

PROJECT REPORT FOR
THERMOCOL MATERIAL PRODUCT



PROMOTER:

MR. xxxxxxxxxxxxxxxxxxxxxxxxx

PROJECT LOCATION:

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

PREPARED BY:

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I. PROJECT AT A GLANCE

1. About the Promoter : Mr. xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Project Location:xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
2. Project Cost : Rs. 2.22 Lakhs
3. Mean of Finance
- A) T. L. facility from Bank : Rs. 1.44 Lakhs
 - B) Beneficiary contribution : Rs. 0.22 Lakhs
 - C) C.C. facility from Bank : Rs. 0.56 Lakhs
 - D) Subsidy under PMEGP Scheme : Rs. 0.78 Lakhs
5. Rate of Interest : 11.00% Per Annum
6. Repayment : 60 monthly instalments, EMI @ 0.03 Lakhs
7. Nature of Project : Thermocol Material Product
8. Employment Potential : 1 Nos
9. Nature of the Firm : Proprietary Firm
10. Average Debt Coverage ratios : **2.69**

II. ABOUT THE PROJECT

Introduction

Disposable products have an urban as well as rural market. These products are mostly used during social functions, religious gatherings, parties, marriages, outings, in sweet shops, by caterers etc. The products have many advantages and are hence preferred as compared to standard utensils/crockery for serving eatables. They can easily be disposed off after use and hence save a lot of labour as far as cleaning/drying of utensils are concerned. These are easily transportable and easy to handle.

In our country people are religious and organize functions throughout the year all such occasions call for social gathering and celebrations with meals, snacks sweets being served. Further, our vast population organizes marriages, celebrates birthdays and other family functions on a regular basis. Sweet shops and small eateries can be found at every street corner and all such joints use these disposable plates and bowls. Due to the recent change in the life style of urban class the demand for disposable cups is increasing at a rapid rate.

Disposable plates, bowls, drinks cups and other forms of food containers help to give us the option of eating away from home without disturbing the nutritional value of eatables. In addition to social occasions, such as picnics or barbecues, many people eat away from home at school, work or in other environments. Disposable food containers are also a great convenience when holding a party or catering for a large number of people. World's major food and beverage industries prefer the disposable packaging to avoid washing trouble.

Traditionally, disposable tableware was quite limited in its range but today, there is a great and varied range of styles and materials to choose from. Due to this, catering disposables are a basic essential for professionals operating in the hotel and catering profession. The most obvious benefit to having catering disposables is that it makes the tidy down much easier. There are no plates, dishes, cups and glasses to be washed. Simply sweeping everything into the rubbish is all that is needed, allowing the rest of the cleaning operation to take place quickly and effectively.

Market Potential

Countries compared to 98%. With the rise of India, the outlook of Indians is also changing. India's consumer spending on personal care products is very low. In addition, entry levels are also low. With increasing urbanization and high disposable incomes, consumers are now spending more on personal care products. The premium range of such products will see high growth. There will be an increase in mass consumption products in rural areas, urban consumers will be targeted for premium areas. The shift from unorganized to organized and unbranded to branded will further accelerate growth in this segment. India has a tremendous market potential of people with a population of over one billion. Growth areas, disposable paper shopping bags, sanitary napkins, diapers, wipes, kitchen dishware will be the key drivers of growth for this segment. The presence of major players in the region will play an important role in India as well as exports. Disposable cups plates and thali either it may be

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thermocol or paper has spread its market to urban with rural areas. These products are mostly used by social functions, religious ceremonies, parties, weddings, walks, sweets shops, caterers, etc. The products have many advantages and are hence preferred as compared to standard utensils/crockery for serving eatables. They can easily be disposed of after use and hence save a lot of labors whereas floor cleaning /drying of utensils is concerned. These are easily transportable and easy to handle.

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III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Plant & Machinery Thermocol Disposable Glass & Plates Machines	1.60	0.00	1.60
4	Working Capital	0.62	0.00	0.62
		2.22	0.00	2.22

Means of Finance :

a) Own Contribution (10%)	0.22
b) T L facility from Bank (90%)	1.44
c) C.C. Facility from Bank (90%)	0.56
<hr/>	
	2.22
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d) Subsidy Entitlement Under PMEGP scheme @ 35%	0.78

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	4.13	4.96	5.79	6.61	7.02	7.44
	Add : Increase in Cl.Stock	0.45	0.25	0.28	0.31	0.32	0.34
	Total Turnover	4.58	5.21	6.07	6.93	7.34	7.77
2	RM Consumption	2.22	2.64	3.06	3.49	3.72	3.95
3	Overheads						
	a) Direct	1.10	1.21	1.33	1.45	1.58	1.73
	b) Indirect	0.42	0.44	0.47	0.50	0.52	0.55
4	Balance	0.84	0.91	1.20	1.49	1.52	1.54
5	Interest on TL & CC	0.21	0.19	0.16	0.13	0.09	0.07
6	Depreciation	0.24	0.20	0.17	0.15	0.13	0.11
7	Preliminary expenses W/off	-	-	-	-	-	-
8	Profit after Interest & Dep.	0.38	0.52	0.87	1.22	1.30	1.37
9	Income Tax	-	-	-	-	-	-
10	Profit after Tax	0.38	0.52	0.87	1.22	1.30	1.37
11	Add: Depreciation & Pre Exp.	0.24	0.20	0.17	0.15	0.13	0.11
12	Add : Interest on TL	0.21	0.19	0.16	0.13	0.09	0.07
13	Cash Accruals	0.84	0.91	1.20	1.49	1.52	1.54
14	Instalments of TL & Interest	0.44	0.44	0.44	0.44	0.44	0.07
15	DSCR	1.89	2.06	2.71	3.37	3.43	-
16	Average DSCR	2.69					
17	N.P. to Total receipts	9.29	10.48	15.01	18.44	18.56	18.37

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C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	CASH INFLOW :						
1	Collection from Debtors	3.96	4.75	5.54	6.34	6.73	7.13
2	T.L. from Bank	1.44					
3	CC from bank	0.56					
4	Capital	0.22	-	-	-	-	-
5	Subsidy	0.78	-				
	TOTAL (A)	6.96	4.75	5.54	6.34	6.73	7.13
B	CASH OUTFLOW :						
1	Fixed Assets	1.60			-		
2	Payments to creditors	1.85	2.20	2.55	2.91	3.10	3.29
3	Direct overheads	1.10	1.21	1.33	1.45	1.58	1.73
4	Indirect Overheads	0.42	0.44	0.47	0.50	0.52	0.55
5	Interest on Bank Loan	0.21	0.19	0.16	0.13	0.09	0.07
6	Income Tax	-	-	-	-	-	-
7	Term Loan Repayment	0.23	0.26	0.28	0.32	0.35	-
8	Drawings	0.20	0.25	0.28	0.30	0.64	0.70
	TOTAL (B)	5.61	4.55	5.07	5.60	6.29	6.35
	SUMMERY:						
	Op. Cash & Bank Balance.	-	1.34	1.55	2.02	2.76	3.20
	Add : Surplus / (Deficit)	1.34	0.20	0.47	0.74	0.45	0.78
	Cl. Cash & Bank Balance.	1.34	1.55	2.02	2.76	3.20	3.98

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D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
A	ASSETS :						
1	Fixed Assets	1.36	1.16	0.98	0.84	0.71	0.60
2	Investments	-	-	-	-	-	-
3	Current Assets	1.96	2.62	3.61	4.94	6.00	7.42
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-	-
	TOTAL (A)	3.32	3.78	4.60	5.78	6.71	8.03
B	LIABILITIES:						
1	Capital	1.18	1.45	2.05	2.96	3.63	4.29
2	Secured loans						
	Term Loan	1.21	0.96	0.67	0.35	-	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	0.56	0.56	0.56	0.56	0.56	0.56
	Sundry Creditors	0.37	0.81	1.32	1.90	2.52	3.18
	TOTAL (B)	3.32	3.78	4.60	5.78	6.71	8.03

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(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Op. Balance	-	1.18	1.45	2.05	2.96	3.63
2	Additions	1.00	-	-	-	-	-
3	Net Profit for the year.	0.38	0.52	0.87	1.22	1.30	1.37
	Sub Total	1.38	1.70	2.32	3.27	4.27	4.99
4	Less : Drawings	0.20	0.25	0.28	0.30	0.64	0.70
5	Cl. Balance	1.18	1.45	2.05	2.96	3.63	4.29

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F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Capacity utilisation	0.50	0.60	0.70	0.80	0.85	0.90
1	Production per annum (Nos.)						
	Thermocol Plates & Glass Production	4,508	5,410	6,311	7,213	7,664	8,114
2	Cl.Stock of Finished Goods (Nos.)						
	Thermocol Plates & Glass Production	375.67	451	526	601	639	676
3	Sales per annum (MT) (Tot Production less Cl. Stock)						
	Thermocol Plates & Glass Production	4,132	4,959	5,785	6,612	7,025	7,438
4	Sales per annum						
	Thermocol Plates & Glass Production (Avg. Selling Price @ 100 per Products)	4.13	4.96	5.79	6.61	7.02	7.44
	Total Sale	<u>4.13</u>	<u>4.96</u>	<u>5.79</u>	<u>6.61</u>	<u>7.02</u>	<u>7.44</u>
5	Sundry Debtors (Credit period allowed 15 days)	0.17	0.21	0.24	0.28	0.29	0.31
6	Collection from Debtors	3.96	4.75	5.54	6.34	6.73	7.13
7	Total cost of Production	3.32	3.85	4.39	4.94	5.30	5.68
8	Cost per MT	0.00	0.00	0.00	0.00	0.00	0.00
9	Value of Closing Stock	0.28	0.32	0.37	0.41	0.44	0.47

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PRODUCTION

S.No.	Particulars	Installed capacity (Nos.)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85	Year 6 0.90
1	Production of Thermocol Material (Plates & Glass etc.	9,016	4,508	5,410	6,311	7,213	7,664	8,114

Installed Capacity Nos./ Hrs	4.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>

Total Production per day	28 Nos.
Total production per annum	9,016 Nos.

Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

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(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production (Nos.) (Output)	4,508	5,410	6,311	7,213	7,664	8,114
2	RM Purchases	2.05	2.44	2.83	3.22	3.43	3.65

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Requirement of Raw material (@ Rs. 45 per Footware)	1.80	2.16	2.52	2.89	3.07	3.25
2	Packaging Material	0.25	0.28	0.30	0.33	0.37	0.40
3	Total cost of R.M	2.05	2.44	2.83	3.22	3.43	3.65

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RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	RM cost for total production	2.05	2.44	2.83	3.22	3.43	3.65
2	Cl. Stock of RM (assumed 30 days consumption)						
	O/p Stock	-	0.17	0.37	0.61	0.88	1.16
	Add : Addition	0.17	0.20	0.24	0.27	0.29	0.30
	Closing Stock	0.17	0.37	0.61	0.88	1.16	1.47
3	RM Purchases	2.22	2.64	3.06	3.49	3.72	3.95
4	Sundry Creditors (Credit period allowed 60 days)	0.37	0.44	0.51	0.58	0.62	0.66
5	Payment to creditors	1.85	2.20	2.55	2.91	3.10	3.29

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(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Manpower Skilled Worker 1 no.@ Rs. 6,000 per month	0.72	0.79	0.87	0.96	1.05	1.16
2	Power and Fule @ Rs. 1500 per month	0.18	0.20	0.22	0.24	0.26	0.29
3	Other Production Overheads	0.20	0.22	0.24	0.25	0.27	0.28
	Total	1.10	1.21	1.33	1.45	1.58	1.73

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I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.15	0.17	0.18	0.20	0.22	0.24
2	Repairs & Maint. (5% of machinery cost)	0.07	0.06	0.05	0.04	0.04	0.03
3	Misc. Expenses	0.20	0.22	0.24	0.25	0.27	0.28
		<u>0.42</u>	<u>0.44</u>	<u>0.47</u>	<u>0.50</u>	<u>0.52</u>	<u>0.55</u>

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J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	TL / Op. Bal.	1.44	1.21	0.96	0.67	0.35	-
2	Repayment during the year	0.23	0.26	0.28	0.32	0.35	-
3	Cl. Balance	1.21	0.96	0.67	0.35	-	-
4	Interest at 11 per cent p.a.	0.15	0.12	0.09	0.06	0.02	-
5	Total repayment with Interest	0.44	0.44	0.44	0.44	0.44	0.07
6	Interest on CC (at 12 per cent p.a.)	0.07	0.07	0.07	0.07	0.07	0.07
	Total Interest	0.21	0.19	0.16	0.13	0.09	0.07

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				1.44
1	0.03	0.01	0.02	1.42
2	0.03	0.01	0.02	1.40
3	0.03	0.01	0.02	1.39
4	0.03	0.01	0.02	1.37
5	0.03	0.01	0.02	1.35
6	0.03	0.01	0.02	1.33
7	0.03	0.01	0.02	1.31
8	0.03	0.01	0.02	1.29
9	0.03	0.01	0.02	1.27
10	0.03	0.01	0.02	1.25
11	0.03	0.01	0.02	1.23
12	0.03	0.01	0.02	1.21
First Year	0.38	0.15	0.23	
13	0.03	0.01	0.02	1.19
14	0.03	0.01	0.02	1.17
15	0.03	0.01	0.02	1.15
16	0.03	0.01	0.02	1.13
17	0.03	0.01	0.02	1.11
18	0.03	0.01	0.02	1.09
19	0.03	0.01	0.02	1.07

20	0.03	0.01	0.02	1.04
21	0.03	0.01	0.02	1.02
22	0.03	0.01	0.02	1.00
23	0.03	0.01	0.02	0.98
24	0.03	0.01	0.02	0.96
Second Year	0.38	0.12	0.26	
25	0.03	0.01	0.02	0.93
26	0.03	0.01	0.02	0.91
27	0.03	0.01	0.02	0.89
28	0.03	0.01	0.02	0.86
29	0.03	0.01	0.02	0.84
30	0.03	0.01	0.02	0.82
31	0.03	0.01	0.02	0.79
32	0.03	0.01	0.02	0.77
33	0.03	0.01	0.02	0.75
34	0.03	0.01	0.02	0.72
35	0.03	0.01	0.02	0.70
36	0.03	0.01	0.02	0.67
Third Year	0.38	0.09	0.28	
37	0.03	0.01	0.03	0.65
38	0.03	0.01	0.03	0.62
39	0.03	0.01	0.03	0.60
40	0.03	0.01	0.03	0.57
41	0.03	0.01	0.03	0.54
42	0.03	0.00	0.03	0.52
43	0.03	0.00	0.03	0.49
44	0.03	0.00	0.03	0.46
45	0.03	0.00	0.03	0.44
46	0.03	0.00	0.03	0.41
47	0.03	0.00	0.03	0.38
48	0.03	0.00	0.03	0.35
Fourth Year	0.38	0.06	0.32	
49	0.03	0.00	0.03	0.33
50	0.03	0.00	0.03	0.30
51	0.03	0.00	0.03	0.27
52	0.03	0.00	0.03	0.24
53	0.03	0.00	0.03	0.21
54	0.03	0.00	0.03	0.18
55	0.03	0.00	0.03	0.15
56	0.03	0.00	0.03	0.12
57	0.03	0.00	0.03	0.09
58	0.03	0.00	0.03	0.06
59	0.03	0.00	0.03	0.03
60	0.03	0.00	0.03	0.00
Fifth Year	0.38	0.02	0.35	

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(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	0.45	0.70	0.98	1.29	1.61	1.94
2	Sundry Debtors	0.17	0.21	0.24	0.28	0.29	0.31
	Total	0.62	0.90	1.22	1.57	1.90	2.25
3	Bank C.C. (90 per cent)	0.56	0.81	1.10	1.41	1.71	2.03
4	Own Contribution (10%)	0.06	0.09	0.12	0.16	0.19	0.23

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L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	0.17	0.37	0.61	0.88	1.16	1.47
2	Cl. Stock of Finished Goods	0.28	0.32	0.37	0.41	0.44	0.47
	Total Inventory	0.45	0.70	0.98	1.29	1.61	1.94
3	Cash and bank Balance	1.34	1.55	2.02	2.76	3.20	3.98
4	Sundry Debtors	0.17	0.38	0.62	0.90	1.19	1.50
	Total	1.96	2.62	3.61	4.94	6.00	7.42

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M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Plant & Machinery						
	Op. Balance	-	1.36	1.16	0.98	0.84	0.71
	Additions	1.60	-				
	Total	1.60	1.36	1.16	0.98	0.84	0.71
	Less : Depreciation	0.24	0.20	0.17	0.15	0.13	0.11
	Cl. WDV	1.36	1.16	0.98	0.84	0.71	0.60
	Total Depreciation	<u>0.24</u>	<u>0.20</u>	<u>0.17</u>	<u>0.15</u>	<u>0.13</u>	<u>0.11</u>
	Cl. WDV	<u>1.36</u>	<u>1.16</u>	<u>0.98</u>	<u>0.84</u>	<u>0.71</u>	<u>0.60</u>