

PROJECT REPORT FOR  
**CUSHION WORK**



**PROMOTER:**

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

**PROJECT LOCATION:**

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

**PREPARED BY:**

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1 187/67, GROUND FLOOR, GRUHALAXMI, J.M. ROAD, NEAR  
BALGANDHARVA CHOWK, PUNE, MAHARASHTRA 41 1005

## **C O N T E N T**

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## I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
Address- xxxxxxxxxxxxxxxxxxxxxxxx
  
2. Project Cost : Rs. 5.50 Lakhs
  
3. Mean of Finance  
A) T. L. facility from Bank : Rs. 3.05 Lakhs  
B) Own contribution : Rs.0.28 Lakhs  
C) Cash Credit : Rs. 2.18 Lakhs  
D) Subsidy under CMEGP Scheme : Rs.1.93 Lakhs
  
4. Rate of Interest : 11.00% Per Annum
  
5. Repayment :60 monthly installments, EMI @ 0.07 Lakhs
  
6. Nature of Project : CUSHION WORK
  
7. Employment Potential : 5 Nos.
  
8. Nature of the Firm :Proprietary Firm
  
9. Average Debt Coverage ratios : **2.87**

## **ABOUT THE PROJECT**

A cushion is a soft bag of some ornamental material, usually stuffed with wool, hair, feathers, polyester staple fiber, non-woven material, or even paper torn into fragments. It may be used for sitting or kneeling upon, or to soften the hardness or angularity of a chair or couch. Decorative cushions often have a patterned cover material, and are used as decoration for furniture.

The cushion is a very ancient article of furniture; the inventories of the contents of palaces and great houses in the early Middle Ages constantly made mention of them. Cushions were then often of great size, covered with leather, and firm enough to serve as a seat, but the steady tendency of all furniture has been to grow smaller with time. Today, the cushion is considered an upholstery item.

Project For :  
**CUSHION WORK**

### III. ECONOMICS OF THE PROJECT

#### A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Shop ( Already Existing)	-	-	-
2	Machinery & Equipments	2.50	0.00	2.50
3	Furniture & Fixtures	0.50	0.00	0.50
4	Preliminary and pre operative expenses.	0.21	0.00	0.21
5	Working Capital	2.29	0.00	2.29
		<b>5.50</b>	0.00	5.50

#### Means of Finance :

a) Own Contribution (5%)	0.28
b) T L facility from Bank (95%)	3.05
c) C.C. Facility from Bank	2.18
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	<b>5.50</b>
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d) Subsidy Entitlement Under PMEGP scheme @ 35% Category- OBC	1.93

## B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Sales	16.50	19.25	20.63	22.00	23.38	24.75
	Add : Increase in Cl.Stock	1.61	0.75	0.75	0.79	0.84	0.89
	Total Turnover	18.11	20.00	21.37	22.79	24.22	25.64
2	RM Consumption	6.79	7.92	8.48	9.05	9.61	10.18
3	Overheads						
	a) Direct	6.40	7.04	7.74	8.46	9.24	10.10
	b) Indirect	1.75	1.93	2.12	2.30	2.50	2.71
4	Balance	3.18	3.12	3.03	2.99	2.87	2.65
5	Interest on TL & CC	0.57	0.52	0.45	0.38	0.31	0.26
6	Depreciation	0.43	0.36	0.31	0.27	0.23	0.20
7	Preliminary expenses W/off	0.04	0.04	0.04	0.04	0.04	-
8	Profit after Interest & Dep.	2.14	2.20	2.22	2.30	2.29	2.20
9	Income Tax	-	-	-	-	-	-
10	<b>Profit after Tax</b>	<b>2.14</b>	<b>2.20</b>	<b>2.22</b>	<b>2.30</b>	<b>2.29</b>	<b>2.20</b>
11	Add: Depreciation & Pre Exp.	0.47	0.41	0.35	0.31	0.27	0.20
12	Add : Interest on TL	0.57	0.52	0.45	0.38	0.31	0.26
13	Cash Accruals	3.18	3.12	3.03	2.99	2.87	2.65
14	Instalments of TL & Interest	1.06	1.06	1.06	1.06	1.06	0.26
15	DSCR	3.01	2.95	2.87	2.83	2.71	-
16	Average DSCR	2.87					
17	N.P. to Total receipts	12.96	11.40	10.78	10.44	9.80	8.87

Project For :  
**CUSHION WORK**

### C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>A CASH INFLOW :</b>							
1	Collection from Debtors	15.82	18.46	19.78	21.10	22.41	23.73
2	T.L. from Bank	3.05					
3	CC from bank	2.18					
4	Capital	0.28	-	-	-	-	-
5	Subsidy	1.93	-				
TOTAL (A)		23.25	18.46	19.78	21.10	22.41	23.73
<b>B CASH OUTFLOW :</b>							
1	Fixed Assets	3.21			-		
2	Payments to creditors	5.65	6.60	7.07	7.54	8.01	8.48
3	Direct overheads	6.40	7.04	7.74	8.46	9.24	10.10
4	Indirect Overheads	1.75	1.93	2.12	2.30	2.50	2.71
5	Interest on Bank Loan	0.57	0.52	0.45	0.38	0.31	0.26
6	Income Tax	-	-	-	-	-	-
7	Term Loan Repayment	0.48	0.54	0.60	0.67	0.75	-
8	Drawings	0.50	0.50	0.50	0.50	0.50	0.50
TOTAL (B)		18.57	17.12	18.49	19.85	21.30	22.05
<b>SUMMERY:</b>							
Op. Cash & Bank Balance.		-	4.68	6.02	7.31	8.55	9.66
Add : Surplus / (Deficit)		4.68	1.34	1.29	1.24	1.11	1.68
Cl. Cash & Bank Balance.		4.68	6.02	7.31	8.55	9.66	11.34

Project For :  
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**D. BALANCE SHEET**

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<b>A</b>	<b>ASSETS :</b>						
1	Fixed Assets	2.58	2.21	1.90	1.63	1.40	1.21
2	Investments	-	-	-	-	-	-
3	Current Assets	6.97	9.85	12.74	15.68	18.59	22.18
4	Loans & Advances	-	-	-	-	-	-
5	Pre Exp. Not written off	0.17	0.13	0.08	0.04	-	-
	<b>TOTAL (A)</b>	<b>9.71</b>	<b>12.19</b>	<b>14.72</b>	<b>17.35</b>	<b>20.00</b>	<b>23.39</b>
<b>B</b>	<b>LIABILITIES:</b>						
1	Capital	3.84	5.53	7.26	9.06	10.85	12.54
2	Secured loans						
	Term Loan	2.57	2.03	1.42	0.75	0.00	-
3	Unsecured Loans	-	-	-	-	-	-
4	Current Liabilities						
	Cash Credit	2.18	2.18	2.18	2.18	2.18	2.18
	Sundry Creditors	1.13	2.45	3.86	5.37	6.97	8.67
	<b>TOTAL (B)</b>	<b>9.71</b>	<b>12.19</b>	<b>14.72</b>	<b>17.35</b>	<b>20.00</b>	<b>23.39</b>



Project For :  
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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	-	3.84	5.53	7.26	9.06	10.85
2	Additions	2.20	-	-	-	-	-
3	Net Profit for the year.	2.14	2.20	2.22	2.30	2.29	2.20
	Sub Total	4.34	6.03	7.76	9.56	11.35	13.04
4	Less : Drawings	0.50	0.50	0.50	0.50	0.50	0.50
5	Cl. Balance	3.84	5.53	7.26	9.06	10.85	12.54

Project For : <b>CUSHION WORK</b>
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(Rs. Lacs)

**F. PRODUCTION AND SALES**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	<b>Capacity utilisation</b>	<b>0.60</b>	<b>0.70</b>	<b>0.75</b>	<b>0.80</b>	<b>0.85</b>	<b>0.90</b>
1	Production per annum (Units) Production of Cushon Items	600	700	750	800	850	900
2	Cl.Stock of Finished Goods (Units) Production of Cushon Items	50	58	63	67	71	75
3	Sales per annum (Units) (Tot Production less Cl. Stock) Production of Cushon Items	550	642	688	733	779	825
4	Sales per annum Sale of Cushion Items Average Selling Price @ Rs. 3000 per Item	16.50	19.25	20.63	22.00	23.38	24.75
	Total Sale	<u>16.50</u>	<u>19.25</u>	<u>20.63</u>	<u>22.00</u>	<u>23.38</u>	<u>24.75</u>
5	Sundry Debtors (Credit period allowed 15 days)	0.68	0.79	0.85	0.90	0.96	1.02
6	Collection from Debtors	15.82	18.46	19.78	21.10	22.41	23.73
7	Total cost of Production	13.19	14.96	16.23	17.51	18.85	20.28
8	Cost per Unit	0.02	0.02	0.02	0.02	0.02	0.02
9	Value of Closing Stock	1.10	1.25	1.35	1.46	1.57	1.69

Project For :  
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**PRODUCTION**

S.No.	Particulars	Installed capacity (Units)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Production of Cushon Items	1,000	600	700	750	800	850	900

Project For :  
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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	Sale ( Output)	16.50	19.25	20.63	22.00	23.38	24.75
2	RM Purchases	6.27	7.32	7.84	8.36	8.88	9.41

**Raw Material requirement ( Input)**

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Purchase of Raw Material (@ 38 % of total sale)	6.27	7.32	7.84	8.36	8.88	9.41
2	Total cost of R.M	6.27	7.32	7.84	8.36	8.88	9.41

Project For :  
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(Rs. Lacs)

**RAW MATERIAL CONSUMPTION AND INVENTORY**

<b>S.No.</b>	<b>Particulars</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
1	RM cost for total production	6.27	7.32	7.84	8.36	8.88	9.41
2	Cl. Stock of RM ( assumed 30 days consumption)						
	O/p Stock	-	0.52	1.12	1.76	2.45	3.18
	Add : Addition	0.52	0.60	0.64	0.69	0.73	0.77
	Closing Stock	0.52	1.12	1.76	2.45	3.18	3.95
3	RM Purchases	6.79	7.92	8.48	9.05	9.61	10.18
4	Sundry Creditors (Credit period allowed 60 days)	1.13	1.32	1.41	1.51	1.60	1.70
5	Payment to creditors	5.65	6.60	7.07	7.54	8.01	8.48

Project For :  
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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						
a	Manager( Self)	-	-	-	-	-	-
b	Labour	4.20	4.62	5.08	5.59	6.15	6.76
	5 labour @ Rs. 7,000 per month						
2	Packing and forwarding Expenses ( Rs.10000 per Month)	1.20	1.32	1.45	1.60	1.76	1.93
3	Other Production Overheads	1.00	1.10	1.21	1.27	1.33	1.40
	Total	6.40	7.04	7.74	8.46	9.24	10.10

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(Rs. Lacs)

**I. INDIRECT OVERHEADS**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Advertisement & Publicity	0.50	0.55	0.61	0.67	0.73	0.81
2	Repairs & Maint.	0.75	0.83	0.91	1.00	1.10	1.21
3	Misc. Expenses	0.50	0.55	0.61	0.64	0.67	0.70
		<u>1.75</u>	<u>1.93</u>	<u>2.12</u>	<u>2.30</u>	<u>2.50</u>	<u>2.71</u>

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(Rs. Lacs)

**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.	3.05	2.57	2.03	1.42	0.75	-
2	Repayment during the year	0.48	0.54	0.60	0.67	0.75	-
3	Cl. Balance	2.57	2.03	1.42	0.75	0.00	-
4	Interest at 11 per cent p.a.	0.31	0.26	0.19	0.12	0.05	-
5	Total repayment with Interest	1.06	1.06	1.06	1.06	1.06	0.26
6	Interest on CC ( at 12 per cent p.a.)	0.26	0.26	0.26	0.26	0.26	0.26
	Total Interest	0.57	0.52	0.45	0.38	0.31	0.26

**Term Loan Repayment Schedule**

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				3.0495
1	0.07	0.03	0.04	3.01
2	0.07	0.03	0.04	2.97
3	0.07	0.03	0.04	2.93
4	0.07	0.03	0.04	2.89
5	0.07	0.03	0.04	2.85
6	0.07	0.03	0.04	2.81
7	0.07	0.03	0.04	2.77
8	0.07	0.03	0.04	2.73
9	0.07	0.03	0.04	2.69
10	0.07	0.02	0.04	2.65
11	0.07	0.02	0.04	2.61
12	0.07	0.02	0.04	2.57
<b>First Year</b>	<b>0.80</b>	<b>0.31</b>	<b>0.48</b>	
13	0.07	0.02	0.04	2.52
14	0.07	0.02	0.04	2.48
15	0.07	0.02	0.04	2.44
16	0.07	0.02	0.04	2.39
17	0.07	0.02	0.04	2.35
18	0.07	0.02	0.04	2.30
19	0.07	0.02	0.05	2.26



20	0.07	0.02	0.05	2.21
21	0.07	0.02	0.05	2.17
22	0.07	0.02	0.05	2.12
23	0.07	0.02	0.05	2.07
24	0.07	0.02	0.05	2.03
<b>Second Year</b>	<b>0.80</b>	<b>0.26</b>	<b>0.54</b>	
25	0.07	0.02	0.05	1.98
26	0.07	0.02	0.05	1.93
27	0.07	0.02	0.05	1.88
28	0.07	0.02	0.05	1.83
29	0.07	0.02	0.05	1.78
30	0.07	0.02	0.05	1.73
31	0.07	0.02	0.05	1.68
32	0.07	0.02	0.05	1.63
33	0.07	0.01	0.05	1.58
34	0.07	0.01	0.05	1.53
35	0.07	0.01	0.05	1.48
36	0.07	0.01	0.05	1.42
<b>Third Year</b>	<b>0.80</b>	<b>0.19</b>	<b>0.60</b>	
37	0.07	0.01	0.05	1.37
38	0.07	0.01	0.05	1.32
39	0.07	0.01	0.05	1.26
40	0.07	0.01	0.05	1.21
41	0.07	0.01	0.06	1.15
42	0.07	0.01	0.06	1.10
43	0.07	0.01	0.06	1.04
44	0.07	0.01	0.06	0.98
45	0.07	0.01	0.06	0.93
46	0.07	0.01	0.06	0.87
47	0.07	0.01	0.06	0.81
48	0.07	0.01	0.06	0.75
<b>Fourth Year</b>	<b>0.80</b>	<b>0.12</b>	<b>0.67</b>	
49	0.07	0.01	0.06	0.69
50	0.07	0.01	0.06	0.63
51	0.07	0.01	0.06	0.57
52	0.07	0.01	0.06	0.51
53	0.07	0.00	0.06	0.45
54	0.07	0.00	0.06	0.39
55	0.07	0.00	0.06	0.32
56	0.07	0.00	0.06	0.26
57	0.07	0.00	0.06	0.20
58	0.07	0.00	0.06	0.13
59	0.07	0.00	0.07	0.07
60	0.07	0.00	0.07	0.00
<b>Fifth Year</b>	<b>0.80</b>	<b>0.05</b>	<b>0.75</b>	

Project For :  
**CUSHION WORK**

(Rs. Lacs)

**K. WORKING CAPITAL**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Total Inventory	1.61	2.36	3.11	3.91	4.75	5.64
2	Sundry Debtors	0.68	0.79	0.85	0.90	0.96	1.02
	Total	2.29	3.15	3.96	4.81	5.71	6.66
3	Bank C.C. (95 per cent)	2.18	3.00	3.76	4.57	5.42	6.32
4	Own Contribution (5%)	0.11	0.16	0.20	0.24	0.29	0.33

Project For :  
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(Rs. Lacs)

**L. CURRENT ASSETS**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	Cl. Stock of Materials	0.52	1.12	1.76	2.45	3.18	3.95
2	Cl. Stock of Finished Goods	1.10	1.25	1.35	1.46	1.57	1.69
	Total Inventory	1.61	2.36	3.11	3.91	4.75	5.64
3	Cash and bank Balance	4.68	6.02	7.31	8.55	9.66	11.34
4	Sundry Debtors	0.68	1.47	2.32	3.22	4.18	5.20
	Total	6.97	9.85	12.74	15.68	18.59	22.18

Project For :  
**CUSHION WORK**

**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	-	2.13	1.81	1.54	1.31	1.11
	Additions	2.50	-				
	Total	2.50	2.13	1.81	1.54	1.31	1.11
	Less : Depreciation	0.38	0.32	0.27	0.23	0.20	0.17
	Cl. WDV	2.13	1.81	1.54	1.31	1.11	0.94
2	Furniture & Fixtures						
	Op. Balance	-	0.45	0.41	0.36	0.33	0.30
	Additions	0.50	-				
	Total	0.50	0.45	0.41	0.36	0.33	0.30
	Less : Depreciation	0.05	0.05	0.04	0.04	0.03	0.03
	Cl. WDV	0.45	0.41	0.36	0.33	0.30	0.27
	Total Depreciation	0.43	0.36	0.31	0.27	0.23	0.20
	Cl. WDV	2.58	2.21	1.90	1.63	1.40	1.21