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PROJECT REPORT

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PROJECT:

Printing Ink Manufacturing Unit

PROJECT REPORT OF PRINTING INK MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Printing Ink Manufacturing 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.]

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX	
2 Firm Name	XXXXXXXXXX	
3 Registered Address	XXXXXXXXXX	
4 Nature of Activity	XXXXXXXXXX	
5 Category of Applicant	XXXXXXXXXX	
6 Location of Unit	XXXXXXXXXX	
7 Cost of Project	14.83	Rs. In Lakhs
8 Means of Finance		
i) Own Contribution	1.48	Rs. In Lakhs
ii) Term Loan	10.35	Rs. In Lakhs
iii) Working Capital	3.00	Rs. In Lakhs
9 Debt Service Coverage Ratio	2.50	
10 Break Even Point	45%	
11 Power Requirement	25	KW
12 Employment	7	Persons
13 Details of Cost of Project & Means of Finance		

COST OF PROJECT	
(in Lacs)	
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	10.00
Furniture & Fixture	1.00
Miscellaneous Assets	0.50
Working capital Required	3.33
Total	14.83

MEANS OF FINANCE	
(in Lacs)	
PARTICULARS	Amount
Own Contribution @ 10%	1.48
Term Loan @ 90%	10.35
Working Capital (Bank Finance)	3.00
Total	14.83

PRINTING INK MANUFACTURING UNIT

1. INTRODUCTION



Printing inks are widely used in publishing and packaging industry. The publishing industry consists of commercial printing and other printing products such as newspapers, magazines, periodicals, etc.

Printing inks are used on many different surfaces ranging from aluminium cans and plastic bottles through to paper. Special inks have been developed for use in these different situations. Ink is a liquid or paste that contains pigments or dyes and is used to colour a surface to produce an image, text or design.

Ink is used for drawing or writing with a pen, brush, or quill. Thicker inks, in paste form, are used extensively in letterpress and lithographic printing. Ink can be a complex medium, composed of solvents, pigments, dye, resins, lubricants, solubilisers, surfactants, particulate matter, fluorescents, and other materials.

The components of inks serve many purposes; the ink's carrier, colorants, and other additives affect the flow and thickness of the ink and its appearance when

dry. An ink cartridge or inkjet cartridge is a component of an inkjet printer that contains the ink that is deposited onto paper during printing.

2. MARKET POTENTIAL

Printing ink sector in India witnessed a growth of around 7.5% per annum during the Past years. Printed packaging accounts for around 27% of the demand for printing inks in India followed by newspapers at 20%.

The global market for printing inks is projected to reach US\$20.4 billion by 2022, driven by growing opportunities in the packaging print sector supported by steady growth in consumer retail sales and the ensuing importance of printed materials in packaging, labelling, and advertising.

3. PRODUCT DESCRIPTION

3.1 PRODUCT USES

- Printing ink is a semi-liquid material that is used for printing, writing, and drawing.
- Printing ink is widely used as an Inkjet Printing ink, Marker Ink, Textile
- Printing Ink and Cartridge Ink.
- Printing ink is widely used in fabric printing.

3.2 RAW MATERIAL REQUIREMENT

The raw materials for printing ink production are: pigments, additives, binders and solvents.

- (1) Pigments- colour the ink and make it frosted
- (2) Resins- bind the ink to the surface and bind it together into a film.
- (3) Solvents- make the ink flow so it can be transferred to the printing surface

(4) Additives- alter the physical properties of the ink to suit differ.

3.3 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- Raw material procurement
- Processing
- Testing

Making Process

- Collection of raw material
- Varnish preparation
- Dispersal of pigments
- Drying and curing of Ink
- Bottle filling and Packaging of Ink

Testing

Quality control.

4. PROJECT COMPONENTS

Plant & Machinery:

Sr.no.	Plant &Machinery / Equipment's
1	Ultra-fine Mixing Machine
2	Printing ink Production Machine
3	Bottle filling and capping machine

PROJECTED BALANCE SHEET					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening Balance		2.66	4.20	6.11	8.21
Add:- Own Capital	1.48				
Add:- Retained Profit	2.67	3.55	4.41	5.70	7.22
Less:- Drawings	1.50	2.00	2.50	3.60	5.00
Closing Balance	<u>2.66</u>	<u>4.20</u>	<u>6.11</u>	<u>8.21</u>	<u>10.43</u>
Term Loan	9.20	6.90	4.60	2.30	0.00
Working Capital Limit	3.00	3.00	3.00	3.00	3.00
Sundry Creditors	0.59	0.66	0.74	0.82	0.91
Provisions & Other Liabilities	1.00	1.50	1.80	2.07	2.38
TOTAL :	16.44	16.26	16.25	16.40	16.72
<u>Assets</u>					
Fixed Assets (Gross)	11.50	11.50	11.50	11.50	11.50
Gross Depreciation	1.70	3.15	4.38	5.43	6.32
Net Fixed Assets	9.80	8.35	7.12	6.07	5.18
Current Assets					
Sundry Debtors	1.12	1.33	1.50	1.70	1.91
Stock in Hand	3.25	3.69	4.11	4.57	5.06
Cash and Bank	2.27	2.89	3.52	4.06	4.58
TOTAL :	16.44	16.26	16.25	16.40	16.72

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	1.48				
Net Profit	2.68	3.60	4.51	5.91	7.61
Depreciation & Exp. W/off	1.70	1.45	1.23	1.05	0.89
Increase in Cash Credit	3.00	-	-	-	-
Increase In Term Loan	10.35	-	-	-	-
Increase in Creditors	0.59	0.07	0.08	0.08	0.09
Increase in Provisions & Other liabilities	1.00	0.50	0.30	0.27	0.31
TOTAL :	20.80	5.62	6.12	7.31	8.90
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.50				
Increase in Stock	3.25	0.43	0.42	0.47	0.48
Increase in Debtors	1.12	0.22	0.17	0.20	0.21
Repayment of Term Loan	1.15	2.30	2.30	2.30	2.30
-	-	-	-	-	-
Drawings	1.50	2.00	2.50	3.60	5.00
Taxation	0.01	0.06	0.10	0.22	0.39
TOTAL :	18.53	5.00	5.50	6.78	8.38
Opening Cash & Bank Balance	-	2.27	2.89	3.52	4.06
Add : Surplus	2.27	0.62	0.63	0.54	0.52
Closing Cash & Bank Balance	2.27	2.89	3.52	4.06	4.58

PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	60%	65%	70%	75%	80%
SALES					
Gross Sale					
Printing ink	47.88	57.11	64.45	72.84	81.73
Total	47.88	57.11	64.45	72.84	81.73
COST OF SALES					
Raw Material Consumed	25.20	28.39	31.75	35.28	38.98
Electricity Expenses	2.88	3.12	3.36	3.60	3.84
Depreciation	1.70	1.45	1.23	1.05	0.89
Wages & labour	5.28	6.07	6.98	8.03	9.23
Repair & maintenance	0.96	1.14	1.29	1.68	1.88
Consumables	1.92	2.28	2.58	2.91	3.27
Packaging cost	1.92	2.86	3.22	3.64	4.09
Cost of Production	39.85	45.31	50.42	56.19	62.18
Add: Opening Stock	-	1.99	2.27	2.52	2.81
Less: Closing Stock	1.99	2.27	2.52	2.81	3.11
Cost of Sales	37.86	45.04	50.16	55.90	61.88
GROSS PROFIT	10.02	12.07	14.29	16.93	19.85
Salary to Staff	3.36	3.86	4.64	5.56	6.40
Interest on Term Loan	1.02	0.90	0.64	0.39	0.14
Interest on working Capital	0.33	0.33	0.33	0.33	0.33
Rent	1.20	1.38	1.59	1.83	2.10
Selling & Administration Expenses	1.44	2.00	2.58	2.91	3.27
TOTAL	7.34	8.47	9.77	11.02	12.23
NET PROFIT	2.68	3.60	4.51	5.91	7.61
Taxation	0.01	0.06	0.10	0.22	0.39
PROFIT (After Tax)	2.67	3.55	4.41	5.70	7.22
GROSS PROFIT RATIO	20.94%	21.13%	22.17%	23.25%	24.28%
NET PROFIT RATIO	5.60%	6.30%	7.00%	8.12%	9.32%

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	4.37	4.99	5.64	6.75	8.12
Interest on Term Loan	1.02	0.90	0.64	0.39	0.14
Total	5.39	5.89	6.29	7.14	8.25
<u>REPAYMENT</u>					
Instalment of Term Loan	1.15	2.30	2.30	2.30	2.30
Interest on Term Loan	1.02	0.90	0.64	0.39	0.14
Total	2.17	3.20	2.94	2.69	2.44
DEBT SERVICE COVERAGE RATIO	2.49	1.84	2.14	2.65	3.39
AVERAGE D.S.C.R.	2.50				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance	-					
	1st month		10.35	10.35	-	-	10.35
	2nd month	10.35	-	10.35	0.09	-	10.35
	3rd month	10.35	-	10.35	0.09	-	10.35
	4th month	10.35	-	10.35	0.09	-	10.35
	5th month	10.35	-	10.35	0.09	-	10.35
	6th month	10.35	-	10.35	0.09	-	10.35
	7th month	10.35	-	10.35	0.09	0.19	10.16
	8th month	10.16	-	10.16	0.09	0.19	9.97
	9th month	9.97	-	9.97	0.09	0.19	9.78
	10th month	9.78	-	9.78	0.09	0.19	9.58
	11th month	9.58	-	9.58	0.09	0.19	9.39
		9.39	-	9.39	0.09	0.19	9.20
					1.02	1.15	
2nd	Opening Balance						
	1st month	9.20	-	9.20	0.08	0.19	9.01
	2nd month	9.01	-	9.01	0.08	0.19	8.82
	3rd month	8.82	-	8.82	0.08	0.19	8.63
	4th month	8.63	-	8.63	0.08	0.19	8.43
	5th month	8.43	-	8.43	0.08	0.19	8.24
	6th month	8.24	-	8.24	0.08	0.19	8.05
	7th month	8.05	-	8.05	0.07	0.19	7.86
	8th month	7.86	-	7.86	0.07	0.19	7.67
	9th month	7.67	-	7.67	0.07	0.19	7.48
	10th month	7.48	-	7.48	0.07	0.19	7.28
	11th month	7.28	-	7.28	0.07	0.19	7.09
	12th month	7.09	-	7.09	0.07	0.19	6.90
					0.90	2.30	
3rd	Opening Balance						
	1st month	6.90	-	6.90	0.06	0.19	6.71
	2nd month	6.71	-	6.71	0.06	0.19	6.52
	3rd month	6.52	-	6.52	0.06	0.19	6.33
	4th month	6.33	-	6.33	0.06	0.19	6.13
	5th month	6.13	-	6.13	0.06	0.19	5.94
	6th month	5.94	-	5.94	0.05	0.19	5.75
	7th month	5.75	-	5.75	0.05	0.19	5.56
	8th month	5.56	-	5.56	0.05	0.19	5.37
	9th month	5.37	-	5.37	0.05	0.19	5.18
	10th month	5.18	-	5.18	0.05	0.19	4.98
	11th month	4.98	-	4.98	0.05	0.19	4.79
	12th month	4.79	-	4.79	0.04	0.19	4.60
					0.64	2.30	

4th	1st month	4.60	-	4.60	0.04	0.19	4.41
	2nd month	4.41	-	4.41	0.04	0.19	4.22
	3rd month	4.22	-	4.22	0.04	0.19	4.03
	4th month	4.03	-	4.03	0.04	0.19	3.83
	5th month	3.83	-	3.83	0.04	0.19	3.64
	6th month	3.64	-	3.64	0.03	0.19	3.45
	7th month	3.45	-	3.45	0.03	0.19	3.26
	8th month	3.26	-	3.26	0.03	0.19	3.07
	9th month	3.07	-	3.07	0.03	0.19	2.88
	10th month	2.88	-	2.88	0.03	0.19	2.68
	11th month	2.68	-	2.68	0.02	0.19	2.49
	12th month	2.49	-	2.49	0.02	0.19	2.30
					0.39	2.30	
5th	Opening Balance						
	1st month	2.30	-	2.30	0.02	0.19	2.11
	2nd month	2.11	-	2.11	0.02	0.19	1.92
	3rd month	1.92	-	1.92	0.02	0.19	1.73
	4th month	1.73	-	1.73	0.02	0.19	1.53
	5th month	1.53	-	1.53	0.01	0.19	1.34
	6th month	1.34	-	1.34	0.01	0.19	1.15
	7th month	1.15	-	1.15	0.01	0.19	0.96
	8th month	0.96	-	0.96	0.01	0.19	0.77
	9th month	0.77	-	0.77	0.01	0.19	0.58
	10th month	0.58	-	0.58	0.01	0.19	0.38
	11th month	0.38	-	0.38	0.00	0.19	0.19
	12th month	0.19	-	0.19	0.00	0.19	0.00
					0.14	2.30	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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