

UP MSME **1**-Connect

PROJECT REPORT

Planning to Start Your MSME Journey! Uncover Valuable Insights for your Business—Explore Now !!

PROJECT:

THERMAL PAPER ROLL

PROJECT REPORT

Of

THERMAL PAPER ROLL

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Thermal paper Roll.

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.]

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
Pin: xxxxxxxx State: xxxxxxxxxxxx
Mobile xxxxxxxx
- 5 Product and By Product : Thermal Paper Rolls,ATM/POS , Cash Rolls, Fax Rolls
- 6 Name of the project / business activity proposed : Thermal Paper Rolls Manufacturing Unit
- 7 Cost of Project : Rs.15.3 Lakhs
- 8 Means of Finance
Term Loan Rs.8.78 Lakhs
KVIC MARGIN MONEY As per Project Eligibility
Own Capital Rs.1.53 Lakhs
Working Capital Rs.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.42
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 41%
- 13 Employment : 10 Persons
- 14 Power Requirement : 10 KW
- 15 Major Raw materials : Paper Jumbo Roll
- 16 Estimated Annual Sales Turnover (Max Utilized Capacity) : 95.80 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

| Particulars | Amount |
|-----------------------------|--------------|
| Land | Own/Rented |
| Building /Shed 2000 sq.ft | Own/Rented |
| Plant & Machinery | 8.50 |
| Furniture & Fixtures | 1.25 |
| Working Capital Requirement | 5.55 |
| Total | 15.30 |

MEANS OF FINANCE

| Particulars | Amount |
|----------------------|--------------|
| Own Contribution@10% | 1.53 |
| Term Loan | 8.78 |
| Working Capital | 5.00 |
| Total | 15.30 |

| | | |
|---|----------------|----------------|
| | General | Special |
| Beneficiary Margin Money (% of Project Cost) | 10% | 5% |

THERMAL PAPER ROLLS



INTRODUCTION:

Thermal paper has a specialty coating that allows inkless printing and gives excellent results on printing as it provides reliable, speedy and high definition images. Thermal paper rolls are cost effective as they have lower maintenance costs. Furthermore, thermal printing technology is quieter as compared to its alternatives, which offers a pleasant experience when working with high volumes of printing. Key manufacturers such as Appvion are adopting latest printing technologies such as Techkon SpectroDens for thermal paper rolls to achieve excellent printing results. Attributing to their reliable and durability, thermal paper rolls finds application in various end uses. For instance, retailers use thermal paper rolls for point-of-sale applications such as super stores, grocery store, and ATM banks. In addition, ticket agencies and lottery systems, which require accurate and large volume printouts, also rely on thermal paper rolls.

THERMAL PAPER ROLLS MARKET: DYNAMICS

The advent of digitalization in developing regions such as India has been driving the need for POS systems and subsequently, escalating the demand for thermal paper rolls in the market. In addition, the rising importance of labelling against the counterfeiting of products has been having a positive impact on the demand for thermal paper rolls. Moreover, thermal paper offers excellent coloring capability at high speeds and a highly durable finish that doesn't fade easily. This feature allows printed bar codes to be used in POS food labelling & other applications during their manufacturing and shipping, which has been escalating the demand for thermal paper rolls, globally.

On the other hand, the usage of BPA in thermal paper has a negative impact on human health, which may hamper the growth of the thermal paper rolls market in the near future. Therefore, many retailers are adopting digital receipt software programs that work with existing POS systems and they print customer receipts only on request in order to minimize the usage of thermal paper.

Thermal Paper Rolls Market: Segmentation

On the basis of product type, the global thermal paper market can be segmented as:

- Top coating thermal paper
- Premium & standard thermal paper

On the basis of printing technology type, the global thermal paper rolls market can be segmented as:

- Direct thermal
- Thermal transfer

On the basis of application, the global thermal paper rolls market can be segmented as:

- POS Systems
- Lottery & Gaming
- Labels & Tags
- ATM Receipt
- Others (Handy Terminal)

On the basis of end-use industry, global thermal paper rolls market can be segmented as:

- Transport & logistics
- Retail
- Pharmaceutical
- Apparel
- Food & beverages
- Others

Thermal Paper Rolls Market: Key Developments

Some of the key developments in the global thermal paper rolls market are:

- In 2019, Ricoh Company, Ltd. is planning to expand its manufacturing capabilities in Europe. Ricoh will invest about 3 Billion Yen in Ricoh Industries France S.A.S. to double its coater production capacity, which applies thermal coatings onto paper.
- In 2018, Appvion Operations, Inc. started adopting Techkon Spectro Dens for its thermal paper rolls manufacturing operations as Tech kon Spectro Dens combines the qualities of a highly accurate spectro photometer and superior in terms of repeatability, ergonomics, and ease of use.
- In 2016, Oji Holdings Corporation along with Marubeni Corporation acquired the Tele-Paper (M) Sdn Bhd., converting and printing manufacturer of thermal paper rolls and carbonless paper in Malaysia.

The report offers a comprehensive evaluation of the market. It does so via in-depth qualitative insights, historical data, and verifiable projections about market size. The projections featured in the report have been derived using proven research methodologies and assumptions. By doing so, the research report serves as a repository of analysis and information for every facet of the market, including but not limited to: Regional markets, technology, types, and applications.

MACHINE SPECIFICATIONS:

The Slitting Rewinding machine for add cash rolls, fax rolls, ATM Rolls, Thermal Rolls, POS Rolls and other small paper roll converting from big reels. This machine is equipped with easy loading and unloading of rewinding shafts for higher production and lesser downtime. Multi unwind stations can be provided for multiple rolls like Teleprinter rolls Multi-Ply adding machine rolls for billing etc.

THE MACHINE CONSISTS OF:

1. UNWIND

- ✦ One Unwind station for paper reel (of up to 1000 mm dia) mounted on Mechanical shaft with provision for side regulation of the draw unit for alignment. One Mechanical brake will be provided with dancing roller for tension control.
- ✦ Pneumatic reel loading system for loading of the paper in to the machine.

2. SLITTING CUM TRIMMING UNIT

- ✦ The unit is provided with 8 sets of Rotary top and bottom cutters along with spacers to slit the web width up to 7 rolls along with trimming at both the edges.
- ✦ Edge trimming and center slitting is done with male and female cutter made of alloy steel are fitted to give a very fine cut on the web.
- ✦ Trim disposal system with motorized blower.

3. REWINDING UNIT

✚ One Shaft will be inserted into the cores and supported between 2 driven Rollers (Drums). Pneumatically controlled rider roller for perfect rewinding of the reel.

✚ Tape Less Rewinding

4. DRIVE

✚ 5 HP AC thyristor control drive with PLC controls.

• IMPLEMENTATION SCHEDULE

| Sr. No. | Particulars | Time Period |
|---------|--|--------------|
| 1 | The Time requirement for preparation of Project report | Two months |
| 2 | Time requirement for selection of Site | One month |
| 3 | Time required for registration as Small Scale Unit | One Week |
| 4 | Time required for acquiring the loan Machinery procurement, erection and commissioning | Three Months |

THERMAL PAPER ROLLS LICENSE ®ISTRATION

For Proprietor

Obtain the GST registration.

Additionally, apply for MSME Udyog Aadhaar online registration

Fire/ Pollution Registration as required.

Choice of a Brand Name of the product and secure the name with Trademark if required.

FINANCIAL ASPECTS

PROJECTED CASH FLOW STATEMENT

| PARTICULARS | I | II | III | IV | V |
|--|--------------|-------------|-------------|-------------|-------------|
| SOURCES OF FUND | | | | | |
| Own Contribution@10% | 1.53 | - | | | |
| Net Profit | 0.98 | 2.11 | 3.88 | 5.44 | 7.72 |
| Depreciation & Exp. W/off | 1.40 | 1.20 | 1.02 | 0.87 | 0.75 |
| Increase In Cash Credit | 5.00 | | | | |
| Increase In Term Loan | 8.78 | - | - | - | - |
| Increase in Creditors | 0.84 | 0.13 | 0.14 | 0.15 | 0.17 |
| TOTAL : | 18.52 | 3.43 | 5.04 | 6.47 | 8.63 |
| APPLICATION OF FUND | | | | | |
| Increase in Fixed Assets | 9.75 | - | - | - | - |
| Increase in Stock | 2.89 | 0.40 | 0.46 | 0.50 | 0.54 |
| Increase in Debtors | 3.52 | 0.70 | 0.67 | 0.72 | 0.77 |
| Repayment of Term Loan | 0.98 | 1.95 | 1.95 | 1.95 | 1.95 |
| Taxation | - | - | - | 0.02 | 0.14 |
| Drawings | - | 1.00 | 2.00 | 3.00 | 5.00 |
| TOTAL : | 17.13 | 4.05 | 5.08 | 6.19 | 8.39 |
| Opening Cash & Bank Balance | - | 1.39 | 0.77 | 0.73 | 1.01 |
| Add : Surplus | 1.39 | - 0.62 | - 0.04 | 0.28 | 0.23 |
| Closing Cash & Bank Balance | 1.39 | 0.77 | 0.73 | 1.01 | 1.25 |

PROJECTED BALANCE SHEET

| PARTICULARS | I | II | III | IV | V |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| SOURCES OF FUND | | | | | |
| Capital Account | | | | | |
| Opening Balance | - | 2.51 | 3.62 | 5.50 | 7.92 |
| Add: Additions | 1.53 | - | - | - | - |
| Add: Net Profit | 0.98 | 2.11 | 3.88 | 5.42 | 7.58 |
| Less: Drawings | - | 1.00 | 2.00 | 3.00 | 5.00 |
| Closing Balance | 2.51 | 3.62 | 5.50 | 7.92 | 10.50 |
| CC Limit | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Term Loan | 7.80 | 5.85 | 3.90 | 1.95 | - |
| Sundry Creditors | 0.84 | 0.97 | 1.11 | 1.26 | 1.43 |
| TOTAL : | 16.15 | 15.43 | 15.50 | 16.13 | 16.92 |
| APPLICATION OF FUND | | | | | |
| Fixed Assets (Gross) | 9.75 | 9.75 | 9.75 | 9.75 | 9.75 |
| Gross Dep. | 1.40 | 2.60 | 3.62 | 4.49 | 5.24 |
| Net Fixed Assets | 8.35 | 7.15 | 6.13 | 5.26 | 4.51 |
| Current Assets | | | | | |
| Sundry Debtors | 3.52 | 4.22 | 4.89 | 5.61 | 6.37 |
| Stock in Hand | 2.89 | 3.29 | 3.76 | 4.25 | 4.80 |
| Cash and Bank | 1.39 | 0.77 | 0.73 | 1.01 | 1.25 |
| TOTAL : | 16.15 | 15.43 | 15.50 | 16.13 | 16.92 |
| | - | - | - | - | - |

PROJECTED PROFITABILITY STATEMENT

| PARTICULARS | I | II | III | IV | V |
|---------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>A) SALES</u> | | | | | |
| Gross Sale | 52.74 | 63.23 | 73.30 | 84.09 | 95.60 |
| Total (A) | 52.74 | 63.23 | 73.30 | 84.09 | 95.60 |
| <u>B) COST OF SALES</u> | | | | | |
| Raw Mateiral Consumed | 36.00 | 41.58 | 47.63 | 54.18 | 61.26 |
| Electricity Expenses | 1.35 | 1.48 | 1.62 | 1.75 | 1.89 |
| Repair & Maintenance | 0.26 | 0.32 | 0.37 | 0.42 | 0.48 |
| Labour & Wages | 7.85 | 8.64 | 9.50 | 10.45 | 11.50 |
| Depreciation | 1.40 | 1.20 | 1.02 | 0.87 | 0.75 |
| Cost of Production | 46.87 | 53.22 | 60.14 | 67.68 | 75.87 |
| Add: Opening Stock /WIP | - | 1.09 | 1.22 | 1.37 | 1.55 |
| Less: Closing Stock /WIP | 1.09 | 1.22 | 1.37 | 1.55 | 1.73 |
| Cost of Sales (B) | 45.77 | 53.09 | 59.98 | 67.51 | 75.69 |
| C) GROSS PROFIT (A-B) | 6.97 13.21% | 10.13 16.03% | 13.32 18.17% | 16.58 19.72% | 19.91 20.83% |
| D) Bank Interest (Term Loan) | 0.95 | 0.78 | 0.56 | 0.35 | 0.13 |
| ii) Interest On Working Capital | 0.55 | 0.55 | 0.55 | 0.55 | 0.55 |
| E) Salary to Staff | 2.64 | 2.90 | 3.19 | 3.51 | 3.87 |
| F) Selling & Adm Expenses Exp. | 1.85 | 3.79 | 5.13 | 6.73 | 7.65 |
| TOTAL (D+E) | 5.99 | 8.02 | 9.44 | 11.14 | 12.20 |
| G) NET PROFIT | 0.98 1.9% | 2.11 3.3% | 3.88 5.3% | 5.44 6.5% | 7.72 8.1% |
| H) Taxation | - | - | - | 0.02 | 0.14 |
| I) PROFIT (After Tax) | 0.98 | 2.11 | 3.88 | 5.42 | 7.58 |

COMPUTATION OF PRODUCTION OF THERMAL PAPER ROLL

Item to be Manufactured THERMAL PAPER ROLLS

| | | | |
|--------------------------------|--|-------------|--|
| Manufacturing Capacity per Day | | 1,200 | ROLLS |
| No. of Working Hour | | 8 | |
| No of Working Days per month | | 25 | |
| No. of Working Day per annum | | 300 | |
| Total Production per Annum | | 360,000 | ROLLS |
| | | | |
| Year | | Capacity | Thermal Paper Rolls, ATM/POS, Cash Rolls, Fax Rolls |
| | | Utilisation | |
| I | | 50% | 180,000 |
| II | | 55% | 198,000 |
| III | | 60% | 216,000 |
| IV | | 65% | 234,000 |
| V | | 70% | 252,000 |

COMPUTATION OF RAW MATERIAL

| Item Name | Quantity of Raw Material | Unit | Unit Rate of | Total CostPer Annum (100%) |
|--|-----------------------------|-------|--------------|-------------------------------|
| Jumbo paper Rolls | 900.00 | rolls | 8,000.00 | 7,200,000.00 |
| Total | 900.00 | | | 7,200,000.00 |
| Total Raw material in Rs lacs at 100% Capacity | | | | 72.00 |
| Cost per kg | | | | (In Rs) 20.00 |
| Raw Material Consumed | Capacity Utilisation | Rate | Amount (Rs.) | |
| I | 50% | 20.00 | 36.00 | |
| II | 55% | 21.00 | 41.58 | 5% Increase in Cost |
| III | 60% | 22.05 | 47.63 | 5% Increase in Cost |
| IV | 65% | 23.15 | 54.18 | 5% Increase in Cost |
| V | 70% | 24.31 | 61.26 | 5% Increase in Cost |

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

| PARTICULARS | I | II | III | IV | V |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Finished Goods | | | | | |
| (7 Days requirement) | 1.09 | 1.22 | 1.37 | 1.55 | 1.73 |
| Raw Material | | | | | |
| (15 Days requirement) | 1.80 | 2.08 | 2.38 | 2.71 | 3.06 |
| Closing Stock | 2.89 | 3.29 | 3.76 | 4.25 | 4.80 |

COMPUTATION OF WORKING CAPITAL REQUIREMENT

| Particulars | Amount | Margin(10%) | Net Amount |
|------------------------------------|--------|-------------|-------------|
| Stock in Hand | 2.89 | | |
| Less: | | | |
| Sundry Creditors | 0.84 | | |
| Paid Stock | 2.05 | 0.21 | 1.85 |
| Sundry Debtors | 3.52 | 0.35 | 3.16 |
| Working Capital Requirement | | | 5.01 |
| Margin | | | 0.56 |
| MPBF | | | 5.01 |
| Working Capital Demand | | | 5.00 |

BREAK UP OF LABOUR

| Particulars | Wages Per Month | No of Employees | Total Salary |
|--|--------------------|--------------------|-----------------|
| Plant Operator | 12,000.00 | 1.00 | 12,000.00 |
| Unskilled Worker | 7,500.00 | 4.00 | 30,000.00 |
| Helper | 5,000.00 | 2.00 | 10,000.00 |
| Security Guard | 7,500.00 | 1.00 | 7,500.00 |
| | | | 59,500.00 |
| Add: 10% Fringe Benefit | | | 5,950.00 |
| Total Labour Cost Per Month | | | 65,450.00 |
| Total Labour Cost for the year (In Rs. Lakhs) | | 8 | 7.85 |

BREAK UP OF SALARY

| Particulars | Salary Per Month | No of Employees | Total Salary |
|---|---------------------|--------------------|-----------------|
| Administrative Staff | 10,000.00 | 2 | 20,000.00 |
| Total Salary Per Month | | | 20,000.00 |
| Add: 10% Fringe Benefit | | | 2,000.00 |
| Total Salary for the month | | | 22,000.00 |
| Total Salary for the year (In Rs. Lakhs) | | 2 | 2.64 |

COMPUTATION OF DEPRECIATION

| Description | Land | Building/shed | Plant & Machinery | Furniture | TOTAL |
|--------------------------------------|------|---------------|-------------------|-----------|-------|
| Rate of Depreciation | | | 15.00% | 10.00% | |
| Opening Balance | | Own/Rented | - | - | - |
| Addition | - | - | 8.50 | 1.25 | 9.75 |
| | - | - | 8.50 | 1.25 | 9.75 |
| TOTAL | | - | 8.50 | 1.25 | 9.75 |
| Less : Depreciation | - | - | 1.28 | 0.13 | 1.40 |
| WDV at end of 1st year | - | - | 7.23 | 1.13 | 8.35 |
| Additions During The Year | - | - | - | - | - |
| | - | - | 7.23 | 1.13 | 8.35 |
| Less : Depreciation | - | - | 1.08 | 0.11 | 1.20 |
| WDV at end of II nd Year | - | - | 6.14 | 1.01 | 7.15 |
| Additions During The Year | - | - | - | - | - |
| | - | - | 6.14 | 1.01 | 7.15 |
| Less : Depreciation | - | - | 0.92 | 0.10 | 1.02 |
| WDV at end of III rd year | - | - | 5.22 | 0.91 | 6.13 |
| Additions During The Year | - | - | - | - | - |
| | - | - | 5.22 | 0.91 | 6.13 |
| Less : Depreciation | - | - | 0.78 | 0.09 | 0.87 |
| WDV at end of IV th year | - | - | 4.44 | 0.82 | 5.26 |
| Additions During The Year | - | - | - | - | - |
| | - | - | 4.44 | 0.82 | 5.26 |
| Less : Depreciation | - | - | 0.67 | 0.08 | 0.75 |
| WDV at end of V th year | - | - | 3.77 | 0.74 | 4.51 |

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

| Year | Particulars | Amount | Addition | Total | Interest | Repayment | CI Balance |
|------|-----------------|--------|----------|-------|----------|-----------|------------|
| I | Opening Balance | | | | | | |
| | Ist Quarter | 8.78 | - | 8.78 | 0.24 | - | 8.78 |
| | IInd Quarter | 8.78 | - | 8.78 | 0.24 | - | 8.78 |
| | IIIrd Quarter | 8.78 | - | 8.78 | 0.24 | 0.49 | 8.29 |
| | Ivth Quarter | 8.29 | - | 8.29 | 0.23 | 0.49 | 7.80 |
| | | | | 0.95 | 0.98 | | |
| II | Opening Balance | | | | | | |
| | Ist Quarter | 7.80 | - | 7.80 | 0.21 | 0.49 | 7.31 |
| | IInd Quarter | 7.31 | - | 7.31 | 0.20 | 0.49 | 6.83 |
| | IIIrd Quarter | 6.83 | - | 6.83 | 0.19 | 0.49 | 6.34 |
| | Ivth Quarter | 6.34 | - | 6.34 | 0.17 | 0.49 | 5.85 |
| | | | | 0.78 | 1.95 | | |
| III | Opening Balance | | | | | | |
| | Ist Quarter | 5.85 | - | 5.85 | 0.16 | 0.49 | 5.36 |
| | IInd Quarter | 5.36 | - | 5.36 | 0.15 | 0.49 | 4.88 |
| | IIIrd Quarter | 4.88 | - | 4.88 | 0.13 | 0.49 | 4.39 |
| | Ivth Quarter | 4.39 | - | 4.39 | 0.12 | 0.49 | 3.90 |
| | | | | 0.56 | 1.95 | | |
| IV | Opening Balance | | | | | | |
| | Ist Quarter | 3.90 | - | 3.90 | 0.11 | 0.49 | 3.41 |
| | IInd Quarter | 3.41 | - | 3.41 | 0.09 | 0.49 | 2.93 |
| | IIIrd Quarter | 2.93 | - | 2.93 | 0.08 | 0.49 | 2.44 |
| | Ivth Quarter | 2.44 | - | 2.44 | 0.07 | 0.49 | 1.95 |
| | | | | 0.35 | 1.95 | | |
| V | Opening Balance | | | | | | |
| | Ist Quarter | 1.95 | - | 1.95 | 0.05 | 0.49 | 1.46 |
| | IInd Quarter | 1.46 | - | 1.46 | 0.04 | 0.49 | 0.98 |
| | IIIrd Quarter | 0.98 | - | 0.98 | 0.03 | 0.49 | 0.49 |
| | Ivth Quarter | 0.49 | - | 0.49 | 0.01 | 0.49 | 0.00 |
| | | | | 0.13 | 1.95 | | |

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

CALCULATION OF D.S.C.R

| PARTICULARS | I | II | III | IV | V |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | |
| CASH ACCRUALS | 2.38 | 3.30 | 4.90 | 6.30 | 8.33 |
| Interest on Term Loan | 0.95 | 0.78 | 0.56 | 0.35 | 0.13 |
| Total | 3.33 | 4.08 | 5.46 | 6.64 | 8.46 |
| REPAYMENT | | | | | |
| Repayment of Term Loan | 0.98 | 1.95 | 1.95 | 1.95 | 1.95 |
| Interest on Term Loan | 0.95 | 0.78 | 0.56 | 0.35 | 0.13 |
| Total | 1.93 | 2.73 | 2.51 | 2.30 | 2.08 |
| DEBT SERVICE COVERAGE RATIO | 1.73 | 1.50 | 2.17 | 2.89 | 4.06 |
| AVERAGE D.S.C.R. | | | 2.42 | | |

COMPUTATION OF SALE

| Particulars | I | II | III | IV | V |
|------------------------------|------------|------------|------------|------------|------------|
| Op Stock | - | 4,200.00 | 4,620.00 | 5,040.00 | 5,460.00 |
| Production | 180,000.00 | 198,000.00 | 216,000.00 | 234,000.00 | 252,000.00 |
| | 180,000.00 | 202,200.00 | 220,620.00 | 239,040.00 | 257,460.00 |
| Less : Closing Stock(7 Days) | 4,200.00 | 4,620.00 | 5,040.00 | 5,460.00 | 5,880.00 |
| Net Sale | 175,800.00 | 197,580.00 | 215,580.00 | 233,580.00 | 251,580.00 |
| Sale Price per Rolls | 30.00 | 32.00 | 34.00 | 36.00 | 38.00 |
| Sale (in Lacs) | 52.74 | 63.23 | 73.30 | 84.09 | 95.60 |

COMPUTATION OF ELECTRICITY

| (A) POWER CONNECTION | | | |
|------------------------------------|----------|-------|---------------------|
| Total Working Hour per day | Hours | 8 | |
| Electric Load Required | KW | 10 | |
| Electricity Charges | per unit | 7.50 | |
| Total Working Days | | 300 | |
| Electricity Charges | | | 1.80 |
| Add : Minimim Charges (@ 10%) | | | |
| | | | |
| | | | |
| (B) DG set | | | |
| No. of Working Days | | 300 | days |
| No of Working Hours | | 0.5 | Hour per day |
| Total no of Hour | | 150 | |
| Diesel Consumption per Hour | | 8 | |
| Total Consumption of Diesel | | 1,200 | |
| Cost of Diesel | | 65.00 | Rs. /Ltr |
| Total cost of Diesel | | 0.78 | |
| Add : Lube Cost @15% | | 0.12 | |
| Total | | 0.90 | |
| | | | |
| Total cost of Power & Fuel at 100% | | | 2.70 |
| | | | |
| Year | Capacity | | Amount (in Lacs) |
| | | | |
| I | 50% | | 1.35 |
| II | 55% | | 1.48 |
| III | 60% | | 1.62 |
| IV | 65% | | 1.75 |
| V | 70% | | 1.89 |

| BREAK EVEN POINT ANALYSIS | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Year | I | II | III | IV | V |
| Net Sales & Other Income | 52.74 | 63.23 | 73.30 | 84.09 | 95.60 |
| Less : Op. WIP Goods | - | 1.09 | 1.22 | 1.37 | 1.55 |
| Add : Cl. WIP Goods | 1.09 | 1.22 | 1.37 | 1.55 | 1.73 |
| Total Sales | 53.83 | 63.35 | 73.46 | 84.26 | 95.79 |
| Variable & Semi Variable Exp. | | | | | |
| Raw Material & Tax | 36.00 | 41.58 | 47.63 | 54.18 | 61.26 |
| Electricity Exp/Coal Consumption at 85% | 1.15 | 1.26 | 1.38 | 1.49 | 1.60 |
| Wages & Salary at 60% | 6.30 | 6.93 | 7.62 | 8.38 | 9.22 |
| Selling & administrative Expenses 80% | 1.48 | 3.03 | 4.10 | 5.38 | 6.12 |
| ii) Interest On Working Capital | 0.55 | 0.55 | 0.55 | 0.55 | 0.55 |
| Repair & Maintenance | 0.26 | 0.32 | 0.37 | 0.42 | 0.48 |
| Total Variable & Semi Variable Exp | 45.73 | 53.67 | 61.64 | 70.40 | 79.23 |
| Contribution | 8.10 | 9.68 | 11.81 | 13.86 | 16.56 |
| Fixed & Semi Fixed Expenses | | | | | |
| Electricity Exp/Coal Consumption at 15% | 0.20 | 0.22 | 0.24 | 0.26 | 0.28 |
| Wages & Salary at 40% | 4.20 | 4.62 | 5.08 | 5.59 | 6.15 |
| Interest on Term Loan | 0.95 | 0.78 | 0.56 | 0.35 | 0.13 |
| Depreciation | 1.40 | 1.20 | 1.02 | 0.87 | 0.75 |
| Selling & administrative Expenses 20% | 0.37 | 0.76 | 1.03 | 1.35 | 1.53 |
| Total Fixed Expenses | 7.12 | 7.57 | 7.93 | 8.42 | 8.84 |
| Capacity Utilization | 50% | 55% | 60% | 65% | 70% |
| OPERATING PROFIT | 0.98 | 2.11 | 3.88 | 5.44 | 7.72 |
| BREAK EVEN POINT | 44% | 43% | 40% | 39% | 37% |
| BREAK EVEN SALES | 47.32 | 49.55 | 49.33 | 51.17 | 51.14 |

FINANCIAL INDICATORS

| PARTICULARS | I | II | III | IV | V |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| TURNOVER | 52.74 | 63.23 | 73.30 | 84.09 | 95.60 |
| GROSS PROFIT | 6.97 | 10.13 | 13.32 | 16.58 | 19.91 |
| G.P. RATIO | 13.21% | 16.03% | 18.17% | 19.72% | 20.83% |
| NET PROFIT | 0.98 | 2.11 | 3.88 | 5.44 | 7.72 |
| PAT/SALES RATIO | 1.86% | 3.33% | 5.29% | 6.47% | 8.07% |
| CURRENT ASSETS | 7.80 | 8.28 | 9.37 | 10.87 | 12.41 |
| CURRENT LIABILITIES | 5.84 | 5.97 | 6.11 | 6.26 | 6.42 |
| CURRENT RATIO | 1.34 | 1.39 | 1.53 | 1.74 | 1.93 |
| TERM LOAN | 7.80 | 5.85 | 3.90 | 1.95 | - |
| TOTAL NET WORTH | 2.51 | 3.62 | 5.50 | 7.92 | 10.50 |
| DEBT/EQUITY | 3.11 | 1.62 | 0.71 | 0.25 | - |
| TOTAL NET WORTH | 2.51 | 3.62 | 5.50 | 7.92 | 10.50 |
| TOTAL OUTSIDE LIABILITIES | 13.64 | 11.82 | 10.01 | 8.21 | 6.42 |
| TOL/TNW | 5.43 | 3.27 | 1.82 | 1.04 | 0.61 |
| PBDIT | 3.88 | 4.63 | 6.01 | 7.22 | 9.15 |
| INTEREST | 1.50 | 1.33 | 1.11 | 0.90 | 0.68 |
| INTEREST COVERAGE RATIO | 2.59 | 3.49 | 5.41 | 8.04 | 13.38 |
| WDV | 8.35 | 7.15 | 6.13 | 5.26 | 4.51 |
| TERM LOAN | 7.80 | 5.85 | 3.90 | 1.95 | - |
| FACR | 1.07 | 1.22 | 1.57 | 2.70 | - |

PLANT & MACHINERY

| PARTICULARS | QTY. | RATE | AMOUNT IN RS. |
|---|-------------|-------------|----------------------|
| ATM/POS/Thermal Roll Slitting Rewinding Machine with One Color Online Flexo Printing | 1 | 850,000.00 | 850,000.00 |
| Total Cost | | | 850,000.00 |

DISCLAIMER

The views expressed in this Project Report are advisory in nature. UP MSME assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. UP MSME hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.