

PROJECT REPORT FOR FABRICATION LATHE PRODUCT UNDER PMEGP

1) Name of the promoter
With Address

**MAMATA RAJ
At/ Po- Chaumukh
Block- Baliapal
Dist.- Balasore
Pin-756083**

2) Name of the project

Fabrication Lathe Product

3) **Investment**

a) Block capital : Rs. 3,00,000/-
b) Working Capital : Rs. 2,00,000/-
Total : Rs. 5,00,000/-

4) **Source of finance**

a) Promoter Contribution -5% : Rs. 25,000/-
b) Bank finance -95% : Rs. 4,75,000/-
Total : Rs. 5,00,000/-
c) Subsidy Provided by KVIC/KVIB-35% : Rs. 1,75,000/-
5) Employment : 4 Nos.

A) **FINANCIAL ASPECTS**

1) **Plant & Machinery**

Sl.No.	Item		
1.	Lathe Machine	10hp	: Rs. 2,00,000/-
2.	Welding Machine	=1	: Rs. 1,00,000/-
Total			: Rs. 3,00,000/-

B) **WORKING CAPITAL (P.M.)**

(1) **Raw Materiel (Per Month)** : Rs. 1,60,000

Salary and wages

a) Manager cum supervisor :
b) Skilled worker - 2 Nos. : Rs. 20,000/-

(2) **Utility**

a) Electricity & water : Rs. 6,000/-

(3) Other Expenditure (P.M.)

a) Telephone, Postage, Travel	: Rs.	4,000/-
b) Stationary, Printing, Advertisement	: Rs.	5,000/-
c) Other Misc.	: Rs.	5,000/-
Total	: Rs.	14,000/-

C) TOTAL WORKING CAPITAL (P.M.)

a) Raw Materials	: Rs.	1,60,000/-
b) Salary and Wages	: Rs.	20,000/-
c) Utility	: Rs.	6,000/-
d) Other Expenditure	: Rs.	14,000/-
Total	: Rs.	2,00,000/-

D) TOTAL CAPITAL INVESTMENT

a) Block Capital	: Rs.	3,00,000/-
b) Working Capital	: Rs.	2,00,000/-
Total	: Rs.	5,00,000/-

E) SOURCE OF FINANCE

a) Promoter Contribution - 5%	: Rs.	25,000/-
b) Bank Finance -95%	: Rs.	4,75,000/-
Total	: Rs.	5,00,000/-
c) Subsidy Provided by KVIC/KVIB - 35%	: Rs.	1,75,000/-

COST OF PRODUCTION

a) Total working capital per annum	: Rs.	24,00,000/-
b) Depreciation on machine @ 10%	: Rs.	30,000/
c) Interest on loan @ 12%	: Rs.	60,000/-
Total	: Rs.	24,90,000/-

F) TURN OVER PER ANNUM

: Rs. 26,00,000

G) PROFIT = Turn Over — Cost Production = : Rs. 2,10,000/-

H) PROFIT RATIO = $\frac{\text{profit} \times 100}{\text{Turn Over}} = 5.06\%$

I) RATE OF RETURN = $\frac{\text{profit} \times 100}{\text{Investment}} = 24.86\%$

J) BREAK EVEN ANALYSIS

1. Building @ 5%	: Rs.	35,000/-
2. Depreciation on machinery @ 10%	: Rs.	2,10,000/-
3. Depreciation on furniture @ 20%	: Rs.	12,000/-

4. Interest on total Investment @ 12%	: Rs.	60,000/-
5. 40% annual salary	: Rs.	96,000/-
6. 40% other expenses	: Rs.	67,000/-
	Total	: Rs. 2,23,000/-

$$\text{Breakeven Point} = \frac{\text{fixed cost} \times 100}{\text{Fixed cost} + \text{Profit}} = 63.39\%$$

DSCR = 11.54