissions : The unit has already obtained all the required licenses.

Byproduct and effluent : The unit will not generated any byproduct and effluent.

6. Cost of the Project

The detailed cost of the project is under

	Rs. In lakhs
Fixed Assets	
Machinery	7.00
Other assets	0.60
Electrification	0.20
Preliminary and pre-operative	0.20
Working capital	2.50
Total	10.50

7. Means of finance

Promoters Contribution	3.50
Term loan from Bank	5.00
Working Capital from bank	2.00
Total	10.50

8. Economic Feasibility

The following annexure are annexed herewith to reveal the economic viability of the unit.

- a. projected working results and profitability
- b. Projected Cash flow statement
- c. Projected balance sheet.
- d. Statement of financial viability indices.

9. Conclusion.

From the above analysis, explanation and projection annexed, it could be assured that the unit can function profitably .

Annexure I

Statement of estimated production and sales at full capacity.

Estimated daily production 200 . Kg

No. of estimated working days 300 days

Total estimated production 60000 Kg

Sale rate per kg @ Rs. 80/-

Estimated annual gross receipt Rs. 4800000/-

Annexure II

Statement of Depreciation

Particulars	Years (Rs. In lakhs)				
	I	II	III	IV	V
Machinery					
\opening balance	0	5.95	5.06	4.30	3.65
Add. addition	7.00	0.00	0.00	0.00	0.00
Total	7.00	5.95	5.06	4.30	3.65
less depreciation 15 %	1.05	.89	.76	.65	.55
Closing Balance	5.95	5.06	4.30	3.65	3.15
Other Assets					
\opening balance	0.00	0.90	0.81	.73	.66

Add. addition	1.00	0.00	0.00	0.00	0.00
Total	1.00	0.90	.81	.73	.66
less depreciation 10 %	0.10	0.09	.08	.07	.06
Closing Balance	0.90	0.81	0.73	0.76	0.60
W.D.V	6.85	5.87	5.03	4.31	3.70
Depreciation	1.15	.98	.84	.72	.61

Annexure III

Statement of loan repayment and interest on loan

Term loan Rs. 5 lakhs @ 13 % interest

Repayment in 5 years

Particulars	Years (Rs. In Lakhs)				
	I	II	III	IV	V
Opening Balance	0.00	4.00	3.00	2.00	1.00
Add Addition	5.00	0.00	0.00	0.00	0.00
Add interest	.65	0.52	0.39	0.26	0.13
Total	5.65	4.52	3.39	2.26	1.13
Less paid during the year					
Principal	1.00	1.00	1.00	1.00	1.00
Interest	0.65	0.52	0.39	0.26	0.13
total	1.65	1.52	1.39	1.26	1.13
Closing Balance	4.00	3.00	2.00	1.00	0.00

Annexure IV

Statement of Working Capital requirement

Particulars	Years (Rs. In Lakhs)				
	I	II	III	IV	V
I. Current Assets					
a. Raw materials 2 week	1.20	1.26	1.32	1.38	1.44
b. finished goods 5 days	0.60	0.63	0.66	0.69	0.72
c. sundry debtors 2 week	1.20	1.26	1.32	1.38	1.44
D. Total	3.00	3.15	3.30	3.45	3.60
II Current liabilities					

a. Sundry creditors 1 week	0.50	0.55	0.60	0.65	0.70
Total	0.50	0.55	0.66	0.65	0.70
Net working capital	2.50	2.60	2.70	2.80	2.90

Annexure V

Statement of projected working results and project profitability

Particulars	Years (Rs. In lakhs)				
	I	II	III	IV	V
A .Estimated gross receipt at full capacity	48.00				
B. Capacity utilization	70%	75%	80%	85%	90%
C. Income gross sale	33.60	36.00	38.40	40.80	43.20
D. Direct expenses					
1.Raw materials.	18.63	19.96	21.29	22.62	23.95
2. Wages.	6.90	7.40	7.90	8.40	8.90
3. Other direct cost	0.60	0.64	0.68	0.72	0.76
TOTAL	26.13	28.00	29.87	31.74	33.61
E. Gross profit (C-D)	7.47	8.00	8.53	9.06	9.59
F . Indirect cost					
1. Interest on loan	0.91	0.78	0.65	0.52	0.39
2. Depreciation	1.15	0.98	0.84	0.72	0.61
3. Other administrative expenses	1.61	1.73	1.85	1.97	2.09
TOTAL	3.67	3.49	3.34	3.21	3.09
G. Profit before tax	3.80	4.51	5.19	5.38	6.50
H. Less income tax @10%	0.38	0.45	0.50	0.51	0.65
I. Profit after Tax(G-H)	3.42	4.06	4.69	5.34	5.85
J. Depreciation	1.15	0.98	0.84	0.72	0.61
NET CASH ACCRUED (I+J)	4.57	5.04	5.53	6.06	6.46

Annexure VI

Statement of Projected Cash Flow

Particulars	Years (Rs. In lakhs0)				
	I	II	III	IV	V
A. Source of fund					
1. Promoters contribution	3.50	0.00	0.00	0.00	0.00
2. Bank loan	7.00	0.00	0.00	0.00	0.00
3. Net cash accrued from operation	4.57	5.04	5.53	6.06	6.46
Total	15.07	5.04	5.53	6.06	6.46
B. Application of fund					
1. Capital expenditure	8.00				
2. Change in working capital	2.50	1.33	1.33	1.33	1.33
3. Loan repayment	1.00	1.00	1.00	1.00	1.00
4. Drawing by the proprietor	1.00	1.00	1.00	1.50	1.50
Total	12.50	3.33	3.33	3.83	3.83
C. Opening Cash Bank balance	0.00	2.57	4.28	6.48	8.71
D. Add net Surplus(A-B)	2.57	1.71	2.20	2.23	2.63
E. Closing balance	2.57	4.28	6.48	8.71	11.34

Annexure VII

Statement of financial viability indices

D.S.C.R

Particulars	Years(Rs. In lakhs)				
	I	II	III	IV	V
A. Net Cash accrued from operation	4.57	5.04	5.53	6.06	6.46
B. Add interest on loan	.91	.78	.65	.52	.39
Total fund available (A+B)	5.48	5.82	6.18	6.58	6.85
C. .Repayment of loan	1.00	1.00	1.00	1.00	1.00
D. Add interest	0.91	0.78	0.65	0.52	0.39
E. Debt service requirement(C+D)	1.91	1.78	1.65	1.52	1.39
D. D.S.C.R.	2.86	3.26	3.74	4.32	4.92
Average D.S.C.R	3.82				

Break Even Analysis

Particulars	Years (Rs. In lakhs)				
	I	II	III	IV	V
a. Sales	33.60	36.00	38.40	40.80	43.10
b. Variable cost	26.13	28.00	29.87	31.74	33.61
c. Contribution	7.47	8.00	8.53	9.06	9.61
d. Fixed cost	3.67	3.49	3.34	3.21	3.09
e. Breakeven point	49.12	43.62	39.15	35.43	32.15

Annexure VIII

Statement of projected balance sheet

Particulars	Years(Rs. In lakhs)				
	I	II	III	IV	V
A. Capital and liabilities					
1.Promotors Capital	3.50	3.50	3.50	3.50	3.50
2. Reserve and Surplus	2.42	4.25	6.71	9.32	12.44
3. Loan Fund	6.00	5.00	4.00	3.00	2.00
4. Current liabilities	0.50	0.55	0.60	0.65	0.70
Total	12.42	13.30	14.81	16.41	18.64
B. Assets					
1. Fixed Asset	6.85	5.87	5.03	4.31	3.70
2. Current Asset					
Inventory	1.80	1.89	1.98	2.07	2.16
Debtors	1.20	1.26	1.32	1.38	1.44
Cash Bank Balance	2.57	4.28	6.48	8.71	11.34
Total	12.42	13.30	14.81	16.47	18.64

Project Profile on Manufacturing of Palm Plate



**National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045**

1. Introduction :

This Enterprise is a proposed micro enterprise for the manufacture of Palm plates. It is a sole proprietary concern.. Now a day the importance of biodegradable materials is very high since polyethylene wastes poses severe threat to the universe. The disposable plates and food packing materials manufactured from easily available areca nut palm leaves is a better substitute for disposable polythene and paper plates. The Govt. is restricting the use of plastic materials and hence eco-friendly products are preferred to plastic products. There is an ever increasing demand for these items. Keeping this in mind, the promoter has ventured this unit..

2. Manufacturing process



Our products are manufactured from fallen dry sheaths of Betel nut trees. The areca sheath when dried will fall from the tree and it is collected from the farms fresh and used for making products. These sheaths are available in plenty in the South India region. The usage of these leaves was started from our ancestors. We are only making them into attractive shapes to meet the different customer requirements.

3. Infrastructure facilities:

a) **Power:**

Total Connected load of power estimated is 3 HP. The entrepreneur has already confirmed the availability from KSE B.

b) Water:

Water is required for soaking, cleaning and general purpose and it is available in plenty near to the site.

c) Transport:

The proposed site is located on the side of road.

d) Labour:

A total of 3 workers are required in addition to the promoter. All these skilled and unskilled workers can be recruited locally.

e) Others:

Telephone and Postal facilities are also available nearby.

4. Raw Material:

The raw material required by the unit is areca nut palm leaf. A relative of the promoter has an areca nut plantation which could supply required quantity palm leaves to the unit. The entrepreneur has ensured the annual requirement of raw material.

5. Production Capacity:

The proposed unit is rated for a production capacity of 31,250 pieces per month on single shift basis. The expected capacity utilization is 80%, for the 1st and 90% from the 2nd year onwards.

6. Marketing:

The product has a supply constraint in the market and the demand is very high. The market is expected to have a sustained higher growth for the coming years. The Govt. policies, changing trend and sustainable development concept will increase the importance of the product and its marketability.

7. Pollution:

The activity does not produce any pollution.

8. Machinery suppliers

1. Magnus coimbature
Mobile : +91 9944422522
: +91 95885559502

Hydraulic based Automatic machine and Flywheel type Manual machine.

8 Cost Estimate of of Building

9. a . MACHINERY AND EQUIPMENT`

Sl.No.	Item	Quantity	Price/unit	Vat	Total cost
1	Machine with die for 10" tray	1	24,000.00	1200.00	25200
2	Machine with die for 8" tray	1	22,000.00	1100.00	23100
3	Machine with die for 10" round	1	25,000.00	1250.00	26250
4	Machine with die for 9" tray	1	24,000.00	1200.00	25200
5	Machine with die for 8" tray	1	23,000.00	1150.00	24150
6	Machine with die for 17 cm square	1	24,000.00	1200.00	25200
7	Extra die	1	8,000.00	400.00	8400
	Total				₹ 157500

b. Plumbing Items

Sl.No.	Item	Quantity	Price/unit	Vat	Total cost
1	Water Tank, Pump set & Plumbing works	L	25,000.00	1250	26250
	TOTAL				26250

Total Fixed Expenses	₹	283750
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10. WORKING CAPITAL**(A). Raw materials required per month at 80% Capacity Utilisation**

Sl.No.	Item	Quantity	Rate	Value/month	Value for 1 year
1	Areca nut leaves	10,000	0.5	5000	60000
	Total			5000.00	60000.00
Total Raw materials required				5000.00	60000.00

B. Wages and salaries

1	Proprietor cum Manager	1	8000.00	8000.00	96000.00
3	skilled labour	2	6000.00	12000.00	144000.00
	Total			20000.00	240000.00
	Add 20% benefits			4000.00	48000.00
	Total	3		24000.00	288000.00

(C). Utilities and contingencies per month

1. Power charges	:	500
2. Rent	:	
3. Travel exp / Transport	:	000

12. COST OF PRODUCTION PER ANNUM

1. Total recurring expenditure per annum		
(a) Raw materials	:	60000.00
(b) Wages and salaries	:	288000.00
(c). Utilities and contingencies	:	84000.00
2. Depreciation on building if any @ 5%		
	:	5000.00
3. Depreciation on machinery and equipment 10%	:	15750.00
4. Depreciation of office equipment 20%	:	0.00
5. Interest on bank loan @ 14%.....	:	34729.00
Total	:	487479.00

13. RECEIPT (TURNOVER PER ANNUM)

Sl No.	Products	Qty	Selling Price	Value Per Month	Value Per Annum
1	Palm plates	2900 0	2.00	58000.00	696000.00
	Total			58000.00	696000.00
Total Sales revenue per annum					696000.00

Cost of Production Per Month:

Sl. No.	Particulars	Amount
		Rs.
1	Raw Materials	5,000.00
2	Salary/Wages	24,000.00
3	Utilities	7,000.00
4	Interest on Borrowings @ 14% pa.	2,894.08
5	Depreciation on Building @ 5% pa.	416.67
6	Depreciation On Machinery @ 10% Pa.	1312.50
7	Miscellaneous Selling Expenses	0.00

Total		40,623.25
Sales receipt per month		58,000.00

14. (a) PROFIT :	:	
Profit per Year		Cost of production per year - sales receipt per year 208521.00
Profit per month		17376.75
Tax 30 %		62556.00
Net Profit per Year	:	145965
Break Even Point	:	$\frac{\text{Fixed Cost} \times 100}{\text{Sales} - \text{Variable Cost}}$
Fixed cost	:	104479.00
Variable Cost	:	378000.00
BEP in %ge	:	32.86
Debt Service Coverage Ratio	:	$\frac{\text{(Net Profit+ Depreciation)}}{\text{(Loan repayment + Interest on Bank Loan)}}$
ie, DSCR	:	1.92
(b) Net Profit Ratio:	:	$\frac{\text{Net Profit} \times 100}{\text{Annual Turnover}}$ 20.97
15. RATE OF RETURN ON TOTAL INVESTMENT	:	$\frac{\text{Net Profit} \times 100}{\text{Total Investment}}$ 44.13

Project Report on Note Book Manufacturing



National Institute of Micro, Small and Medium Enterprises (ni-msme)
[an Organisation of Ministry of MSME, Govt. of India]
Yousufguda, HYDERABAD – 500 045

PROJECT AT A GLANCE

Product Name	Note books, Note pads, Record Books
Project Cost	1688500
Term loan	365000
Working Capital loan	900000
Own contribution	423500
Net profit (1st year)	721000
Net Profit Ratio (1st year)	12.22
BEP (1st year)	35.40
DSCR (1st year)	2.06

INTRODUCTION

Stationery items like note books, Record books, note pads, etc are always in demand for school and college students. The demand for note books is more in the months of June to August in every year. Similarly, Record books are essential in every office, institutions, organizations, etc. The size of the products will be decided as per the local market demands. Book production is the process of assembling a book from a number of folded or unfolded sheets of paper or other material. It usually involves attaching a book cover to the resulting texts-block.

Details of the products are given below

Item	size	pages	rate
Note book	8"x10"	160	22.5
Record book	8.5"x11"	100	32
Note pads	4"x5"	50	3

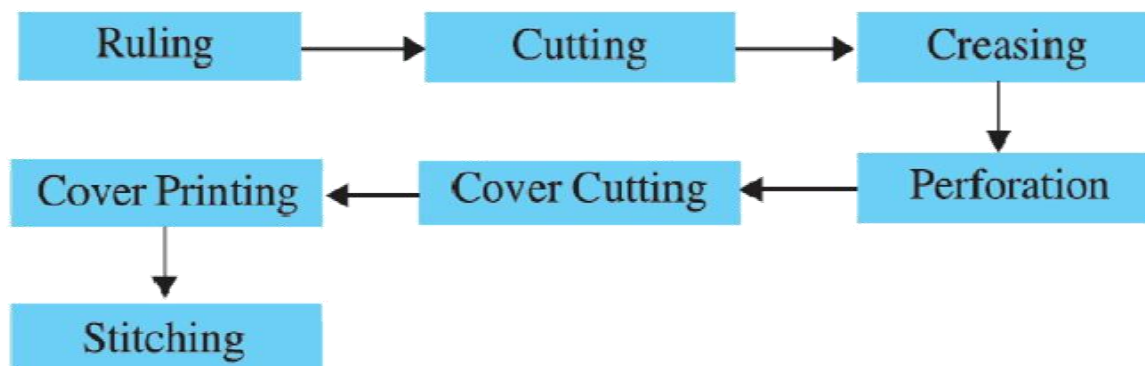
MARKET POTENTIAL

Basic raw materials for book binding are white sheets of paper ruled and unrolled, outer cover, stitching wire, jute twin, gum which are available in common market. To set up such units the only requirement is skilled labor. With the rise in economic activities and literal activities the market potential for book, binding is continuously increasing. Now the students prefer to use binding, rolling books or plain exercise books and left the idea to stitch papers in their homes. These products are largely sold through school societies, retail outlets and supermarkets.

MANUFACTURING PROCESS

First of all the papers are arranged in order. Required number of Pages are perforated as desired and stitched with cover page and gummed .After cutting the pages uniformly they are bound and packed. White paper and card board of different weights are required for binding of books. Binding cloth, flowered colored sheets, glue and thread etc, are required. Sheets of paper and paper boards are purchased from the market. The paper and paper board are then cut to size in the cutting machine. The papers are then stitched and bound with the help of glue and thread etc.

Process flow chart



QUALITY SPECIFICATIONS

The bounded book must have the finish and look with good pressing and secured stitching done.

CAPACITY

2,00,000 books , 40000 records and 40000 note pads per year in 4 cycles for the first year and additional 5% in the subsequent years.

IMPLEMENTATION SCHEDULE

The major activities in the implementation of the project has been listed and the average time for implementation of the project is estimated at 5 months:

Sl no	Activity	Time in months
1	Preparation of project report	1
2	Registration and other formalities	1
3	Sanction of loan	2
4	plant and machinery procurement and installation	1
5	Electricity connection and installation	1
6	procurement of raw materials	1/2
7	Recruitment of staffs	1/2
8	commercial production	1

Many of the above activities shall be initiated concurrently and the production can be started from 5th month onwards.

ECONOMICS OF THE PROJECTS

ASSUMPTIONS

The statement of production and profitability is based on the following assumption.

1	Number of working days	300
2	Number of shifts	1
3	Capacity utilization	5% addition in every year
4	Depreciation	10% on fixed assets
5	Repairs and maintenance	2% on equipments
6	interest on bank loan	13%
7	Administrative expenses	1% of sale
8	selling expenses	2% of sale
9	Wage increases	5% in annum

FIXED CAPITAL

1. Land and Building

The proposed unit is going to set up in a rented building with a rent of Rs.2000/ per month.

2. Machineries and Equipments

The machineries required for the production are paper cutting machine, binding machine, numbering machine etc. The details of machineries and equipments with their costs are given below.

Sl No	Item	No	Rate	Amount
1	Paper cutting machine 32" with 1 HP motor	1	88000	88000
2	Perfect Binding Machine Automatic Model 950Z up to 310mm Binding Length	1	285000	285000
3	Numbering machine	1	5000	5000
4	Manual Spiral/comb/wiro/press Binder WR310	1	15000	15000
5	Hand tools	1 set		1500
Total				394500

3.Furnitures and fittings

sl.no	Item	No	Rate	Amount
1	Decoration and fittings	1	25000	25000
2	Stools	4	600	2400
3	Shelf fitted on wall	2	5000	10000
4	Table	2	1500	3000
5	Others	5000		5000
Total				45400

4.Pre-operative expenses

Pre operative expenses include the cost of preparation of project report, license fee, Travelling expenses etc. It is estimated as Rs.13600/-.

5.Cost of Electrification

The cost of electrification is estimated as Rs 35000/- which includes the purchasing of materials, installation charge, connection charge etc.

WORKING CAPITAL RQUIRMENTS

1.Raw materials

Paper, cover pages, jute twine, iron wire, cloth etc. are the raw materials required and they are cheaply available in the local market.

Sl No	Item	Qty	Unit	Rate	Amount
1	Paper	275	ream	600	165000
2	Cover Page for record book	10000	nos	5	50000
2	Cover Page	50000	nos	2.5	125000
3	jute twine	100	kg	25	2500
4	Iron wire	100	kg	50	5000
5	White flour	50	kg	20	1000
6	Cloth	50	m	40	2000
	Total				350500

2.Salaries and wages

The proposed unit will provide employment to 4 persons including 2 unskilled workers their salary and wage details are given below.

Sl No	Designation/Category	No	Monthly salary	Amount
1	Manager	1	10000	10000
2	Skilled workers	1	8000	8000
3	unskilled workers	2	7000	14000
	Total			32000

3.Other Monthly Expenses

Electricity ,Rent, phone bill, employee insurances ,transport. Etc are the other expenses. The unit will provide insurance facilities to the employees.

Sl No	Item	Amount
1	Power	2500
2	Rent	2000
3	Phone bill	500
4	stationery	500
5	Insurance to employees	1000
6	Transport and conveyance	12000
	Total	18500

4.Working capital calculation(one cycle=3 months)

Sl No	Item	period in days	Total amount
1	Stock of raw materials	30	420600
2	Work in progress	10	140200
3	Stock of finished goods	15	210300
4	Receivables	20	280400
	Total		1051500
ROUNDED TO			1050000

One cycle expenses 1050000
salary for 3 months 96000

other exp for 3 months 55500

W C for one cycle 1201500

Rounded to **1200000**

PROJECT COST AND MEANS OF FINANCE

The total project cost is Rs. 1688500/- and 75% of the cost is taken as loan from bank and the 25% is the contribution of the proprietor.

PROJECT COST

Sl No	Particulars	Amount
1	Land and building	Rented
3	Machineries & equipments	394500
4	Electrification	35000
5	Furniture and fittings	45400
5	Prelim. & pre-operative expenses	13600
7	Working capital	1200000
	Total	1688500

MEANS OF FINANCE

Sl No	Particulars	Amount
1	Term Loan	365000
2	Working Capital Loan	900000
3	Promoters contribution	423500
	Total	1688500

SALES PER CYCLE

SI No	Item	Qty	Unit	Rate	Amount
1	Note books	50000	nos	22.5	1125000
2	Record Books	10000	nos	32	320000
3	Note pads	10000	nos	3	30000
	Total				1475000

SALES FOR 1ST YEAR , 14.75*4=59 LAKH

COST OF PRODUCTION & PROFITABILITY STATEMENT(in lakhs)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
No. of working days	300	300	300	300	300
No. of shifts	1	1	1	1	1
Capacity utilization	60	65	70	75	80
Production	59	64	69	72	77
SALES	59	64	69	72	77
COST OF PRODUCTION					
Raw materials	42	44.1	46.31	48.63	51.06
Salaries	2.16	2.27	2.38	2.5	2.63
Wages	1.68	1.76	1.85	1.94	2.04
Power charges	0.3	0.33	0.36	0.4	0.44
Repairs & maintenance	0.08	0.09	0.1	0.11	0.12
Insurance	0.08	0.09	0.1	0.11	0.12
Depreciation	0.47	0.47	0.47	0.47	0.47
TOTAL	46.77	49.11	51.57	54.16	56.88
GROSS OPERATING PROFIT	12.23	14.89	17.43	17.84	20.12
EXPENSES					
Administrative & selling expenses	1.77	1.95	2.15	2.37	2.61
Other Financial expenses	1.56	1.72	1.89	2.08	2.29

Interest on bank Loan	1.52	1.2	0.88	0.52	0.2
TOTAL EXPENSES	4.85	4.87	4.92	4.97	5.1
Net operating profit	7.38	10.02	12.51	12.87	15.02
Income tax	0.17	0.3	0.43	0.44	0.55
Net profit	7.21	9.72	12.08	12.43	14.47
Add depreciation	0.47	0.47	0.47	0.47	0.47
Cash surplus	7.68	10.19	12.55	12.9	14.94

CASH FLOW STATEMENT(amounts in lakhs)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
SOURCE OF FUNDS					
Share capital	1.22				
Profit before taxation	7.38	10.02	12.51	12.87	15.02
Depreciation	0.47	0.47	0.47	0.47	0.47
Increase in bank loan	12.65	0	0	0	0
Total	21.72	10.49	12.98	13.34	15.49
DEPOSITION OF FUNDS					
Prelim & pre-operative expenses	0.14	0	0	0	0
Increase in capital expenditure	4.89	0	0	0	0
Decrease in bank loan	2.53	2.53	2.53	2.53	2.53
Decrease in unsecured loans	0	0	0	0	0
Interest on bank loan to bank	1.52	1.2	0.88	0.52	0.2
Taxation	0.17	0.3	0.43	0.44	0.55
Dividend on equity	0	0	0	0	0
Total	9.25	4.03	3.84	3.49	3.28
Opening balance	0	12.47	18.93	28.07	37.92
Net surplus	12.47	6.46	9.14	9.85	12.21
Closing balance	12.47	18.93	28.07	37.92	50.13

BREAK EVEN ANALYSIS(amounts in lakhs)

	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
	Sales	59	64	69	72	77
FIXED COST	Salaries	2.16	2.27	2.38	2.5	2.63
	Repairs & maintenance	0.08	0.09	0.1	0.11	0.12
	Administrative expenses	0.59	0.64	0.69	0.72	0.77
	Insurance	0.08	0.09	0.1	0.11	0.12
	Depreciation	0.47	0.47	0.47	0.47	0.47
	Interest on bank Loan	1.52	1.2	0.88	0.52	0.2
	TOTAL	4.9	4.76	4.62	4.43	4.31
	VARIABLE COST	Raw materials	42	44.1	46.31	48.63
Wages		1.68	1.76	1.85	1.94	2.04
Power charges		0.3	0.33	0.36	0.4	0.44
Selling expenses		1.18	1.28	1.38	1.44	1.54
TOTAL		45.16	47.47	49.9	52.41	55.08
	BEP in % of installed capacity	35.40	28.8	24.2	22.6	19.7

PROJECTED BALANCE SHEET (amounts in lakhs)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
LIABILITIES					
Share capital	1.22	1.22	1.22	1.22	1.22
Reserve & surplus	12.47	18.93	28.07	37.92	50.13
Bank loan	12.65	10.12	7.59	5.06	2.53
Total liabilities	26.34	30.27	36.88	44.2	53.88
ASSETS					
Opening stock	0	12.47	18.93	28.07	37.92
Gross block	11.86	11.39	10.92	10.45	9.98
Less depreciation	0.47	0.47	0.47	0.47	0.47
Net block	11.39	10.92	10.45	9.98	9.51
Investment	0	0	0	0	0
Current assets	11.39	23.39	29.38	38.05	47.43
Cash & Bank balance	14.95	6.88	7.5	6.15	6.45
Total assets	26.34	30.27	36.88	44.2	53.88

REPAYMENT SHEDULE OF BANK LOAN(amounts in lakhs)

Year	Installment no	term loan	Installment	Balance	Interest
1	1	12.65	0.6325	12.018	0.41
	2	12.0175	0.6325	11.385	0.39
	3	11.385	0.6325	10.753	0.37
	4	10.7525	0.6325	10.12	0.35
			2.53		1.52
2	5	10.12	0.6325	9.4875	0.33
	6	9.4875	0.6325	8.855	0.31
	7	8.855	0.6325	8.2225	0.29
	8	8.2225	0.6325	7.59	0.27
			2.53		1.2
3	9	7.59	0.6325	6.9575	0.25
	10	6.9575	0.6325	6.325	0.23
	11	6.325	0.6325	5.6925	0.21
	12	5.6925	0.6325	5.06	0.19
			2.53		0.88
4	13	5.06	0.6325	4.4275	0.16
	14	4.4275	0.6325	3.795	0.14
	15	3.795	0.6325	3.1625	0.12
	16	3.1625	0.6325	2.53	0.1
			2.53		0.52
5	17	2.53	0.6325	1.8975	0.08
	18	1.8975	0.6325	1.265	0.06
	19	1.265	0.6325	0.6325	0.04
	20	0.6325	0.6325	0	0.02
			2.53		0.2

PROJECTED DEBT SERVICE COVERAGE RATIO(amounts in lakhs)

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Net profit	7.21	9.72	12.08	12.43	14.47
Depreciation	0.47	0.47	0.47	0.47	0.47
Rent	0.24	0.25	0.26	0.27	0.28

Interest on bank loan	1.52	1.2	0.88	0.52	0.2
Repayment of loan	2.7	2.7	2.7	2.7	2.7
DSCR	2.06	2.74	3.5	3.85	4.76
AVERAGE DSCR	3.39				

CONCLUSION

From the forgoing pages and the financial information stated in the subsequent pages, it can be seen that the project can generate sufficient funds to meet its financial commitments and to share an adequate return to the promoters. Thus, the project is technically feasible, economically viable and financially sound and hence it warrants a favorable consideration by the financial institution.

DAIRY PRODUCTS

1. Introduction

Agriculture along with animal husbandry has been and will continue to be the lifeline of Indian economy. India has the highest livestock production with 50% of the buffaloes and 20% of the world's cattle population, most of which are milch cows and milch buffaloes. India has emerged as the largest milk producing country in the world with present level of annual milk production estimated as 94.5 million tonnes. It is the most important sector of the Indian economy particularly in poverty alleviation and employment generation. This sector contributes close to one-fourth of India's National income and total work force engaged in agriculture is about 60 per cent.

At global level, milk has been identified as an integral part of food for centuries. The success of White Revolution in India has largely been written by millions of small holders. About 70 million dairy farmers produce more than 50 per cent of the milk in the country. Milk and milk products such as Curd, Flavoured milk, Ghee, Butter, Paneer etc. are the important components of the Indian food industry. Consumption of milk and milk products is deeply rooted in our tradition and it is an essential item during rituals, festivals and other auspicious events.

Dairy products are commonly consumed in every household as they are highly nutritive and farm fresh. In hot tropical climate like ours, they are nourishing, cooling and less expensive. They also form an alternative to aerated and bottled soft-drinks.

2. Products and Packaging

The products manufactured are Flavoured milk, Curd, Butter-milk and Ghee. The Flavoured milk in Vanilla and Strawberry flavours can be sold in 200 ml glass bottles. Curd and Butter-milk are packed in polyethylene pouches of 200 ml. capacity. Ghee is packed in 100 gm capacity food-grade plastic bottles.

3. Market

The dairy products have a very good demand in domestic market in all seasons. Butter-milk and curd will be more demanding during summer and the demand for Ghee will shoot up in south India during the three months of 'Sabarimala' pilgrimage season. The products could be sold out through all "A", "B", "C" class outlets, Bakeries, self-service, departmental stores and supermarkets.

4. Production capacity

- The plant operates to one shift of eight hours duration.
- The time period required for achieving full capacity utilization is six months.
- The processing capacity is estimated to 500 litres of raw-milk per day. The average yield is estimated to 250 litres of Flavoured-milk, 120 litres of curd, 300 litres of buttermilk and 15 kg of Ghee per day.
- The estimated processing capacity per annum of 300 working days is 1,50,000 litres of Raw-milk.

5. Sales revenue per day

- Two hundred and fifty litres of flavoured milk can be packaged to 1250 bottles, each of 200 ml capacity.
- One hundred and twenty litres of curd can be filled to 600 sachets of buttermilk, each of 200 ml capacity.
- Three hundred litres of Buttermilk can be filled to 1500 sachets, each of 200 ml capacity.
- Fifteen Kilogram of Ghee can be packaged to 150 bottles, each of 100 gm capacity.

The sales revenue per annum comprises :

- a. Rs. 45.00 lakhs through sale of Flavoured milk @ Rs.12.00 per bottle. MRP Rs.20
- b. Rs. 10.80 lakhs through sale of Curd @ Rs. 6.00 per sachet. MRP Rs.10
- c. Rs. 18.00 lakhs through sale of Butter-milk @ Rs.4.00 per sachet. MRP Rs.6
- d. Rs. 9.00 lakhs through sale of Ghee @ Rs.200.00 per Kg bottle. MRP.300

6. Production process outline.

The Raw-milk will process in Cream-separator machine to separate the cream to 2.5 to 3.5 % depending on the fat content of the milk. The remaining milk is called skim milk which contains 0.5 to 1.5 % fat is used to prepare Floured milk, curd and buttermilk. The fat portion is then heated to separate the Ghee.

a. Flavoured Milk:

The skimmed milk is boiled in copper bottom vessels and cooled by dipping into the can cooler. Flavours (Vanilla and strawberry) sugar and food grade colours are added, stirred well and filled to 200 ml glass bottles. After capping and sealing, the bottles are shifted to Autoclave to sterilize it. When cooled down, the flavoured milk is ready to sale.

b. Curd:

The skimmed milk is boiled in copper bottom vessels and cooled by dipping into the can cooler. The cream separating on top is skimmed off. The milk is then curdled by the addition of seed curd. The curd is allowed to set gradually in 8 to 10 hours time and increases its volume by 120%. Then it is packed in plastic pouches and refrigerated prior to dispatch.

c. Butter-milk:

Milk is boiled in copper bottom vessels and cooled by dipping into a can cooler. The cream separating on top is skimmed off. The milk is curdled by addition of sufficient quantities of seed curd and allowed to set for a period of 8 to 10 hours. To a known weight of the curd, salt and spices consisting of an extract of green chillies, ginger, pepper, cumin, amounting to 2 percent of the weight of the curd and tree times of sterilized water are added. The mixture is homogenized in a centrifugal homogeniser. The resulting liquid mass is dispensed by 200 ml dispensers in standee pouches. The pouches are sealed in an impulse sealer.

d. Ghee:

The separated fat is heated to remove the water content. When the pure ghee is formed, the hot fluid is allowed to cool down and then bottled in food grade plastic bottles of 100 gm capacity. After labeling it is ready to sale.

7. Quality specifications

- The manufacturer must obtain a Health Authority license.
- Mold and fungal growth should be absent.
- The product should not have a fermented odour and should not provide an acidic sour taste.
- Addition of harmful flavouring and colouring substances are prohibited.
- Addition of artificial sweeteners is prohibited.
- The product should be free from coliforms, salmonella and streptococci bacteria.

8. Pollution control measures

Not necessary as there are no pollutants or effluents. However, as it is a dairy product, the processing area has to be kept sterile by washing with a solution of sodium hypochlorite to prevent external pollution.

9. *Energy conservation measures* :Common measures will do.

10. Land and construction cost for the proposed unit

The total leased area for the unit is 1000 square feet vide details given below:

Sl	Description	Sq. feet
1	Processing area	500
2	Refrigeration room	150
3	Washing area	150
4	Office space	100
5	Toilets	100
6	Total	1000

Lease rent – Rs. 8.00 per square foot, Total rent per month – Rs. 8000

11. Costing of machinery and equipment

Sl	Description	Rs. lakhs
1.	Cream Separator	0.500
2.	Packing Machine(Plastic sachet)	0.300
3	Autoclave	0.750
4	Bottle capping machine(Manual)	0.100
5	Copper bottom heating vessels	0.350
6	Can cooler	0.550
7	Refrigerator (2 nos)	0.660
8	Stainless steel storing vessels	0.150
9	Freezer	0.700
10	High speed centrifugal homogeniser	0.250
11	Slat conveyers and sealers	0.250
12	Stainless steel working tools	0.100
13	Weighing scales, dispensers, fillers etc	0.250
14	Plastic trays (50 nos)	0.100
15	Total	5.010
16	Laboratory equipment	0.500
17	Grand total machinery and equipment	5.510

12. Project cost on Fixed Capital

Sl	Description	Rs. lakhs
1	Land	On lease
2	Civil works	On lease
3	Plant machinery	5.010
4	Laboratory equipment	0.500
5	Transport vehicle	1.800
6	Pollution control equipment	0.000
7	Energy conservation equipment	0.000
8	Cost of power connection	0.100
9	Cost of electrification	0.250
10	Erection and commissioning	0.220
11	Cost of machinery spares	0.100
12	Cost of office equipment	0.500
13	Deposits if any	0.200
14	Company formation expenses	0.170
15	Gestation period expenses	0.500
16	Sales tax registration expenses	0.100
17	Initial advertisement and publicity	0.300
18	Contingencies	0.350
19	Working capital margin money	0.400
20	Total Fixed Capital	10.500

13. Working capital requirements per month

a. Salaries and wages

Sl	Description	No of persons	Total salary / month (Rs. lakhs)
1	Production Manager	1	0.100
2	Unskilled labour	3	0.075
3	Driver	1	0.060
4	Assistant driver	1	0.040
5	Accounts and Administration	1	0.100
6	Total	7	0.375

b. Raw material requirement per month

Sl	Description	Qty	Rate / unit (Rs)	Value (Rs. lakhs)
1	Milk	12500 Ltrs	24.00	3.000
2	Sugar	1000 kg	40.00	0.400
3	Flavour	200 kg	220.00	0.440
4	Spices and salt	625 kg	20.00	0.125
2	Total raw material			3.965

c. Packaging material requirement per month

Sl	Description	Qty	Rate / unit Rs)	Value (Rs. lakhs)
1	200 ml polythene pouches for curd	12500	0.50	0.0625
2	200 ml polythene pouches for buttermilk	25000	0.50	0.125
3	100 ml food grade plastic bottle for ghee	3750	2.00	0.075
3	200 ml Glass bottles to substitute for damaged	6250	4.00	0.250
4	Labels	30000	0.25	0.075
5	Glass-Bottle caps	25000	0.40	0.100
	Total			0.6875

Total raw + packaging material = Rs. 4.653 lakhs

d. Utilities per month

Sl	Description	Rs. lakhs
1	Power 1500 kwh @ Rs. 3.50 per unit	0.050
2	Water	0.010
3	Fuel(LPG)	0.075
4	Total utilities	0.135

e. *Contingent expenses per month*

Sl	Description	Rs. lakhs
1	Rent for processing shed	0.080
2	Postage and stationery	0.010
3	Telephones, fax etc.	0.050
4	Consumable stores	0.020
5	Repairs and maintenance	0.066
6	Local transports, loading and unloading	0.100
7	Advertisement and publicity	0.133
8	Insurance	0.005
9	Sales expenses & Trade incentives	0.027
10	Miscellaneous expenses	0.027
11	Taxes @ 4%	0.276
12	Total contingent expenses	0.794

f. *Total working capital requirement per month*

Sl	Description	Rs. lakhs
1	Salaries and wages	0.375
2	Raw material and packaging material	4.653
3	Utilities	0.135
4	Contingent expenses	0.794
5	Total	5.957

g. **Total Project cost = Fixed Capital + Working Capital(One month)**

$$= 10.50 + 5.957$$

$$= 16.457 \text{ Lakhs}$$

14. *Means of finance*

Sl	Description	Rs. lakhs
1	Term loan from bank for Fixed Capital (70%)	7.350
2	Cash Credit for Working Capital (70%)	4.169
3	Equity (30% of Total Project cost)	4.937
	Total	16.456

15. Financial analysis

Sl	Description	Rs. lakhs
1	Total recurring cost per year	71.484
2	Depreciation on land and building	0.000
3	Depreciation on machinery	0.550
4	Depreciation on furnaces	0.000
5	Depreciation on moulds and fixtures	0.000
6	Depreciation on office equipment	0.100
7	Interest on long term loan @ 14%	1.470
8	Interest on short term borrowings@ 14%	0.834
9	Total cost of production	74.438

16. Turnover per year

Sl	Item	Qty	Rate/unit (Rs)	Total Rs. lakhs
1	Flavoured milk	75000 litres	60	45.00
2	Curd	36000 litres	30	10.80
3	Buttermilk	90000 litres	20	18.00
4	Ghee	4500 Kg	200	9.00
	Total			82.80

17. Viability analysis

Sl	Description	Value
1	Gross profit before income tax (Rs. lakhs)	8.362
2	Net profit after Income Tax(25%)	6.272
3	Net profit ratio	7.57%
4	Internal rate of return	38.11%
5	Break even percentage	47.69%

17(a). Calculation of Viability Ratios:

$$\begin{aligned}\text{Net Profit Ratio} &= (\text{Net profit} \times 100) / \text{Sales} \\ &= (6.272 \times 100) / 82.80 \\ &= 7.57 \%\end{aligned}$$

$$\begin{aligned}\text{Internal Rate of Return} &= (\text{Net Profit} \times 100) / \text{Total Investment} \\ &= (6.272 \times 100) / 16.457 \\ &= 38.11 \%\end{aligned}$$

$$\text{BEP} = (\text{Fixed cost} \times 100) / (\text{Sales} - \text{Variable Cost})$$

Fixed Cost = depreciation + Term loan Interest + salary

Variable Cost = Raw material + Utilities + wages

Fixed cost = 0.86 Lakhs

Variable cost = 5.097 Lakhs

Sales = 6.90 Lakhs

$$\text{BEP} = (0.86 \times 100) / (6.90 - 5.097)$$

$$= 86 / 1.803$$

$$= 47.69 \%$$

18. List of Machinery Suppliers

1. M/s. Mega Machines, 414B, Councilor Rd, Cochin, Kerala-682017
2. M/s. Thaimadam Machines, Fathimapuram, Changanassery, Kerala-686101
3. M/s. Universal Dairy Equipments, 394, Giriamman Koil Street, Peelamedu, Coimbatore, Tamil Nadu-641004

19. Conclusion

From the above discussion it can be seen that the project is technically feasible and economically viable on the financing pattern.

PROJECT PROFILE ON DETERGENT POWDER AND CAKES

PREPARED BY

SMITHA.P

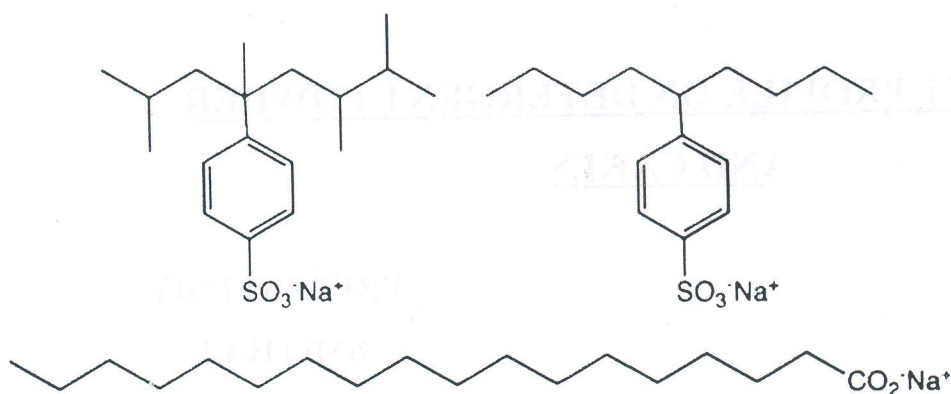
DIC, MALAPPURAM

1. INTRODUCTION

Laundry detergent or washing powder is a substance that is a type of cleaning agent that is added for cleaning laundry. In common usage, "detergent" refers to mixtures of chemical compounds including alkyl benzene sulfonates, which are similar to soap but are less affected by hard water. In most household contexts, the term detergent refers to laundry detergent vs hand soap or other types of cleaning agents. Most detergent is delivered in powdered form.

Many kinds of molecules and ions can serve as high-efficiency surfactants. They are often classified according to the charge of the molecule or ion, the three main classes being anionic, neutral, and cationic detergents. Anionic detergents are most commonly encountered for domestic laundry detergents. Detergents are ions or molecules that contain both polar and non polar components. The polar component allows the detergent to dissolve in the water, whereas the non polar portion solubilizes greasy ("hydrophobic") materials that are the usual target of the cleaning process. An estimated 6 billion kilogram Components

Modern detergent formulations - the entire product vs just the surfactant - contain several components. Three main ingredients are builders (50% by weight, approximately), the alkyl benzene sulfonate surfactant (15%), and bleaches (7%).



2. SCOPE OF THE PROJECT

Detergent is a mixture of surfactants having cleaning property in dilute solutions. In most household contexts the term detergent by itself refers specifically to laundry detergents or dish detergents.

One of the largest applications of the detergents is for cleaning clothing. The formulations are complex, reflecting the diverse demands of the application and the highly competitive consumer market.

3.FEASIBILITY REPORT

3.1 Utilities

Utility required is power and water which are available at site. The place has enough drainage and transportation as well as storage facilities required.

3.2 Management set up

The unit will be managed by the promoter with assistance from other labourers.

3.3 Schedule of Implementation

It is possible to complete the entire work in a period of one month.

3.4 Machinery and Equipments

Sl.No	Description	Quantity	Rate	Total
01	Water tank and related accessories	3set	17,660	52,980
02	Mixer accessories	3set	22,000	66,000
03	Metal cooling frames	5	2,000	10,000
04	Stamping machine	4	6,000	24000
05	Mixing tank	3	19,000	57000
06	cutting set	3	1,000	3,000
07	Detergent powder machine	3	14,000	42,000
08	Dies	3set	19,000	57,000
09	Other accessories		50,000	50,000
10	Office furniture		60,000	60,000
	Total			4,21,980

3.5 Raw materials required for a month

01	Coconut oil	1200 Kg	1,20,000
02	Mutton talo	15000Kg	48,000
03	R.B oil	20000Kg	1,22,000
04	Caustic soda	6000Kg	15,000
05	Sodium silicate	80000 Kg	1,22,000

06	Colour	20 Kg	100
07	Titanium dioxide	100Kg	1500
08	Perfume	200Kg	15,000
09	Acid slurry	2000Kg	15,000
10	Talcum Powder	400 Kg	4,000
11	Carton	20000nos	15500
Total			4,78,100

3.6 Wages and Salaries

Sl.No	Designation	No.	Wages per month	Total
01	Soap maker	3	10,000	30,000
02	Asst. Soap maker	3	8,000	24,000
03	Helpers	6	5,000	30,000
04	Sales man	3	9,000	27,000
Total				1,11,000

3.7 Utilities and Contingencies for one month

a)	Power charge	1000
b)	Travel Expense	2500
c)	Miscellaneous Expenses	2000
d)	Advertisement	20,000
Total		26,000

3.8 Total Capital

1.	Fixed Capital	4,21,980
2.	Working Capital	6,15,100
Total		10,37,080

3.9 Source of Funds

1.	Own Capital	2,59,270
2.	Term Loan	3,16,485
3.	Working Capital Loan	4,61,325

4 FINANCIAL VIABILITY

4.1 Cost of production per annum

a)	Raw materials	57,37,200
b)	Wages and Salaries	13,32,000
c)	Utilities and Contingencies	3,12,000
d)	Depreciation on Machinery and equipments(10%)	42,198
e)	Interest on bank loan (12%)	93,337
f)	Other expenses	10,000
	Total	75,26,735

4.2 Sales per annum (Turn over)

Sl.No	Product	Quantity	Rate	Value
a)	Detergent cake	70,000kg	30	21,00,000
b)	Detergent powder	50,000kg	120	60,00,000
	Total			81,00,000

4.3 Profitability

a)	Gross Profit = Sales-Turnover	5,73,265
b)	Net Profit (after 10% tax)	5,15,939
c)	Net profit ratio = Net profit * 100/sales	6.37 %
c)	Rate of Return of total investment = Net profit*100/investment	49.75 %
d)	Fixed cost=Depreciation+Term loan interest+40%wages	6,12,976
e)	Variable cost=Raw material+Utilities+60% wages	12,51,600
f)	BEP=Fixed cost*100/(sales-variable cost)	48.97%

5. ABSTRACT

1.	Fixed Capital	4,21,980
2.	Working Capital	6,15,100
3.	Total Capital	10,37,080
4.	Employment	15
5.	Power requirement	10 HP
6.	Annual turnover	81,00,000
7.	Gross profit	5,73,265
8.	Net profit	5,15,939
9.	Net profit ratio	6.37 %
10.	Rate of return of investment	49.75%
11.	Break Even Point	48.97%

6.MACHINERY SUPPLIERS

1. Alisha machines, Alisha(H), plot no:74, sector1,Kandiwali(W), Mumbai-400067
2. New Tech machines, Tirur Road, Changuvetti, Kottakkal, Malappuram
3. M/s Sony Industries,196-A,SN Purama Road,52 Housing colony , Sivakasi

7. CONCLUSION

From the above discussion it can be seen that the project is technically feasible and economically viable on the financing pattern.

SANITARY NAPKIN MANUFACTURING PROJECT

Superior sanitary napkin can be made at home: a unique project proposal for the Development of Rural and urban poor women.

Introduction

A sanitary Napkin or pad is an absorbent item worn by a woman while she is menstruating, abortion or any other situation where it is necessary to absorb flow of blood. Usually the Napkins are manufactured in high cost machine only. The cost of such machine is about 75 lakhs to 2.5 crores. These machines are generally run by multinational companies only. Now the quality napkins can be manufactured at home by using the newly invented sanitary napkin manufacturing machine at the cost of Rs.65000 only.

The benefit

- A) Rural women can develop economically by providing direct and indirect employment.
- B) For community of rural and urban females the hygiene levels can be improved
- C) The napkin does not pollute the environment. Disposal is easy as mostly wood pulp is being employed which has a distinctive property of being biodegradable.
- D) Each unit produces 4000 packets of napkin (consisting of 8 napkins each) for a single shift of eight hours every day, which can create a direct employment for 6 to 10 women.
- E) By selling this napkin through resident dealer mode, a large number of women would get economical benefit through indirect employment.
- F) Being a female needed products, this has the potential for having a long term stable and profitable business model, compared to other complicated and risky business initiatives by women self help groups and women entrepreneurs.

Scientific description

Napkins are manufactured in high cost machines only. The cost of the machine is about 75 lakhs to 2.5 crores. These machines are generally run by multinational companies only. By seeing the napkin's whiteness, people who are interested to make these napkins feel that the material used for napkin manufactured is cotton. They used viscose cloth to wrap the cotton. The cotton has a tendency to absorb the liquid, but it releases under slightest pressure or squeeze. Due to this simple reason acceptability and saleability become tough which lead to collapse of these industries. But on automated plant big companies are not using cotton instead they are using wood fibre. Wood fibres and non woven fabrics are generally procured in roll forms that can be processed on high cost machines only. The nature of the wood fibre is that it will absorb and retain the liquid even under pressure. This would give a dry feel to the user. Thus users are satisfied. Now by this just Rs.50000 worth new invention mini sanitary napkin unit that runs on simple technology can process the wood pulp and the non woven fabric, and even a rural woman can manufacture superior saleable napkins at a fraction of cost compared to big company manufacturing units.

TECHNICAL DESCRIPTION

Mini sanitary napkin unit consists of three machines

1) De-fiberation machine

Wood pulp which is commercially available in sheet form can be de-fiberated on this low cost machine. The carbon alloy steel blade in this machine that runs at 10000 rpm that de-fiberates the wood pulp to a required filament length of 1-1.5mm, instead of grinding. The capacity of the de-fiberation machine is 150 gms/min that yields to a volume of 1 cubic feet of de-fibered soft pulp. The machine runs on 1 Hp single phase motor. The size of the machine is 36"x24"x30"

2) Core Forming machine

The purpose of the machine is to compress the de-fibered pulp into a required shape of the soft core of the napkin. It is a manual machine that does not utilise even a single unit of power. The machine size is 24"x24"x30"

3) Napkin finishing machine

Formed wood pulp cores on the core forming machine are then wrapped by a non woven fabric and is sealed by sensitive impulse sealing method. The power requirement is 40 volts. The machine speed is 4-10 napkins/min. Nichrome alloy filament is used in the construction of the sealing pads. The machine size is 36"x30"x30"

Tangible benefits

Hygiene improvement among rural women, economic development on rural women by providing direct and indirect employment to millions of rural women. The average income of women become Rs.2000-3500 per month. Most women use cloth during their menstruation days. This is because price is the biggest entry barrier. A pack of 10 sanitary napkins would cost Rs.30-40. Therefore, the average spending during the menstruation days would be around Rs.48, which is expensive by Indian standards. Most Indian women fashion up pads out of cotton cloth as a home made and inexpensive solution to the hygiene and comfort needs during periods. These home made cloth pads are washed and reused. They lack the absorbing and liquid retention capacity of sanitary napkin and hence may lack in hygiene and comfort. Studies reveal that the practice of using cloth during periods associated with very high risk of cervical cancer. There are chances that 98 out of 100 people will develop this type of cancer and if controlled, spread to other parts of the body. Lack finance is the reason why the rural women opt for this mode of tackling those 4-5 days, even adolescent girls got affected by this unhygienic practice. The reason is that even that they know about the sanitary napkin the cost of the napkins manufactured by multinationals was not affordable. In this situation with this mini sanitary napkin unit, napkins can be manufactured on this low cost unit are easily saleable in rural areas. These will be a boon for women self help groups and women entrepreneurs in rural and urbane areas also.

"Don't use ordinary salts use iodised salt"

The women entrepreneurs will be able to educate the rural women not to use cloth but instead use sanitary napkin. The low cost machine napkin units create employment for rural women. The napkins produced by these units are low in cost so affordable by rural, semi urbane and even urban poor. The napkins produced and sold by rural women are the unit run by women entrepreneurs, irrespective of area. They would be able to interact with local women. They can also teach the napkin usages and advantages. By this way they would be able to switch over from unhygienic cotton- cloth method to hygienic sanitary napkin. Thus for rural India, the social impact will be

1) The affordable cost of the sanitary pads replaces the use of unhygienic cloths during menstruation periods by the rural and urban economically poor women.

2) Economic development by providing direct and indirect employment to a lot of poor women

New invention napkin does not affect any environment. Usually napkins produced by corporate never bother about the disposal. But the new invention low cost napkin producers can teach the rural women on disposal methods as only wood pulp is being employed which has a distinctive property of being bio degradable

Every new invention sanitary napkin making units produce 4000 packets of napkin consists of 8 napkins each for a single shift of eight hours everyday.

Manufacturing process in detail

Firstly de-fiberation of wood pulp is done on the difiberation machine . Secondly the de fibered wood pulp is measured on a weighing scale. Thirdly the wood pulp is filled on a core block and pressed by core forming machine. After this, pressed cores are wrapped by non-woven fabric and sealed by using napkin finishing machine (sealing machine).Then position sticker is pressed is pasted on the napkin and then packed.

Intensive training to manufacture napkins is given on field.

FINANCIAL ASPECTS.

Non-Recurring expenditure

1.Land and building

Here it will be started in a rental building . Required space is

16 Feet X 16 Feet-one room. The monthly rent is fixed at Rs.750.

2.Machineries

Sl.no	Name of machinery	Nos	Value(Rs)
1	De-Fiberation machine for grind wood pulp	1	19500
2	Core Morning Machine-To form Napkin core with De-fibered Wood pulp	1	5500
3	Soft touch sealing Machine (with working Table) to finish formed wood pulp cores into Napkins	1	28000
4	Napkin core dies	5	3125
5	UV treat Unit	1	10400
6	Installation of machineries and training fee		3000
Total			69525

Vat Tax 12.5% Rs.8315 additional on the above prices

3)Other accessories

Sl.no	items	Nos	Value(Rs)
1	Weighing scale(To weigh wood pulp)	1	1000

2	Work Table	2	2000
3	Plastic buckets and Trays	5	500
Total			3500

4) Required Workers

Sl.No	Workers	Nos	Salary (Rs)
1	Semi Skilled Labours(daily wages Rs.70 per day)	4 workers	7000

5) Monthly Administrative Expenses

Sl.no	Expenses	Amount
1	Rent	750
2	Electricity bill	500
3	General Administrative expenses	1000
Total Rs.		2250

6) Required Raw material per month

Sl.no	Raw material	unit	Value(Rs)
1	Wood pulp	362.5 Kgs	18488
2	Top layer	6500 mts	9620
3	Back layer	4200grams	924
4	Release paper	375 sheets	188
5	Gum	25 Kg	3375
6	Packing covers	4500 nos	3375
Total Rs.			35970

Working capital required

Raw materials for 35 days	Rs.53955
One month wages	Rs. 7000
One month Administrative expenses	Rs.2250
Total Rs.63205 say total Rs.63000	

7) Required Electricity

1HP Motor (single Phase)- 1single phase current 220 volt .its amount has been included in the administrative heads.

8.Total Investment

Fixed capital	Rs.81340
Working capital	Rs.63000

Total Rs.144340

9)Source of Funds

Own contribution (10% of total project cost)	Rs.14434
Fixed capital loan	Rs.73206
Working capital Loan	Rs.56700

Total Rs.144340

Price Fixing per napkin

Sl.no	Description	value
1	Raw material per napkin packet	10.92
3	Cost per napkin packet	10.92
4	Add our marine	2.08
	Total price for a napkin packet contain 8 pads	13.00

10.Sales per annum

Per day production 1440 napkins

8 napkins per packets i.e. 180 packets per day

Hence the unit manufactures 54000 packets per annum.

Total sales revenue from the sale of 54000 packets @Rs.13 per packet

= Rs.702000

Cost of production per annum

Raw-materials	Rs.431640
Wages and salaries	Rs.84000
Administrative expenses	Rs.27000
Depreciation on fixed assets	Rs.8134
Insurance	Rs.813
Repairs and renewals	Rs.4067
Interest on capital	Rs.18186
Selling expenses (2.3)	Rs.16200

Total Rs.590040

Net profit

Total sales- cost of production

Rs.702000-590040 = Rs.111960

=15%

Rate of Return on Investment

$$\frac{\text{Profit}}{\text{Investment}} \times 100$$

= 77%

Break Even point

Rent	:	9000
40% of salary	:	33600
40% of other expenses		7200
Interest on capital		10249
Depreciation		8134
Insurance		813
		=====
		68996

Fixed expenses x100

Fixed expenses + profit

= $\frac{68996 \times 100}{100}$

180956

= 38%

Repayment of Term loan (in 1000s)

year	Opening balance	Repayment	Balance	interest
1 st	73	14.6	58.4	10
2nd	58.4	14.6	43.8	8
3	43.8	14.6	29.2	6
4	29.2	14.6	14.6	4
5	14.6	14.6	nil	2

*For Napkin Manufacturing Machineries and Raw materials
Jayashree industries
SF NO.577 KNG Pudur Road
Somayampalayam po
Coimbatore-641108, Mobile- 9283155128, 9442224069
Web site www.newinventions.in*

PROJECT PROFILE

GENERAL ENGINEERING WORKSHOP

Name of Unit : KRISHNA ENGINEERING WORKS
YOUSUF GUDA

Product to be manufactured / Service to be under taken : GENERAL ENGINEERING WORKS

Name and Address of the Proprietor : RAMA RAO, KRISHNA NAGAR,
YOUSF GUDA

I. INTRODUCTION

M/S. Krishna Engineering Works is a proposed micro General Engineering unit . The unit is to be installed in a rented building at YOUSAF GUDA. The promoter Sri. RAMA RAO is experienced in Welding and similar Metal Working Activities. He passed Metriculation. He is confident of starting and running the unit successfully.

II. LAND AND BUILDING

The unit is planned to be located in a rented building at Yousaf Guda. The monthly rent will come to Rs.4000/-

III. MACHINERY AND EQUIPMENT

Sl.No	Item	Qty. / No.	Value
1	Arc Welding Machine 250A Valcun 1 ϕ & 2 ϕ	3	37500
2	Bench drilling machine 3/4" with Acc. & 1HP Motor	1	16500
3	Cut Off Machine Dewalt 14"	1	8750
4	Angle Grinder Hitachi	1	2900
5	Drilling Machine 6mm	1	1600
6	Nibler Hitachi CN 16	1	15500
Total			82750

IV. OFFICE FURNITURE AND OTHER EQUIPMENTS :

V. TOTAL FIXED CAPITAL : 82750.00

VI. WORKING CAPITAL

(A). Raw materials required for month @ 60% operating capacity

Sl.No	Item	Quantity	Rate	Value
1	Steel Angles, Flats (kg)	2400	45.00	108000.00
2	SS Pipes (No)	15	1600.00	24000.00
3	GI Pipes (No)	20	340.00	6800.00
4	Welding Rod Box	150	125.00	18750.00
5	Cutter	25	170.00	4250.00
Total				161800.00

Wages and salaries**(B). Perssonel**

Monthly

Sl.No	Designation	No.	Wage/Salary per month	Total
1	Expert Worker	5	14000.00	70000.00
	Total	5		70000.00

(C). Utilities and contingencies for one month

1. Power charges	:	1500.00
2. Rent	:	4000.00
3. Carriage inward	:	
4. Travel exp / Transport	:	1500.00
5. Repairs and Insurance	:	1000.00
6. Telephone charges	:	1000.00
7. Stationary and postage	:	
8. Miscellaneous expenses	:	1418.00
Total per month	:	10418.00

Total working capital requirement

(a) Raw materials for 1 Week	:	38832.00
(b) Wages and salaries for one month	:	70000.00
(c). Utilities and contingencies for one month	:	10418.00
Total working capital requirement of the unit	:	119250.00

VII. TOTAL CAPITAL

1. Fixed Capital (V)	:	82750.00
2. Working Capital (VI)	:	119250.00
Total Capital	:	202000

Sources of Funds :-

1. Own Capital (12.5%)	:	25250
2. Loan from Bank	:	
(a) Term Loan (75% of F.C)	:	62063
(b) Working Capital Loan (75 %)	:	89437
3. Margin Money Grant from DIC (12.5%)	:	25250
Total	:	202000

VII COST OF PRODUCTION PER ANNUM

1. Total recurring expenditure per annum	:	
(a) Raw materials	:	1941600.00
(b) Wages and salaries	:	840000.00
(C). Utilities and contingencies	:	125016.00
2. Depreciation on building if any @ 5%	:	
3. Depreciation on machinery and equipment 15%	:	12412.50
4. Depreciation of office equipment 20%	:	0.00
5. Interest on bank loan @ 14%	:	21210.00
6. Interest on Margin Money loan @ 6% per annum	:	1515.00
7. Other expenses	:	
Total	:	2941753.50

IX. ESTIMATED RECEIPT (TURNOVER PER ANNUM)

SI No	Production / Service	Qty . / No.	Cost	Value
1	Iron & Steel Fabrication Works in kg	23760	95.00	2257200.00
2	SS Pipe Works	180	3500.00	630000.00
3	GI Pipe Works	240	650.00	156000.00
4	Other Fabrication Activity	LS		125000.00
	Total			3168200.00

X. (a) PROFIT : (IX-VII) : Rs. 2,26,447

Net Profit : Rs. 2,03,722

(b) Net Profit Ratio: : $\frac{\text{Net Profit} \times 100}{\text{Annual Turnover}} = 6.43$

Break Even Point : Fixed Cost x Operating Capacity x 100 / (Sales - Variable Cost)

Fixed cost : 142153.50

Variable Cost : 2799600.00

BEP in %ge : 38.57

Debt Service Coverage Ratio : $\frac{(\text{Net Profit} + \text{Depreciation} + \text{Interest on Bank Loan})}{(\text{Loan repayment} + \text{Interest on Bank Loan})}$

Repayment period : 3 years

ie, DSCR : 3.28

XI. RATE OF RETURN ON TOTAL INVESTMENT : $\frac{\text{Net Profit} \times 100}{\text{Total Investment}} = 112.10$

XII. ABSTRACT

1. Fixed Capital	: 82750.00
2. Working Capital	: 119250.00
3. Total Capital	: 202000.00
4. Total Number of Workers	: 5
5. Power Requirement	: 10 HP
6. Annual turnover	: 3168200.00
7. Total direct employment	: 5
8. Anticipated Profit	: 226446.50
9. BEP in %ge	: 38.57
10. DSCR	: 3.28
9. Net Profit Ratio	: 6.43
10. Rate of Return on Investment	: 112.10

XIII. REMARKS

Certified that the scheme is technically feasible and economically viable

RUBBERISED COIR MATTRESSES

1. INTRODUCTION

This product has steady demand throughout the country. Kerala has an added advantage in the manufacture of the product in the sense that the raw materials required are abundantly available in the state. Hence, such units are ideal for the state.

2. RAW MATERIALS

Coir fibres, centrifuged latex, sulphur, accelerator, anti-oxidants, zinc oxide, dispersing agent, caustic potash etc.

3. MANUFACTURING PROCESS

Sulphur, accelerator, antioxidants, zinc oxide, dispersing agent, water etc. are put in the Ball Mill and mixed and ground for 48 hours. Latex is poured into the mixing machine and caustic potash solution, stabiliser, antioxidant emulsion etc. are mixed. The filtered solution from the ball mill is poured slowly to this solution and stirred well. To this compound a watering agent is also added.

Coconut fibres are cut long and curled into springs. This is then subjected to steam boiling and dried as curls. The curls are rearranged as fibre yarns and put in a spraying unit. The latex compound is sprayed from the top and bottom surface of the fibres and then heated to 60° centigrade for 30-60 minutes till the vulcanisation is over. The product is ready for packing after sufficient cooling.

4. MANPOWER REQUIREMENT : 17

5. PROJECT COST

A. Fixed Capital	Rs.
Land & Building	500000
Plant & Machinery	600000
	1100000
B. Working Capital (per month)	
Raw Material & Packing	445500

Salary & wages	42500
Other expenses	12000
	500000
Total (A+B)	1600000

5. COST OF PRODUCTION

	(Rs.)
Production cost (per annum)	6000000
Depreciation on machinery	60000
Interest on investment	540000
	6600000

6. PROFITABILITY

Sales turnover	Rs.7000000
Production cost	Rs.6600000
Annual profit	Rs.400000

Percentage of profit on Investment 25% Break even point= 60%

MACHINERY SUPPLIERS

1. M/s.Indian Expeller Works Private Ltd, A-4, Naroda Industrial Estate
Ahmedabad – 383 330.
2. M/s. Matharu Engineering Works, Plot No.1, Unit No.4, Opp. Tatwagyan Vidyapeeth
Ghodbunder Road, Chitalsar, Thane - 400607
3. M/s. Modern Rubber Machinery Manufacturers Pvt. Ltd, 310, Jogani Industrial Estate
541, Senapati Bapat Marg, Dadar, Mumbai – 400 028

4. M/s. Emson Industries, 6-A, Shri Ram Industrial Estate, Kaley Marg, Bail Bazar, Kurla
Mumbai – 400 011
5. M/s. Modern Hydraulics, 5, Italian Building(Ground Floor), 381, Sane Gruji Marg
Agrimada, Near I.T.I, Mumbai – 400 011
6. M/s. Perumacheril Castings Industries, Market Landing, Kottayam – 686 001, Kerala
7. M/s. Hind Hydraulics & Engineers, E-43/1, Okhla industrial Area, Phase –II
New Delhi – 110 002
8. M/s. Micromertics Engineers (P) Ltd. 298, 4th Floor, Khaleel Shiraji Estate
Fountain Plaza, Pantheon Road, Egmore, Chennai – 600 028
9. M/s. Anant Engineering Works, Bassi Road, Sirihindi (N.Rly), Punjab – 140 406
10. M/s. Santhosh Industries, A-1, Sone Udyog, Parsi Panchayat Marg
Andheri (East), Mumbai – 400 069

PROJECT PROFILE

Beauty Parlour

Prepared by: T.S. Maya Devi,
IEO, DIC, Trissur,
(Trainee, NIMSME)

I. INTRODUCTION

Beauty is the gift of god and transmitted from one to the other generation. The beauty parlour shop is the need of every age of men women and children famous poet Keats defined the word beauty as : "A thing of beauty is a joy for ever: Beauty parlour is a very important shop to make the people good looking by application of cosmetics treatment of hair and nourishment of skin by various methods. Life style is fast changing in the modern era and the women have become more conscious about their make up' the status of women has improved a lot and is improving further. This has resulted in their life style changing. Also their economic independence encourages them to resort this type of services.

II. MARKET

From the ages past people have used sandal wood oil turmeric powder and milk etc. for the treatment of skin but now people have become more educated they need proper and professional treatment of skin hairs nails and teeth. Every man women and child want to be beautiful. A good beauty parlour is required in every city town and other places. A beauty parlour with all modern facilities and services at reasonable charges more visit can be expected from each individuals due to the scarcity of experience and qualified beautician there is immense marketability for this venture.

III. PRODUCT USES

This is a service industry. In addition to the day today beautician job works the promoter also intends to do the bridal make up

MACHINERY & EQUIPMENTS

Sl.No	Particulars	Quantity	Rate	Amount in Rs
1.	Facial chair	2	13500	27000
2	Hair cutting machine	1	4000	4000
3	Facial bed	1	8500	8500
4	Hair drier	2	3500	7000
5	Body Massager	1	3500	3500
6	Head steamer	1	4000	4000
7	Facial steamer	1	3500	3500
8	Steriliser	1	2500	2500
9	Galvanic machine	1	5000	5000
10	High Frequency machine	1	6000	6000
11	Shampoo wash unit	1	18500	18500
12	Equipment trolley	1	4500	4500
13	Foot spa	1	4500	4500
14	Ultrasonic machine	1	5000	5000
15	Hair strengthening machine	1	2500	2500
16	Electrolysis	1	5000	5000
17	Skin Analyser	1	6000	6000
18	Dressing table	2	2500	5000
19	Rotating chairs	2	10000	20000
20	Mirror (big)	2	1500	3000
21	Fridge	1	12000	12000
22	Furniture & Fittings			75000
	Total			2320000

MANPOWER

Sl. No.	Designation	No.	Salary per month
1	Beautician	1	7000
2	Beautician experts	2	10000
3	Helper	1	3000
	Total		20000

OTHER EXPENSES

1	Electricity charges	1000
2	Rent	3000
3	Telephone charges	750
4	Other unforeseen expenses	1000
5	Water charges	250
	TOTAL	6000

RAWMATERIAL REQUIRED PER MONTH

SI.NO	ITEMS	QUANTITY	UNIT RATE	VALUE IN RS
1	Hair shampoo	50 Lr	100	5000
2	Hair dye			2000
3	Face cream &Lotion			5000
4	Hydrogen peroxide	20Lr	50	1000
5	Aceton	20Lr	50	1000
6	Hair removing wax	15kg	90	1350
7	Hair spray	12 set	75	900
8	Hair jel;	20 pack	200	4000
9	Perming lotion	2pack	250	500
10	Sponge cotton			700
11	Towels assorted	50nos	20	1000
12	Surgical gloves	2pairs	25	50
13	Other cosmetics			22000
	TOTAL			44500

Total Project Cost

Machinery & Equipments	232000
Working Capital	68000
Total	300000

Means of Finance

Term Loan	185600
Working Capital Loan	54400
Own Contribution	60000
Total	300000

Revenue per annum

Item	Qty	Rate	Amount
Eye brow	2400	15	36000
Manicure	6000	40	24000
Pedicure	240	55	13200
Head Massage	360	55	19800
Hair Bleaching	720	55	39600
Arm bleaching	840	55	46200
Face bleaching	960	55	52800
Waxing	840	40	33600
Facial	720	120	86400
Hair Style	2400	25	60000
Hair cutting	2400	25	60000
Synthetic Dye	480	80	38400
Bridal Makeup	120	800	96000
Puffing of hair	120	200	24000
Make up	120	150	18000
Removing of hair	1900	25	47500
Hair dying	650	75	48750
Cleaning		LS	5750
	TOTAL		750000

Cost of Production & Profitability Statement per annum

Sl.No.	Particulars	Amount
1	Raw material	270000
2	Utilities	72000
3	Salaries & Wages	240000
4	Transportation & Freight	3000
5	Rent in Advance	30000
6	Conveyance & Travelling	2500
7	Postage & Stationery	3000
8	Advertisement	5500
9	Repairs & Maintenance	2000
10	Interest on Loan	32400
11	Depreciation	23200
	TOTAL	683600
	Total Revenue	750000
	Gross Profit	66400
	NET PROFIT	66400
	Add Depreciation	23200
	Cash Surplus	89600

This project is technically feasible and economically viable.