



MODEL PROJECT REPORT



PROJECT REPORT ON DRY DISTEMPER

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxx
- 3 Father / Spouse Name : xxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
- Pin: xxxxxxx
- Mobile : xxxxxxx
- State: xxxxxxxx
- 5 Product and By Product : DRY DISTEMPER
- 6 Name of the project / business activity proposed : DRY DISTEMPER MAKING UNIT
- 7 Cost of Project : Rs.24.44 Lakhs
- 8 Means of Finance
 - Term Loan Rs.18 Lakhs
 - Own Capital Rs.2.44 Lakhs
 - Working Capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 2.33
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 33%
- 13 Employment : 9 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : Chalk/Lime, Resins, Filler, Pigments, etc..
- 16 Estimated Annual Sales Turnover (Max Capacity) : 120.53 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)	
Particulars	Amount
Land	Own/Rented
Building /Shed 1000 Sq ft	5.00
Plant & Machinery	14.00
Furniture & Fixtures	1.00
Working Capital	4.44
Total	24.44

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.44
Working Capital(Finance)	4.00
Term Loan	18.00
Total	24.44

DRY DISTEMPER

Introduction: Distemper is a water based paint in which the binding medium consists essentially of either glue or casein, or similar sizing material. The major constituents of distemper are chalk, lime, water and some coloring agents if necessary. They are also known as cement paint. This is called so because such kind of paint can be applied directly on cement walls without any other coating on them. They are a cheaper option and they stay good for more than 5 years. Distempers are used for both interior and exterior walls usually needing two coatings. The distempers are available in powdered form or paste form. They are to be mixed with hot water before use.



Features of Distemper: Following are the features:

- It has a distinct property by the virtue of which it allows the moisture to escape from the surface to which it is applied.

- It is easy to apply and can be applied directly on the plastered surface.
- It can easily be cleaned by using a mild solution of detergent.
- It is not flexible in nature.
- It has a low VOC Content.
- It is not water-resistant but provides a matte smooth finish.

Composition of Distemper: The composition of Distemper includes the following:

- Base/Body:** Chalk or lime is used as a base of distemper paint.
- Vehicle/Binder:** Various types of resins such as acrylic resins, alkyl resins and epoxy resins are used as the vehicles in the distemper paint.
- Inert Filler/Extender:** Various colouring pigments are used as the extenders in the distemper paint. Usually the colouring pigments used are larger in size than the ordinary secondary fine particles.
- Pigments:** Mostly the powdered mineral colours are used as the pigment in the distemper paints.
- Thinner/Solvent:** In the distemper paint, the solvent used is water.
- Additive:** Mostly, the alkali resistance substances are used as the additives in the distemper paint.

Assuming average raw material cost between 20-25 Kg.

Machines & equipments: Major machines are as follows:

Name	Unit	Price
Ball mill	1	120000
Dry Powder mixer	1	150000
Slurry mixer	1	45000
Dehydrator/Evaporating Tower	1	1000000
Other machines & equipments	Ls	85000

Manufacturing Process: Raw materials required for production are procured from the market. The materials which are in solid form are grinded in the ball mill. After grinding the next process is to pour the grinded material in slurry mixer. Once the process in slurry mixer is completed than the material is ready for the next stage in which the required mixture passes through Dehydrator/Evaporating Tower. After this fillers are added to the powder mixer. The required material is than packed in 5 kg , 10 kg packets and are ready for sale.

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000 to 1500Sqft. Civil work cost will be around 5 Lac Rs. (Approx.)

Power Requirement: The power consumption required to run all the machinery could be approximated as 30hp.

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 9 including 1 Supervisor, 1 Plant operator, 2 unskilled worker , 1 Helper, 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	2.44	-			
Reserve & Surplus	4.47	7.23	9.77	12.40	15.33
Depriciation & Exp. W/off	2.70	2.33	2.00	1.73	1.49
Increase In Cash Credit	4.00				
Increase In Term Loan	18.00	-	-	-	-
Increase in Creditors	0.60	0.09	0.10	0.11	0.11
TOTAL :	32.21	9.65	11.87	14.23	16.93
APPLICATION OF FUND					
Increase in Fixed Assets	20.00	-	-	-	-
Increase in Stock	4.26	0.66	0.70	0.75	0.79
Increase in Debtors	1.60	0.34	0.28	0.29	0.31
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Taxation	-	1.08	1.95	3.10	3.83
Drawings	3.00	3.50	4.50	5.00	7.00
TOTAL :	30.86	9.58	11.43	13.14	15.93
Opening Cash & Bank Balance	-	1.36	1.42	1.86	2.95
Add : Surplus	1.36	0.07	0.43	1.09	1.00
Closing Cash & Bank Balance	1.36	1.42	1.86	2.95	3.95

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	3.91	6.56	9.87	14.17
Add: Additions	2.44	-	-	-	-
Add: Net Profit	4.47	6.15	7.81	9.30	11.49
Less: Drawings	3.00	3.50	4.50	5.00	7.00
Closing Balance	3.91	6.56	9.87	14.17	18.66
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	16.00	12.00	8.00	4.00	-
Sundry Creditors	0.60	0.69	0.79	0.90	1.01
TOTAL :	24.51	23.25	22.66	23.07	23.67
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	20.00	20.00	20.00	20.00	20.00
Gross Dep.	2.70	5.03	7.03	8.76	10.25
Net Fixed Assets	17.30	14.98	12.97	11.24	9.75
Current Assets					
Sundry Debtors	1.60	1.93	2.21	2.50	2.81
Stock in Hand	4.26	4.92	5.62	6.37	7.16
Cash and Bank	1.36	1.42	1.86	2.95	3.95
TOTAL :	24.51	23.25	22.66	23.07	23.67

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	68.40	82.78	94.64	107.23	120.53
Total (A)	68.40	82.78	94.64	107.23	120.53
<u>B) COST OF SALES</u>					
Raw Material Consumed	36.00	41.58	47.52	53.82	60.48
Electricity Expenses	2.28	2.51	2.74	2.97	3.20
Repair & Maintenance	6.84	8.28	9.46	10.72	12.05
Labour & Wages	8.69	9.56	10.62	11.89	13.32
Depreciation	2.70	2.33	2.00	1.73	1.49
Cost of Production	56.52	64.26	72.34	81.13	90.54
Add: Opening Stock /WIP	-	3.06	3.53	4.04	4.57
Less: Closing Stock /WIP	3.06	3.53	4.04	4.57	5.14
Cost of Sales (B)	53.46	63.78	71.84	80.59	89.97
C) GROSS PROFIT (A-B)	14.94	19.00	22.81	26.63	30.56
	21.85%	22.95%	24.10%	24.84%	25.35%
D) Bank Interest (Term Loan)	1.95	1.60	1.16	0.72	0.28
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	4.66	5.59	6.71	7.72	8.49
F) Selling & Adm Expenses Exp.	3.42	4.14	4.73	5.36	6.03
TOTAL (D+E)	10.47	11.77	13.04	14.24	15.23
H) NET PROFIT	4.47	7.23	9.77	12.40	15.33
	6.5%	8.7%	10.3%	11.6%	12.7%
I) Taxation	-	1.08	1.95	3.10	3.83
J) PROFIT (After Tax)	4.47	6.15	7.81	9.30	11.49

<u>COMPUTATION OF MAKING OF DRY DISTEMPER</u>			
Item to be Manufactured Dry Distemper			
Manufacturing Capacity per day		1200	kg
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		3,60,000	kg
Total Production per Annum		3,60,000	Kg
Year		Capacity	DRY DISTEMPER
		Utilisation	
I		50%	1,80,000.00
II		55%	1,98,000.00
III		60%	2,16,000.00
IV		65%	2,34,000.00
V		70%	2,52,000.00

Raw Material Consumed	Capacity	Rate per kg	Amount (Rs.)
	Utilisation		
I	50%	20.00	36.00
II	55%	21.00	41.58
III	60%	22.00	47.52
IV	65%	23.00	53.82
V	70%	24.00	60.48

<u>COMPUTATION OF SALE</u>					
Particulars	I	II	III	IV	V
Op Stock	-	9,000.00	9,900.00	10,800.00	11,700.00
Production	1,80,000.00	1,98,000.00	2,16,000.00	2,34,000.00	2,52,000.00
	1,80,000.00	2,07,000.00	2,25,900.00	2,44,800.00	2,63,700.00
Less : Closing Stock(15 Days)	9,000.00	9,900.00	10,800.00	11,700.00	12,600.00
Net Sale	1,71,000.00	1,97,100.00	2,15,100.00	2,33,100.00	2,51,100.00
Sale Price per kg	40.00	42.00	44.00	46.00	48.00
Sale (in Lacs)	68.40	82.78	94.64	107.23	120.53

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(15 Days requirement)	3.06	3.53	4.04	4.57	5.14
Raw Material					
(10 Days requirement)	1.20	1.39	1.58	1.79	2.02
Closing Stock	4.26	4.92	5.62	6.37	7.16

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	4.26		
Less:			
Sundry Creditors	0.60		
Paid Stock	3.66	0.37	3.29
Sundry Debtors	1.60	0.16	1.44
Working Capital Requirement			4.73
Margin			0.53
MPBF			4.73
Working Capital Demand			4.00

<u>BREAK UP OF LABOUR</u>				
Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor		20,000.00	1	20,000.00
Plant Operator		15,000.00	1	15,000.00
Unskilled Worker		10,000.00	2	20,000.00
Helper		8,000.00	1	8,000.00
Security Guard		6,000.00	1	6,000.00
				69,000.00
Add: 5% Fringe Benefit				3,450.00
Total Labour Cost Per Month				72,450.00
Total Labour Cost for the year (In Rs. Lakhs)			6	8.69

<u>BREAK UP OF SALARY</u>				
Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		20,000.00	1	12,000.00
Accountant cum store keeper		15,000.00	1	15,000.00
Sales		10,000.00	1	10,000.00
Total Salary Per Month				37,000.00
Add: 5% Fringe Benefit				1,850.00
Total Salary for the month				38,850.00
Total Salary for the year (In Rs. Lakhs)			3	4.66

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased		-	-	-
Addition	-	5.00	14.00	1.00	20.00
	-	5.00	14.00	1.00	20.00
		-	-	-	
TOTAL		5.00	14.00	1.00	20.00
Less : Depreciation	-	0.50	2.10	0.10	2.70
WDV at end of Ist year	-	4.50	11.90	0.90	17.30
Additions During The Year	-	-	-	-	-
	-	4.50	11.90	0.90	17.30
Less : Depreciation	-	0.45	1.79	0.09	2.33
WDV at end of IInd Year	-	4.05	10.12	0.81	14.98
Additions During The Year	-	-	-	-	-
	-	4.05	10.12	0.81	14.98
Less : Depreciation	-	0.41	1.52	0.08	2.00
WDV at end of IIIrd year	-	3.65	8.60	0.73	12.97
Additions During The Year	-	-	-	-	-
	-	3.65	8.60	0.73	12.97
Less : Depreciation	-	0.36	1.29	0.07	1.73
WDV at end of IV year	-	3.28	7.31	0.66	11.24
Additions During The Year	-	-	-	-	-
	-	3.28	7.31	0.66	11.24
Less : Depreciation	-	0.33	1.10	0.07	1.49
WDV at end of Vth year	-	2.95	6.21	0.59	9.75

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	18.00	-	18.00	0.50	-	18.00
	Iind Quarter	18.00	-	18.00	0.50	-	18.00
	IIIrd Quarter	18.00	-	18.00	0.50	1.00	17.00
	Ivth Quarter	17.00	-	17.00	0.47	1.00	16.00
					1.95	2.00	
II	Opening Balance						
	Ist Quarter	16.00	-	16.00	0.44	1.00	15.00
	Iind Quarter	15.00	-	15.00	0.41	1.00	14.00
	IIIrd Quarter	14.00	-	14.00	0.39	1.00	13.00
	Ivth Quarter	13.00		13.00	0.36	1.00	12.00
					1.60	4.00	
III	Opening Balance						
	Ist Quarter	12.00	-	12.00	0.33	1.00	11.00
	Iind Quarter	11.00	-	11.00	0.30	1.00	10.00
	IIIrd Quarter	10.00	-	10.00	0.28	1.00	9.00
	Ivth Quarter	9.00		9.00	0.25	1.00	8.00
					1.16	4.00	
IV	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	1.00	7.00
	Iind Quarter	7.00	-	7.00	0.19	1.00	6.00
	IIIrd Quarter	6.00	-	6.00	0.17	1.00	5.00
	Ivth Quarter	5.00		5.00	0.14	1.00	4.00
					0.72	4.00	
V	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	1.00	3.00
	Iind Quarter	3.00	-	3.00	0.08	1.00	2.00
	IIIrd Quarter	2.00	-	2.00	0.06	1.00	1.00
	Ivth Quarter	1.00		1.00	0.03	1.00	-
					0.28	4.00	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	7.17	8.47	9.82	11.03	12.98
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	9.12	10.07	10.97	11.74	13.26
<u>REPAYMENT</u>					
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	3.95	5.60	5.16	4.72	4.28
DEBT SERVICE COVERAGE RATIO	2.31	1.80	2.13	2.49	3.10
AVERAGE D.S.C.R.			2.33		

<u>COMPUTATION OF ELECTRICITY</u>				
<u>(A) POWER CONNECTION</u>				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	30	
Load Factor			0.7460	
Electricity Charges		per unit	7.50	
Total Working Days			300	
Electricity Charges				4,02,840.00
Add : Minimim Charges (@ 10%)				
<u>(B) DG set</u>				
No. of Working Days			300	days
No of Working Hours			0.3	Hour per day
Total no of Hour			90	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			720	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			0.47	
Add : Lube Cost @15%			0.07	
Total			0.54	
Total cost of Power & Fuel at 100%				4.57
Year		Capacity		Amount
				(in Lacs)
I		50%		2.28
II		55%		2.51
III		60%		2.74
IV		65%		2.97
V		70%		3.20