

PROJECT REPORT

FOR

M/S X Y Z

AT JAMMU

Activity: Letting of

TENT HOUSE

Prepared by:

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Project Highlights

1. Name & Address	:	M/S X Y Z Jammu
2. Constitution	:	Proprietorship Concern
3. Line of activity	:	Tent House
4. Project Cost.		(Amount in Lakhs)
(a) Land & site development	:	N.A. (Owned)
(b) Building	:	N.A.
(c) P & M (Tent House)	:	9.43
(d) Misc. fixed assets	:	0.15
(e) Working capital (Ist year)	:	0.42
		----- 10.00 -----
6. MEANS OF FINANCE.		
(a) Promoter's contribution	:	0.50
(b) Term loan	:	9.10
(c) W/C loan	:	0.40
		----- 10.00 -----
7. Employment potential	:	6 persons

INTRODUCTION

Mr ABC S/O DEF R/O JAMMU is interested in setting up a firm having main activity of giving out Tent House on hire basis. The good prospects of the proposed activity attracted the proprietor to start this activity.

The promoter has in-depth knowledge about this activity and thus will not face any problem in carrying out these activities smoothly.

Note: The Project Report is prepared without taking subsidy element so as to find out the viability of the project without subsidy element.

PROMOTERS & MANAGEMENT

Mr ABC S/O DEF R/O JAMMU is the promoter of the proposed activity.

The promoter, after being satisfied about the scope of the proposed activity, decided to pool his resources to promote the proposed unit.

As far as the management of the unit is concerned, it will be managed by the promoter himself who has vast experience in this field of activity and to manage the day to day activities the firm will be employing experienced staff which will be available locally.

Considering, the vast scope and potential of the promoter, it can be safely concluded that the firm will be a success under his able management.

MARKET AND DEMAND

Keeping in view the present view of the marriage function being carried on going on in and around Rajouri, the demand for tent house can't be ignored. With the increase in the size of population resulting in the increase in functions being carried on hence increase the demand for tent house. Moreover, other government and development agencies also carries on the function are also the big consumers of the tent house requirements

The project has good demand in the market particularly in major centres of tribal areas. It is also observed that services of tent house have good potential in important centres of tribal districts.

Keeping in view the aforesaid, the unit is not expected to face any difficulty in marketing as envisaged in the project report provided it maintains the quality and competitive price.

CHAPTER II

PROJECT PARTICULAR & MEANS OF FINANCE

(A) PROJECT PARTICULAR:

A-1. Location of the Activity :- The firm will be located at Jammu. The location is best suited for the proposed activity. The promoter already possesses the required infrastructure (space / shops) to run the tent house safely.

The space will be adequate to take care of existing as well as future requirements of the proposed firm upon expansion.

A-2. P & M (Tent House):- The details & specifications along with the cost of P & M (Tent House) for the proposed project are given in detail in Financial Aspect point No. 2.

The selection of the machinery has been made keeping in view the customer's requirement, etc. The promoters propose to place orders for items of tent house to suppliers who have supplied such materials to a number of units engaged in the production of the same product.

A-3. Misc. Fixed Assets:-This includes furniture & fixtures etc and will cost around Rs. 0.15 Lakhs.

A-4. Working Capital:- The unit will be having a working capital requirement of Rs. 0.42 Lakhs which includes staff labour and other expenses etc.

A-5. Gross Receipts Calculation: The promoter is expected to have Gross Receipts to the tune of Rs. 7.20 Lakhs in the first year of operation and is expected to increase at the rate of 10% per annum.

A-6. Manpower: - The firm upon commercial operation will generate employment potential for 6 persons which is freely available.

A-7. Source of Finance: - To finance the proposed activity, *the promoter's shall be taking finance, whereby the proprietor to contribute only 5% of the proposed project cost and the balance i.e. 95% shall be arranged by the promoter through bank under the aforesaid scheme.*

M/S X Y Z
IN FAVOUR OF Mr. ABC S/O DEF R/O JAMMU
NATURE OF ACTIVITY : TENT HOUSE

1 <u>LAND AND BUILDING :-</u>		OWNED
	Total	(i) <u><u>-</u></u>
2 <u>MACHINERY :-</u>		
a Shamiyana		
b Utensils		
c Tables, Chairs,		
d Fans, Drapes, Babmoos		943,000.00
	Total	(ii) <u><u>943,000.00</u></u>
3 <u>FURNITURE / FIXTURE</u>		
Chairs		15,000.00
	Total	(iii) <u><u>15,000.00</u></u>
4 <u>TOTAL CAPITAL EXPENDITURE :-</u>		
(I + II + III)	Total	Rs. <u><u>958,000.00</u></u>
4 <u>RAW MATERIAL CHARGES PER MONTH :-</u>	N. A.	
	Total	(iii) <u><u>-</u></u>
5 <u>STAFF AND LABOUR PER MONTH :-</u>		
1 Skilled Labour 2 No.	Rs.	10,000.00
2 Unskilled Workers 4 Nos.	Rs.	12,000.00
3 Helper 1 Nos.	Rs.	3,000.00
	Total	(iv) <u><u>25,000.00</u></u>
7 <u>OTHER EXPENSES PER MONTH:-</u>		
1 Stationary, Postage, Conveyance, Telephone Stamp, Electricity etc.	Rs.	1,500.00
2 Miscellaneous	Rs.	1,500.00
	Total	(vi) <u><u>3,000.00</u></u>

8 WORKING CAPITAL PER MONTH:-

	Rs.	-
1 Staff & Labour	Rs.	25,000.00
2 Other Expenses	Rs.	3,000.00
Total	(vii)	<u><u>28,000.00</u></u>
 WORKING CAPITAL FOR 45 DAYS		42,000.00

9 TOTAL INVESTMENT :-

1 Capital Expenditure	Rs.	958,000.00
2 Working Capital	Rs.	42,000.00
Total	(viii)	<u><u>1,000,000.00</u></u>

10 MEANS OF FINANCE:-

1 Term Loan 95%	Rs.	910,100.00
2 Working Capital 95%	Rs.	39,900.00
3 Owner's Own Contribution 5% (Self investment and unsecured loans from friends and relatives)	Rs.	50,000.00

11 DEPRECIATION, INTEREST AND INSURANCE PER MONTH :-

1 Depreciation on Plant & Machinery @ 10% per annum		7,983.33
2 Insurance @ 1% per annum on Capital Investment		798.33
Total	(ix)	<u><u>8,781.67</u></u>

12 COST OF PRODUCTION PER MONTH :-

1 Working Capital		28,000.00
2 Depreciation, Interest, Insurance		8,781.67
Total	(x)	<u><u>36,781.67</u></u>

13 GROSS RECEIPTS PER MONTH:-

1 By Sales

		45,000.00
Total	(xi)	<u>45,000.00</u>

14 PROFIT AFTER SALE PER MONTH:-

1 Sale Proceeds

60,000.00

2 Cost of Production

36,781.67

3 Net Profit

Total	(xii)	<u><u>23,218.33</u></u>
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Hence, the scheme is technically feasible and economically viable.