

PROJECT REPORT

Of

BLOCK PRINTING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Block Printing unit.

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.]



Lucknow Office: Sidhivinayak Building ,
27/1/B, Gokhley Marg, Lucknow-226001

Delhi Office : Multi Disciplinary Training
Centre, Gandhi Darshan Rajghat,
New Delhi 110002

Email : info@udyami.org.in
Contact : +91 7526000333, 444, 555

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **HANDBLOCK PRINTED SUITS**
- 6 Name of the project / business activity proposed : **BLOCK PRINTING UNIT (HANDBLOCK PRINTED SUITS)**
- 7 Cost of Project : Rs.11.04 Lakhs
- 8 Means of Finance
- Term Loan Rs.6.21 Lakhs
- Own Capital Rs.1.1 Lakhs
- Working Capital Rs.3.72 Lakhs
- 9 Debt Service Coverage Ratio : 2.86
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 43%
- 13 Employment : 9 Persons
- 14 Power Requirement : 2.00 KW
- 15 Major Raw materials : Block Wood, Block Printing Ink,
Brayer, Fabric, Mustard Oil,
Pencil
- 16 Estimated Annual Sales Turnover (Max Capacity) : 90.50 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

| Particulars | Amount |
|----------------------|--------------|
| Civil Work | 5.40 |
| Furniture & Fixtures | 1.50 |
| Working Capital | 4.14 |
| Total | 11.04 |

MEANS OF FINANCE

| Particulars | Amount |
|--------------------------|--------------|
| Own Contribution | 1.10 |
| Working Capital(Finance) | 3.72 |
| Term Loan | 6.21 |
| Total | 11.04 |

BLOCK PRINTING UNIT

Introduction:

Block your hand Natural or vegetable dye printing is a centuries-old printing method. In India, this art style has been present for a long time, peaking in the 12th century. Today, it competes with the fast-paced world, yet it survives because people still appreciate it. A hardwood square with an etched design is referred to as a "BLOCK." This block is used to print on cloth - it's a great way to express yourself. This block is used to print on cloth, and block printing is the name for the technique. After that, the fabric is known as block print fabric. Block printing comes in a variety of styles. Below is a description of the "Dabu" printing technique. Dabu is a mud resist hand block printing method that dates back thousands of years. Hand block printing has been used for millennia in India, China, and other East Asian nations. It's also known as "block printing" or "woodblock printing." In India, a hand-carved teak wood block is soaked in dye and imprinted by hand onto cotton or silk. The end product is a genuinely one-of-a-kind, hand-block printed cloth that brings us together. As a consequence, we have a really one-of-a-kind hand block printed cloth that ties us to a long heritage of handcrafted crafts. For Passion Lillie's fabrics, there are two main types of block printing methods: pigment dyeing, which is primarily used on white based fabrics because the dye sits on top of the fabric, and reactive dyeing, which is primarily used on dark based fabrics because the dye reacts with the fabric and changes the base colour of the fabric.



Uses & Market Potential:

Woodblock printing or block printing is a technique for printing text, images or patterns used widely throughout East Asia and originating in China in antiquity as a method of printing on textiles and later paper. The printed fabric is made using blocks in this process, as the name implies. Although the original approach always included wood, these blocks are now manufactured of wood, linoleum, or rubber. The patterns for the blocks of wood are carved by hand by artisans. Each block might take several hours, if not days, to finish, depending on the design's intricacies. After the pattern is completed, the blocks are oiled and placed away to soften. This procedure prepares it to accept colour. The worldwide printed textile market was valued at USD 146.5 billion in 2018 and is anticipated to grow at an annual rate of 8.9% over the next five years. In Asia Pacific and the Middle East, shifting consumer attitudes regarding the adoption of printed textiles are expected to have a favourable influence on market growth. Printed textiles have a stronger colour connection to the fibres, making them more resistant to friction and washing. Furthermore, growing consumer disposable income in emerging nations such as China, India, and Brazil are expected to boost printed clothing consumption, therefore supporting market development.

Product:

HANDBLOCK PRINTED SUIT

Raw Material:

1. Block Wood
2. Block Printing Ink
3. A Brayer (Roller)
4. Fabric
5. Mustard Oil
6. Pencil

Printing Process:

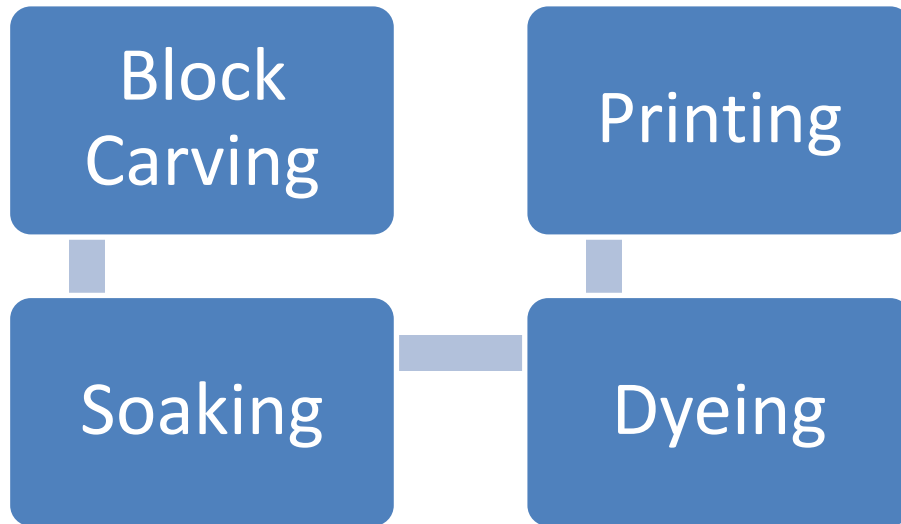


Fig. 1 – Process Flowchart

Area:

The industrial setup requires space for manufacturing unit. 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 small scale factory setup is 1200 Sq. ft. approximately.

Cost of Tools & Equipments:

| S No. | Tools & Equipments | Price (INR) |
|--------------|-------------------------------|--------------------|
| 1. | Knives | 1,500/- |
| 2. | Chisels | 4,500/- |
| 3. | Small Hammers | 20,000/- |
| 4. | Drills | 24,000/- |
| | Total | 50,000/- |

Power Requirement- - The estimated Power requirement is taken at 2 KWH

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-3
- Helper - 4
- Sales Personal and Accountant- 2

FINANCIALS

PROJECTED BALANCE SHEET

| PARTICULARS | I | II | III | IV | V |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | |
| | | | | | |
| <u>SOURCES OF FUND</u> | | | | | |
| <u>Capital Account</u> | | | | | |
| Opening Balance | - | 2.05 | 3.07 | 4.41 | 5.80 |
| Add: Additions | 1.10 | - | - | - | - |
| Add: Net Profit | 2.15 | 2.92 | 3.64 | 4.59 | 5.26 |
| Less: Drawings | 1.20 | 1.90 | 2.30 | 3.20 | 3.80 |
| Closing Balance | 2.05 | 3.07 | 4.41 | 5.80 | 7.26 |
| CC Limit | 3.72 | 3.72 | 3.72 | 3.72 | 3.72 |
| Term Loan | 5.52 | 4.14 | 2.76 | 1.38 | - |
| Sundry Creditors | 0.84 | 0.94 | 1.05 | 1.16 | 1.27 |
| | | | | | |
| TOTAL : | 12.13 | 11.88 | 11.94 | 12.06 | 12.25 |
| | | | | | |
| | | | | | |
| <u>APPLICATION OF FUND</u> | | | | | |
| | | | | | |
| Fixed Assets (Gross) | 6.90 | 6.90 | 6.90 | 6.90 | 6.90 |
| Gross Dep. | 0.69 | 1.31 | 1.87 | 2.37 | 2.83 |
| Net Fixed Assets | 6.21 | 5.59 | 5.03 | 4.53 | 4.07 |
| | | | | | |
| Current Assets | | | | | |
| Sundry Debtors | 1.86 | 2.17 | 2.43 | 2.72 | 3.02 |
| Stock in Hand | 3.12 | 3.52 | 3.94 | 4.38 | 4.84 |
| Cash and Bank | 0.95 | 0.60 | 0.54 | 0.43 | 0.32 |
| | | | | | |
| TOTAL : | 12.13 | 11.88 | 11.94 | 12.06 | 12.25 |
| | | | | | |
| | - | - | - | - | - |

PROJECTED PROFITABILITY STATEMENT

| PARTICULARS | I | II | III | IV | V |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| <u>A) SALES</u> | | | | | |
| Gross Sale | 55.68 | 65.01 | 72.95 | 81.53 | 90.50 |
| Total (A) | 55.68 | 65.01 | 72.95 | 81.53 | 90.50 |
| <u>B) COST OF SALES</u> | | | | | |
| Raw Material Consumed | 36.00 | 40.39 | 44.93 | 49.61 | 54.43 |
| Electricity Expenses | 0.22 | 0.25 | 0.27 | 0.29 | 0.31 |
| Tools & Consumables | 0.50 | 0.58 | 0.66 | 0.76 | 0.87 |
| Labour & Wages | 9.83 | 11.20 | 12.88 | 14.82 | 17.04 |
| Depreciation | 0.69 | 0.62 | 0.56 | 0.50 | 0.45 |
| Cost of Production | 47.24 | 53.04 | 59.30 | 65.98 | 73.11 |
| Add: Opening Stock /WIP | - | 1.92 | 2.17 | 2.44 | 2.72 |
| Less: Closing Stock /WIP | 1.92 | 2.17 | 2.44 | 2.72 | 3.02 |
| Cost of Sales (B) | 45.32 | 52.78 | 59.04 | 65.69 | 72.81 |
| C) GROSS PROFIT (A-B) | 10.36 | 12.23 | 13.91 | 15.84 | 17.69 |
| | 18.60% | 18.81% | 19.07% | 19.43% | 19.55% |
| D) Bank Interest i) (Term Loan) | 0.67 | 0.55 | 0.40 | 0.25 | 0.09 |
| ii) Interest On Working Capital | 0.41 | 0.41 | 0.41 | 0.41 | 0.41 |
| E) Salary to Staff | 4.79 | 5.75 | 6.55 | 7.34 | 8.07 |
| F) Selling & Adm Expenses Exp. | 2.34 | 2.60 | 2.92 | 3.26 | 3.62 |
| TOTAL (D+E+F) | 8.21 | 9.31 | 10.28 | 11.25 | 12.19 |
| H) NET PROFIT | 2.15 | 2.92 | 3.64 | 4.59 | 5.50 |
| | 3.9% | 4.5% | 5.0% | 5.6% | 6.1% |
| I) Taxation | - | - | - | - | 0.23 |
| J) PROFIT (After Tax) | 2.15 | 2.92 | 3.64 | 4.59 | 5.26 |

PROJECTED CASH FLOW STATEMENT

| PARTICULARS | I | II | III | IV | V |
|-----------------------------------|--------------|-------------|-------------|-------------|-------------|
| | | | | | |
| | | | | | |
| <u>SOURCES OF FUND</u> | | | | | |
| | | | | | |
| Own Contribution | 1.10 | - | | | |
| Reserve & Surplus | 2.15 | 2.92 | 3.64 | 4.59 | 5.50 |
| Depreciation & Exp. W/off | 0.69 | 0.62 | 0.56 | 0.50 | 0.45 |
| Increase In Cash Credit | 3.72 | | | | |
| Increase In Term Loan | 6.21 | - | - | - | - |
| Increase in Creditors | 0.84 | 0.10 | 0.11 | 0.11 | 0.11 |
| | | | | | |
| TOTAL : | 14.71 | 3.64 | 4.30 | 5.20 | 6.06 |
| | | | | | |
| | | | | | |
| <u>APPLICATION OF FUND</u> | | | | | |
| | | | | | |
| Increase in Fixed Assets | 6.90 | - | - | - | - |
| Increase in Stock | 3.12 | 0.40 | 0.42 | 0.44 | 0.46 |
| Increase in Debtors | 1.86 | 0.31 | 0.26 | 0.29 | 0.30 |
| Repayment of Term Loan | 0.69 | 1.38 | 1.38 | 1.38 | 1.38 |
| Taxation | - | - | - | - | 0.23 |
| Drawings | 1.20 | 1.90 | 2.30 | 3.20 | 3.80 |
| TOTAL : | 13.77 | 3.99 | 4.36 | 5.31 | 6.17 |
| | | | | | |
| Opening Cash & Bank Balance | - | 0.95 | 0.60 | 0.54 | 0.43 |
| | | | | | |
| Add : Surplus | 0.95 | - 0.35 | - 0.06 | - 0.11 | - 0.11 |
| | | | | | |
| Closing Cash & Bank Balance | 0.95 | 0.60 | 0.54 | 0.43 | 0.32 |

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

| PARTICULARS | I | II | III | IV | V |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | |
| | | | | | |
| <u>Finished Goods</u> | | | | | |
| (10 Days requirement) | 1.92 | 2.17 | 2.44 | 2.72 | 3.02 |
| <u>Raw Material</u> | | | | | |
| (10 Days requirement) | 1.20 | 1.35 | 1.50 | 1.65 | 1.81 |
| | | | | | |
| Closing Stock | 3.12 | 3.52 | 3.94 | 4.38 | 4.84 |

COMPUTATION OF WORKING CAPITAL REQUIREMENT

| Particulars | Amount | Margin(10%) | Net Amount |
|------------------------------------|---------------|--------------------|-----------------------|
| Stock in Hand | 3.12 | | |
| Less: | | | |
| Sundry Creditors | 0.84 | | |
| Paid Stock | 2.28 | 0.23 | 2.05 |
| | | | |
| Sundry Debtors | 1.86 | 0.19 | 1.67 |
| Working Capital Requirement | | | 3.72 |
| | | | |
| Margin | | | 0.41 |
| | | | |
| MPBF | | | 3.72 |
| Working Capital Demand | | | 3.72 |

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

| Year | Particulars | Amount | Addition | Total | Interest | Repayment | CI Balance |
|------------|-----------------|--------|----------|-------|----------|-----------|------------|
| I | Opening Balance | | | | | | |
| | Ist Quarter | - | 6.21 | 6.21 | 0.17 | - | 6.21 |
| | Iind Quarter | 6.21 | - | 6.21 | 0.17 | - | 6.21 |
| | IIIrd Quarter | 6.21 | - | 6.21 | 0.17 | 0.35 | 5.87 |
| | Ivth Quarter | 5.87 | - | 5.87 | 0.16 | 0.35 | 5.52 |
| | | | | | 0.67 | 0.69 | |
| II | Opening Balance | | | | | | |
| | Ist Quarter | 5.52 | - | 5.52 | 0.15 | 0.35 | 5.18 |
| | Iind Quarter | 5.18 | - | 5.18 | 0.14 | 0.35 | 4.83 |
| | IIIrd Quarter | 4.83 | - | 4.83 | 0.13 | 0.35 | 4.49 |
| | Ivth Quarter | 4.49 | | 4.49 | 0.12 | 0.35 | 4.14 |
| | | | | | 0.55 | 1.38 | |
| III | Opening Balance | | | | | | |
| | Ist Quarter | 4.14 | - | 4.14 | 0.11 | 0.35 | 3.80 |
| | Iind Quarter | 3.80 | - | 3.80 | 0.10 | 0.35 | 3.45 |
| | IIIrd Quarter | 3.45 | - | 3.45 | 0.09 | 0.35 | 3.11 |
| | Ivth Quarter | 3.11 | | 3.11 | 0.09 | 0.35 | 2.76 |
| | | | | | 0.40 | 1.38 | |
| IV | Opening Balance | | | | | | |
| | Ist Quarter | 2.76 | - | 2.76 | 0.08 | 0.35 | 2.42 |
| | Iind Quarter | 2.42 | - | 2.42 | 0.07 | 0.35 | 2.07 |
| | IIIrd Quarter | 2.07 | - | 2.07 | 0.06 | 0.35 | 1.73 |
| | Ivth Quarter | 1.73 | | 1.73 | 0.05 | 0.35 | 1.38 |
| | | | | | 0.25 | 1.38 | |
| V | Opening Balance | | | | | | |
| | Ist Quarter | 1.38 | - | 1.38 | 0.04 | 0.35 | 1.04 |
| | Iind Quarter | 1.04 | - | 1.04 | 0.03 | 0.35 | 0.69 |
| | IIIrd Quarter | 0.69 | - | 0.69 | 0.02 | 0.35 | 0.35 |
| | Ivth Quarter | 0.35 | | 0.35 | 0.01 | 0.35 | 0.00 |
| | | | | | 0.09 | 1.38 | |

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 | 2.84 | 3.54 | 4.20 | 5.09 | 5.72 |
| | | | | | |
| Interest on Term Loan | 0.67 | 0.55 | 0.40 | 0.25 | 0.09 |
| | | | | | |
| Total | 3.51 | 4.09 | 4.59 | 5.34 | 5.81 |
| | | | | | |
| REPAYMENT | | | | | |
| Repayment of Term Loan | 0.69 | 1.38 | 1.38 | 1.38 | 1.38 |
| Interest on Term Loan | 0.67 | 0.55 | 0.40 | 0.25 | 0.09 |
| | | | | | |
| Total | 1.36 | 1.93 | 1.78 | 1.63 | 1.47 |
| | | | | | |
| DEBT SERVICE COVERAGE R. | 2.58 | 2.12 | 2.58 | 3.28 | 3.94 |
| | | | | | |
| AVERAGE D.S.C.R. | | | 2.86 | | |

Assumptions:

1. Production Capacity of HandBlock Printed Suits is 160 Pieces per day. First year, Capacity has been taken @ 50%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 7 days.
6. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 2 KW.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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