



MODEL PROJECT REPORT



PROJECT REPORT ON ANIMATION PRODUCTION

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXX
- 2 Constitution (legal Status) : XXXXXXX
- 3 Father's/Spouse's Name : XXXXXXX
- 4 Unit Address : XXXXXXX
- Taluk/Block: XXXX
District : XXXX
Pin: XXXX
E-Mail : XXXX
Mobile : XXXX
- State:
- 5 Services Provided : **Post Processing Animation Video Content,Audio Editing (Adding Looping And Sound Effects), Adding Closed Captioning,Creating And Inserting Graphics, Animation Or Special Effects Etc**
- 6 Name of the project / business activity proposed : **Animation Production Unit**
- 7 Cost of Project : Rs 9.44 lacs
- 8 Means of Finance
- | | | |
|-------------------|---|----------------------------|
| Term Loan | - | Rs.4.5 Lacs |
| KVIC Margin Money | | As per Project Eligibility |
| Own Capital | | Rs.0.94 Lacs |
| Working Capital | | Rs.4 Lacs |
- 9 Debt Service Coverage Ratio : 2.76
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 65%
- 13 Employment : 11 Persons
- 14 Power Requirement : 8.00 HP
- 15 Estimated Annual Sales Turnover : 36.00 Lacs
- 16 Detailed Cost of Project & Means of Finance

17 COST OF PROJECT

(Rs. In Lacs)

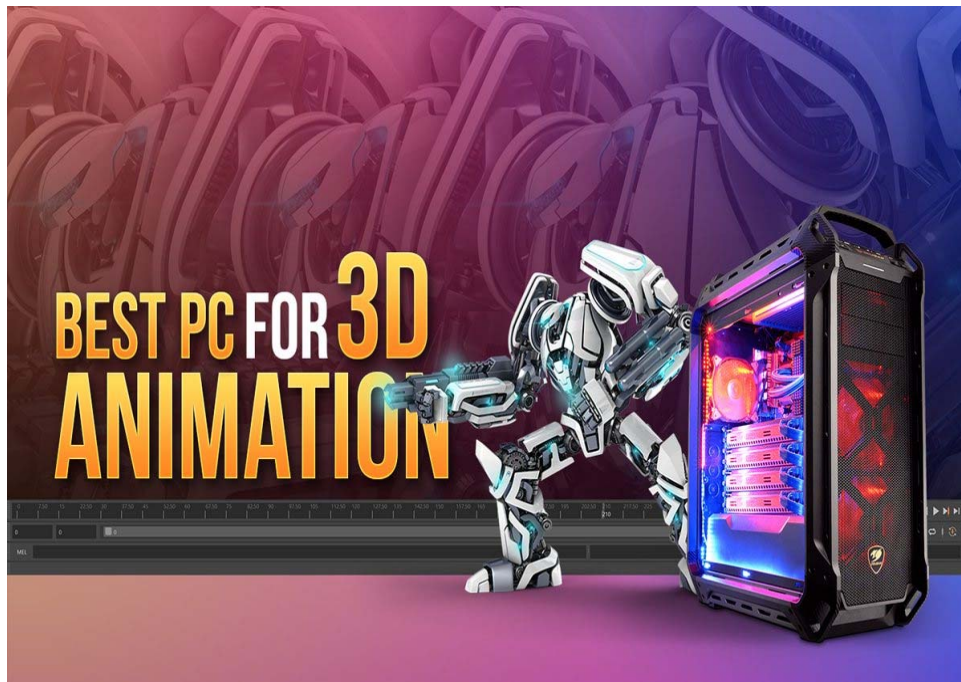
Particulars	Amount
Land	Rented/Owned
Building /shed 1000 Sq Ft)	Rented/Owned
Plant & Machinery	4.00
Furniture & Fixtures	1.00
Working Capital Requirement	4.44
Total	9.44

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	0.94
Term Loan	4.50
Working Capital Finance	4.00
Total	9.44

	General	Special
Beneficiary's Margin Money	10%	5%
(% of Project Cost)		

ANIMATION PRODUCTION UNIT



INDUSTRY OVERVIEW

Animation studio business falls under the Video Postproduction Services industry and the industry includes companies that prepare motion pictures for public distribution by performing editing, subtitling, closed captioning, animation and other special effects services. It is important to state that companies that are involved in movie or television production and perform post – production activities in-house are not part of this industry.

In recent time, following consumer disinterest in 3D film and shifting interest from TV to online content, many animation studios have re – strategized and repositioned their client base towards the increasing number of online streaming services and advertisers that require editing services for their productions, boosting revenue for the Video Postproduction Services industry.

MARKET RESEARCH AND FEASIBILITY STUDIES

The demographic and psychographic composition of those who patronize productions from animation studios cut across people of all genders and age groups, and also TV stations, cinemas, video production cum online streaming sites, and branding and advertising agencies, hence the demographic composition of an animation studio business is all encompassing.

The truth is that when it comes to productions from animation studios, there is indeed a wide range of available customers. In essence, your target market can't be restricted to just a group of people or media houses, but all those that have access to both terrestrial TV stations and satellite/cable TV stations and even the online community.

So, if you are thinking of opening your own animation studio, then you should make target demographics all encompassing; it should include everyone.

List of Niche ideas Within the Animation Studio Business That You Can Specialize in

It is the norm for animation studios to be creative and come up with productions that will catch the fancy of their target audience; it could be cartoons for children or animation advertisement for adults. That is why it seems that there are no niche areas in the industry.

But on the other hand, some animation studio may decide to major in some key areas such as;

- Post processing animation video content
- Audio editing (adding looping and sound effects)
- Adding closed captioning, subtitles or dubbing
- Creating and inserting graphics, animation or special effects
- Creating credits
- Formatting animation content for various media
- Receiving and incorporating feedback from test audiences
- Promotional activities
- Operating animation film libraries (preserving and storing finished videos and stock footage).

The Level of Competition in the Animation Studio Line of Business

The bottom line is that no matter the level of competition in an industry, if you have done your due diligence and you brand and promote your services or business properly, you will always make headway in the industry. Just ensure you are good and creative at producing animation contents or films, you can deliver excellent customer care services and you know how to attract and reach out to your target market.

But over and above, there are several animation studios, complimentary businesses such as graphics studios, video production studios and any other businesses that also produce animation content for media scattered all around the United States and in the cyberspace.

Starting Your Animation Studio Business from Scratch vs Buying a Franchise

When it comes to starting a business of this nature, it will pay you to buy the franchise of a successful and well – established animation studio brand if you have the funds as against starting from the scratch. Even though it is relatively expensive buying the franchise of an established animation studio brand, but it will definitely pay you in the long run.

Besides starting an animation studio business from the scratch is less stressful when compared to other small-scale businesses. With an animation studio business, you should just try as much as possible to get the right employees, animation and graphic skills, tools and equipment, build business relationship and network with key stakeholders and then leverage on every marketing tool within your disposal especially the internet to market your services.

Please note that most of the big and successful animation studios around started from the scratch and they were able to build a solid business brand.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	0.94	0.94	0.94	0.94	0.94
Retained Profit	0.45	1.68	4.20	8.27	14.43
Term Loan	4.50	3.38	2.25	1.13	-
Cash Credit	4.00	4.00	4.00	4.00	4.00
Sundry Creditors	0.36	0.44	0.53	0.63	0.73
TOTAL :	10.25	10.44	11.92	14.96	20.10
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	5.00	5.00	5.00	5.00	5.00
Gross Dep.	0.65	1.26	1.77	2.22	2.60
Net Fixed Assets	4.35	3.75	3.23	2.78	2.40
Current Assets					
Sundry Debtors	3.60	4.41	5.29	6.25	7.29
Stock in Hand	1.20	1.47	1.76	2.08	2.43
Cash and Bank	1.10	0.81	1.64	3.85	7.98
TOTAL :	10.25	10.44	11.92	14.96	20.10
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	36.00	44.10	52.92	62.51	72.93
Total (A)	36.00	44.10	52.92	62.51	72.93
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	9.00	11.03	13.23	15.63	18.23
Elecricity Expenses	0.69	0.74	0.80	0.86	0.92
Repair & Maintenance	0.50	0.44	0.53	0.63	0.73
Labour & Wages	3.30	3.63	3.99	4.39	4.83
Depreciation	0.65	0.61	0.52	0.45	0.38
Other Expenses	1.80	2.21	2.65	3.13	3.65
Cost of Production	15.94	18.65	21.72	25.08	28.74
Add: Opening Stock /WIP	-	-	-	-	-
Less: Closing Stock /WIP	-	-	-	-	-
Cost of Sales (B)	15.94	18.65	21.72	25.08	28.74
C) GROSS PROFIT (A-B)	20.06	25.45	31.20	37.44	44.19
	55.73%	57.71%	58.96%	59.89%	60.59%
D) Bank Interest (Term Loan)	0.37	0.45	0.32	0.20	0.08
Bank Interest (C.C. Limit)	0.46	0.46	0.46	0.46	0.46
E) Salary to Staff	15.18	16.70	18.37	20.20	22.23
F) Selling & Adm Expenses Exp.	3.60	6.62	9.53	12.50	14.59
TOTAL (D+E)	19.61	24.22	28.68	33.37	37.35
H) NET PROFIT	0.45	1.23	2.52	4.07	6.84
	1.3%	2.8%	4.8%	6.5%	9.4%
I) Taxation	-	-	-	-	0.68
J) PROFIT (After Tax)	0.45	1.23	2.52	4.07	6.16

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	0.94	-			
Reserve & Surplus	0.45	1.23	2.52	4.07	6.84
Depriciation & Exp. W/off	0.65	0.61	0.52	0.45	0.38
Increase in Cash Credit	4.00	-	-	-	-
Increase In Term Loan	4.50	-	-	-	-
Increase in Creditors	0.36	0.08	0.09	0.10	0.10
TOTAL :	10.90	1.91	3.13	4.61	7.33
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	5.00	-	-	-	-
Increase in Stock	1.20	0.27	0.29	0.32	0.35
Increase in Debtors	3.60	0.81	0.88	0.96	1.04
Repayment of Term Loan	-	1.13	1.13	1.13	1.13
Taxation	-	-	-	-	0.68
TOTAL :	9.80	2.21	2.30	2.40	3.20
Opening Cash & Bank Balance	-	1.10	0.81	1.64	3.85
Add : Surplus	1.10 -	0.29	0.83	2.21	4.13
Closing Cash & Bank Balance	1.10	0.81	1.64	3.85	7.98

COMPUTATION OF ANIMATION PRODUCTION UNIT**Services Provided**

Animation Production Unit

Animation Production unit per day		5	Animations
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Servicing per Annum		1,500	Animations
Year		Capacity Utilisation	Animation Production Unit
IST YEAR		60%	900.00
IIND YEAR		70%	1,050.00
IIIRD YEAR		80%	1,200.00
IVTH YEAR		90%	1,350.00
VTH YEAR		100%	1,500.00

COMPUTATION OF SERVICE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	-	-	-	-
Servicing rendered	900.00	1,050.00	1,200.00	1,350.00	1,500.00
	900.00	1,050.00	1,200.00	1,350.00	1,500.00
	-	-	-	-	-
Net Serviced Vehicles	900.00	1,050.00	1,200.00	1,350.00	1,500.00
Average Rate per Animation	4,000.00	4,200.00	4,410.00	4,630.50	4,862.03
Sale (in Lacs)	36.00	44.10	52.92	62.51	72.93

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Consumables</u>					
(40 Days requirement)	1.20	1.47	1.76	2.08	2.43
Closing Stock	1.20	1.47	1.76	2.08	2.43

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			1.20
Sundry Debtors			3.60
		Total	4.80
Sundry Creditors			0.36
Working Capital Requirement			4.44
Margin			0.44
Working Capital Finance			4.00

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		7,500.00	2	15,000.00
Unskilled Worker		5,000.00	2	10,000.00
				25,000.00
Add: 10% Fringe Benefit				2,500.00
Total Labour Cost Per Month				27,500.00
Total Labour Cost for the year (In Rs. Lakhs)			4	3.30

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Production Manager		30,000.00	1	30,000.00
Production Assistant Manager		25,000.00	1	25,000.00
Administrative Staffs		12,000.00	5	60,000.00
Total Salary Per Month				115,000.00
Add: 10% Fringe Benefit				11,500.00
Total Salary for the month				126,500.00
Total Salary for the year (In Rs. Lakhs)			7	15.18

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation			15.00%	10.00%	
Opening Balance	Rented/Owned	Rented/Owned	-	-	-
Addition	-	-	4.00	1.00	5.00
	-	-	4.00	1.00	5.00
Less : Depreciation	-	-	0.60	0.05	0.65
WDV at end of Ist year	-	-	3.40	0.95	4.35
Additions During The Year	-	-	-	-	-
	-	-	3.40	0.95	4.35
Less : Depreciation	-	-	0.51	0.10	0.61
WDV at end of IInd Year	-	-	2.89	0.86	3.75
Additions During The Year	-	-	-	-	-
	-	-	2.89	0.86	3.75
Less : Depreciation	-	-	0.43	0.09	0.52
WDV at end of IIIrd year	-	-	2.46	0.77	3.23
Additions During The Year	-	-	-	-	-
	-	-	2.46	0.77	3.23
Less : Depreciation	-	-	0.37	0.08	0.45
WDV at end of IV year	-	-	2.09	0.69	2.78
Additions During The Year	-	-	-	-	-
	-	-	2.09	0.69	2.78
Less : Depreciation	-	-	0.31	0.07	0.38
WDV at end of Vth year	-	-	1.77	0.62	2.40

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	4.50	4.50	-	-	4.50
	Iind Quarter	4.50	-	4.50	0.12	-	4.50
	IIIRD Quarter	4.50	-	4.50	0.12	-	4.50
	Ivth Quarter	4.50	-	4.50	0.12	-	4.50
					0.37	-	
IIND YEAR	Opening Balance						
	Ist Quarter	4.50	-	4.50	0.12	0.28	4.22
	Iind Quarter	4.22	-	4.22	0.12	0.28	3.94
	IIIRD Quarter	3.94	-	3.94	0.11	0.28	3.66
	Ivth Quarter	3.66		3.66	0.10	0.28	3.38
					0.45	1.13	
IIIRD YEAR	Opening Balance						
	Ist Quarter	3.38	-	3.38	0.09	0.28	3.09
	Iind Quarter	3.09	-	3.09	0.09	0.28	2.81
	IIIRD Quarter	2.81	-	2.81	0.08	0.28	2.53
	Ivth Quarter	2.53		2.53	0.07	0.28	2.25
					0.32	1.13	
IVTH YEAR	Opening Balance						
	Ist Quarter	2.25	-	2.25	0.06	0.28	1.97
	Iind Quarter	1.97	-	1.97	0.05	0.28	1.69
	IIIRD Quarter	1.69	-	1.69	0.05	0.28	1.41
	Ivth Quarter	1.41		1.41	0.04	0.28	1.13
					0.20	1.13	
VTTH YEAR	Opening Balance						
	Ist Quarter	1.13	-	1.13	0.03	0.28	0.84
	Iind Quarter	0.84	-	0.84	0.02	0.28	0.56
	IIIRD Quarter	0.56	-	0.56	0.02	0.28	0.28
	Ivth Quarter	0.28		0.28	0.01	0.28	-
					0.08	1.13	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	1.10	1.83	3.04	4.51	6.54
Interest on Term Loan	0.37	0.45	0.32	0.20	0.08
Total	1.47	2.28	3.37	4.71	6.62
<u>REPAYMENT</u>					
Instalment of Term Loan	1.13	1.13	1.13	1.13	1.13
Interest on Term Loan	0.37	0.45	0.32	0.20	0.08
Total	1.50	1.57	1.45	1.33	1.20
DEBT SERVICE COVERAGE RATIO	0.98	1.45	2.32	3.56	5.50
AVERAGE D.S.C.R.			2.76		

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day		Hours	8	
Electric Load Required		HP	8	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				114,585.60

Add : Minimim Charges (@ 10%)

(B) DG set

No. of Working Days			300	days
No of Working Hours			-	Hour per day
Total no of Hour			-	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			-	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			-	
Add : Lube Cost @15%			-	
Total			-	

Total cost of Power & Fuel at 100% 1.15

Year		Capacity		Amount
				(in Lacs)
I		60%		0.69
II		65%		0.74
III		70%		0.80
IV		75%		0.86
V		80%		0.92