

PROJECT REPORT

Of

FLEX PRINTING BUSINESS

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **FLEX PRINTING BUSINESS**

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk/Block: XXXXX
 District : XXXXX State: XXXXX
 Pin: XXXXX
 E-Mail : XXXXX
 Mobile XXXXX
- 5 Product and By Product : Flex Banners , Signage, Graphics and Advertisements
- 6 Name of the project / business activity proposed : Flex Printing
- 7 Cost of Project : Rs. 9.72 Lacs
- 8 Means of Finance
 Term Loan Rs. 6.75 Lacs
 KVIC Margin Money As per Project Eligibility
 Own Capital Rs. 0.97 Lacs
- 9 Debt Service Coverage Ratio : 2.81
- 10 Pay Back Period : 5 Years Years
- 11 Project Implementation Period : 6 Months Months
- 12 Break Even Point :
- 13 Employment : 8 Persons
- 14 Power Requirement : -
- 15 Major Raw materials : Flex Roll, Paper, Special Papers for Graphics
- 16 Estimated Annual Sales Turnover : Rs. 25.65 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount		
Land	Rented/Owned		
Plant & Machinery	7.75		
Furniture & Fixtures	0.50		
Working Capital Requirement	1.64		
Total	9.89		

MEANS OF FINANCE

Particulars	Amount		
Own Contribution 10%	0.99		
Term Loan	7.43		
Working capital	1.48		
Total	9.89		
	General	Special	
KVIC Margin Money Urban	15%	25%	
KVIC Margin Money Rural	25%	35%	

FLEX PRINTING



INTRODUCTION

Now-a-days, every activities of social and personal gathering increases the demand on printing Medias, such as flex banners, signage, advertisement posters, invitations cards etc... Such demands are met by a highly mechanized and computerized printing enterprise. A graphic printing enterprise provides each and every required printing medias to its users with a products and services ranging from low-end printing medias for single use to high quality printing medias.

MARKET POTENTIAL

Flex and banner market in India is growing rapidly nowadays. Additionally, the item is the most popular tool for any type of outdoor and as well indoor advertising. We can see a growing demand in almost every city including Delhi, Mumbai, Bangalore, Hyderabad, Chennai, and Kolkata.

Some of the most potential consumers are regional and national political parties. They use banners in almost every programs and rally. Additionally, companies operating in the several industries use banners for various purposes. Apart from the digital signage, flex is the only instrument for outdoor media advertising. Furthermore, every school, educational institutions, and sports organizations use flex banners in almost every event. Additionally, there is good domestic market also.

Nowadays, people use flex banners in the events including birthday parties or social gatherings. Therefore, the flex printing business has the potential market for the new entrepreneurs.

BASIS AND ASSUMPTIONS

- i) This report is worked out on the basis of 50% capacity utilization on Single Shift and 300 working days per annum.
- ii) The machinery and equipment are of standard make.
- iii) The cost of raw materials and other expenditure is approximate and based on current market rates.
- iv) The period for achieving envisaged capacity utilization is estimated to be one year after commencement of production.
- v) Interest rate for fixed and working capital has been calculated @ 11% per annum.
- vi) Payback period would commence immediately and the repayment period is estimated at 5 years.

IMPLEMENTATION SCHEDULE

1. The entrepreneur has to arrive at a decision in order to select this product. The guiding factor in this regard would be the market potential, demand and supply gap and availability of resources. It may take 2 to 3 weeks' time.
2. After selecting the product, the entrepreneur has to get provisional registration from DIC, so that he can apply for allotment of land, power, etc., for which about one-week time is required.

3. In order to obtain financial assistance from the financial Institutions, like Commercial Banks or State Financial Corporations, a detailed Project Report is required to be prepared. On the basis of the report, financial institutions may take 8 to 12 weeks time for sanctioning and disbursing the loan. Accordingly, orders for plant and machinery may be finalized and placed. Simultaneously, order for purchase of raw materials is also to be finalized and recruitment of key staff is to be done. This would require 3 to 4 weeks' time.

Strength and opportunities of the Business

1. Presently there is no such kind of business established in the town.
2. The demand for flex banners, signage and printed graphics are highly increasing.
3. Today's consumers often go for digitalized and mechanized printing medias over traditional (hand-written) medias because they are comparatively cheaper, better and more reliable.
4. There is always a room to up-grade in printing business.

Quality Control and Standards

As per Customers' requirements.

Pollution Control

The manufacturing activity does not pose any pollution as such no special pollution measures are required.

Energy Conservation

Wastage of energy should be minimised as much as possible so that the unit can withstand competition with similar unit.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	0.99	0.99	0.99	0.99	0.99
Retained Profit	1.54	4.03	7.72	12.76	19.06
Term Loan	5.94	4.46	2.97	1.49	-
Cash Credit	1.48	1.48	1.48	1.48	1.48
Sundry Creditors	0.03	0.21	0.25	0.29	0.32
TOTAL :	9.98	11.17	13.41	17.00	21.85
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	8.25	8.25	8.25	8.25	8.25
Gross Dep.	1.19	2.22	3.11	3.86	4.50
Net Fixed Assets	7.06	6.03	5.14	4.39	3.75
Current Assets					
Sundry Debtors	0.60	0.75	0.88	1.00	1.13
Stock in Hand	1.08	1.30	1.51	1.73	1.94
Cash and Bank	1.24	3.10	5.87	9.88	15.03
TOTAL :	9.98	11.17	13.41	17.00	21.85

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PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	0.99	-			
Reserve & Surplus	1.54	2.49	4.09	5.60	7.01
Depriciation & Exp. W/off	1.19	1.04	0.88	0.75	0.64
Increase in Cash Credit	1.48	-	-	-	-
Increase In Term Loan	7.43	-	-	-	-
Increase in Creditors	0.03	0.18	0.04	0.04	0.04
TOTAL :	12.65	3.71	5.01	6.39	7.68
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	8.25	-	-	-	-
Increase in Stock	1.08	0.22	0.22	0.22	0.22
Increase in Debtors	0.60	0.15	0.13	0.13	0.13
Repayment of Term Loan	1.49	1.49	1.49	1.49	1.49
Taxation	-	-	0.41	0.56	0.70
TOTAL :	11.41	1.85	2.24	2.39	2.53
Opening Cash & Bank Balance	-	1.24	3.10	5.87	9.88
Add : Surplus	1.24	1.86	2.78	4.00	5.16
Closing Cash & Bank Balance	1.24	3.10	5.87	9.88	15.03

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Capacity Utilisation %					
A) SALES					
Gross Sale(Flex Printing)	25.65	32.13	37.53	42.93	48.33
Total (A)	25.65	32.13	37.53	42.93	48.33
B) COST OF SALES					
Raw Mateiral Consumed	10.26	12.85	15.01	17.17	19.33
Electricity Expenses	1.28	1.61	1.88	2.15	2.42
Repair & Maintenance	0.26	0.64	0.75	0.86	0.97
Labour & Wages	5.28	5.81	6.39	7.03	7.73
Depreciation	1.19	1.04	0.88	0.75	0.64
Cost of Production	18.27	21.94	24.91	27.96	31.09
Add: Opening Stock /WIP	-	1.08	1.30	1.51	1.73
Less: Closing Stock /WIP	1.08	1.30	1.51	1.73	1.94
Cost of Sales (B)	17.19	21.73	24.69	27.74	30.87
C) GROSS PROFIT (A-B)	8.46	10.40	12.84	15.19	17.46
	33%	32%	34%	35%	36%
D) Bank Interest (Term Loan)	0.76	0.59	0.43	0.27	0.10
Bank Interest (C.C. Limit)	0.16	0.16	0.16	0.16	0.16
E) Salary to Staff	2.16	2.33	2.52	2.72	2.94
F) Selling & Adm Expenses Exp.	3.85	4.82	5.63	6.44	7.25
TOTAL (D+E)	6.93	7.91	8.74	9.59	10.45
H) NET PROFIT	1.54	2.49	4.09	5.60	7.01
I) Taxation	-	-	0.41	0.56	0.70
J) PROFIT (After Tax)	1.54	2.49	3.69	5.04	6.31
K) DIVIDEND	-	-	-	-	-
L) RETAINED PROFIT	1.54	2.49	3.69	5.04	6.31

COMPUTATION OF FLEX PRINTING SERVICES

Items to be Manufactured Flex Printing

Manufacturing Capacity	Flex Printing	100.00	Nos Per Day
		-	
No. of Working Hour		10	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum	Flex Printing	30,000.00	Nos per Annum
		-	
Year		Capacity Utilization	
		Flex Printing	
IST YEAR		50%	15,000.00
IIND YEAR		60%	18,000.00
IIIRD YEAR		70%	21,000.00
IVTH YEAR		80%	24,000.00
VTH YEAR		90%	27,000.00

COMPUTATION OF SALE**Flex Printing**

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	750.00	900.00	1,050.00	1,200.00
Production	15,000.00	18,000.00	21,000.00	24,000.00	27,000.00
	15,000.00	18,750.00	21,900.00	25,050.00	28,200.00
Less : Closing Stock	750.00	900.00	1,050.00	1,200.00	1,350.00
Net Sale	14,250.00	17,850.00	20,850.00	23,850.00	26,850.00
Sale Price Per Nos	180.00	180.00	180.00	180.00	180.00
Sale (in Lacs)	25.65	32.13	37.53	42.93	48.33

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR	
Consumables						
(15 Days requirement)	1.08	1.30	1.51	1.73	1.94	
Closing Stock	1.08	1.30	1.51	1.73	1.94	

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total Amount		Own Margin		Bank Finance
Stock in Hand	1.08	10%	0.11	90%	0.97
Sundry Debtors	0.60	10%	0.07	90%	0.53
	1.68		0.18		1.50
Sundry Creditors	0.03	10%	0.01	90%	0.02
	1.64		0.16		1.48
WORKING CAPITAL (HYP) FRESH DEMAND			1.48		
			1.48		

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Operator		10,000.00	2	20,000.00
Assistant		6,000.00	4	24,000.00
				44,000.00

Annual Cost (in lacs)

5.28

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		10,000.00	1	10,000.00
Marketing Executive		8,000.00	1	8,000.00
Total Salary Per Month				18,000.00

Annual Cost (in lacs)

2.16

COMPUTATION OF DEPRECIATION					REPAYMENT
					Year
Description	Land	Plant & Machinery	Furniture	TOTAL	IST YEAR
Rate of Depreciation		15.00%	10.00%		
Opening Balance	Leased	-	-	-	
Addition	-	7.75	0.50	8.25	
	-	7.75	0.50	8.25	IIIND YEAR
Less : Depreciation	-	1.16	0.03	1.19	
WDV at end of Ist year	-	6.59	0.48	7.06	
Additions During The Year	-	-	-	-	
	-	6.59	0.48	7.06	
Less : Depreciation	-	0.99	0.05	1.04	
WDV at end of IIInd Year	-	5.60	0.43	6.03	IIIRD YEAR
Additions During The Year	-	-	-	-	
	-	5.60	0.43	6.03	
Less : Depreciation	-	0.84	0.04	0.88	
WDV at end of IIIrd year	-	4.76	0.38	5.14	
Additions During The Year	-	-	-	-	
	-	4.76	0.38	5.14	IVTH YEAR
Less : Depreciation	-	0.71	0.04	0.75	
WDV at end of IV year	-	4.05	0.35	4.39	
Additions During The Year	-	-	-	-	
	-	4.05	0.35	4.39	
Less : Depreciation	-	0.61	0.03	0.64	
WDV at end of Vth year	-	3.44	0.31	3.75	VTH YEAR

SCHEDULE OF TERM LOAN

11%

Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
Opening Balance						
Ist Quarter	7.43	-	7.43	0.20	0.37	7.05
IInd Quarter	7.05	-	7.05	0.19	0.37	6.68
IIIRD Quarter	6.68	-	6.68	0.18	0.37	6.31
Ivth Quarter	6.31	-	6.31	0.17	0.37	5.94
				0.76	1.49	
Opening Balance						
Ist Quarter	5.94	-	5.94	0.16	0.37	5.57
IInd Quarter	5.57	-	5.57	0.15	0.37	5.20
IIIRD Quarter	5.20	-	5.20	0.14	0.37	4.83
Ivth Quarter	4.83	-	4.83	0.13	0.37	4.46
				0.59	1.49	
Opening Balance						
Ist Quarter	4.46	-	4.46	0.12	0.37	4.08
IInd Quarter	4.08	-	4.08	0.11	0.37	3.71
IIIRD Quarter	3.71	-	3.71	0.10	0.37	3.34
Ivth Quarter	3.34	-	3.34	0.09	0.37	2.97
				0.43	1.49	
Opening Balance						
Ist Quarter	2.97	-	2.97	0.08	0.37	2.60
IInd Quarter	2.60	-	2.60	0.07	0.37	2.23
IIIRD Quarter	2.23	-	2.23	0.06	0.37	1.86
Ivth Quarter	1.86	-	1.86	0.05	0.37	1.49
				0.27	1.49	
Opening Balance						
Ist Quarter	1.49	-	1.49	0.04	0.37	1.11
IInd Quarter	1.11	-	1.11	0.03	0.37	0.74
IIIRD Quarter	0.74	-	0.74	0.02	0.37	0.37
Ivth Quarter	0.37	-	0.37	0.01	0.37	0.00
				0.10	1.49	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
CASH ACCRUALS	2.73	3.53	4.57	5.79	6.95
Interest on Term Loan	0.76	0.59	0.43	0.27	0.10
Total	3.48	4.12	5.00	6.06	7.05
REPAYMENT					
Instalment of Term Loan	1.49	1.49	1.49	1.49	1.49
Interest on Term Loan	0.76	0.59	0.43	0.27	0.10
Total	2.24	2.08	1.91	1.75	1.59
DEBT SERVICE COVERAGE RATIO	1.55	1.98	2.61	3.46	4.44
AVERAGE D.S.C.R.			2.81		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	25.65	32.13	37.53	42.93	48.33
Less : Op. WIP Goods	-	1.08	1.30	1.51	1.73
Add : Cl. WIP Goods	1.08	1.30	1.51	1.73	1.94
Total Sales	26.73	32.35	37.75	43.15	48.55
Variable & Semi Variable Exp.					
Raw Material & Tax	10.26	12.85	15.01	17.17	19.33
Electricity Exp/Coal Consumption at 85%	1.09	1.37	1.60	1.82	2.05
Wages & Salary at 60%	4.46	4.88	5.34	5.85	6.40
Repair & Maintenance	0.26	0.64	0.75	0.86	0.97
Selling & administrative Expenses 80%	3.08	3.86	4.50	5.15	5.80
Intt. On Working Capital Loan	0.16	0.16	0.16	0.16	0.16
Total Variable & Semi Variable Exp	19.31	23.76	27.37	31.02	34.72
Contribution	7.42	8.58	10.38	12.13	13.83
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.19	0.24	0.28	0.32	0.36
Wages & Salary at 40%	2.98	3.26	3.56	3.90	4.27
Interest on Term Loan	0.76	0.59	0.43	0.27	0.10
Depreciation	1.19	1.04	0.88	0.75	0.64
Selling & administrative Expenses 20%	0.77	0.96	1.13	1.29	1.45
Total Fixed Expenses	5.88	6.09	6.28	6.53	6.82
Capacity Utilization	50%	60%	70%	80%	90%
OPERATING PROFIT	1.54	2.49	4.09	5.60	7.01
BREAK EVEN POINT	40%	43%	42%	43%	44%
BREAK EVEN SALES	21.19	22.95	22.85	23.22	23.95

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