

Project Report

Sr. No.	Introduction:
1.1	Purpose for compiling Project Report:
	Banks and Financial Institutions grant Term loans to the Industrial units for acquisition of fixed assets for the purpose of running the organization. The Bank tries to ensure the safety of their funds by careful analysis of the project with special reference to successful completion and continued ability of the unit to earn a surplus to meet the repayment obligations.
1.2	Banks / Financial Institutions try to ascertain the following:
a	Technical feasibility
b	Economic viability
c	Financial viability
d	Managerial competence

2.0	Project Report should give information about the company:	
2.01	Name	
2.02	Constitution	
2.03	Date /Year of establishment	
2.04	Telephone no./ Fax no.	
2.05	Office	
2.06	Factory	
2.07	Godown	
2.08	Existing Bankers and limit enjoyed.	
2.09	Reason for change to Bank.	
2.10	Term Loan / CC limit required	

3.0	Technical feasibility:
A	Infrastructure:
1	Location advantages.
2	Transport facility
3	Nearness to market
4	Availability of raw material
5	Availability of power / fuel
6	Availability of water
7	Availability of skilled labour
8	Government incentives
9	Availability of communication network
B	Land & Building:
1	Type of accommodation- ownership / rental
2	Area requirement
3	Whether Land or Factory Shed has been purchased / taken on rental.

4	If not, Status of negotiations with land owners to be given.
C	Raw Material:
1	Whether to be produced or Purchased?
2	Who are the main suppliers?
3	Availability at reasonable cost
4	Whether RM is indigenous / imported / controlled?
5	Main items of RM
6	Whether RM is available throughout the year or seasonal?
7	Availability: Existing & Future
8	Storage facility requirement
9	Stock holding
10	What is the minimum order quantity?
11	What is the lead-time? (Time between order booking and receipt of material)
12	Credit allowed by suppliers.
13	Discount policy of suppliers.
D	Plant & Machinery:
1	Whether P&M are imported or indigenous?
2	List of machinery to be installed / to be purchased.
3	Whether machinery is readily available or to be fabricated?
4	Details of quotations, delivery period, cost, life, spares, service, guarantee etc.
5	Production capacity: to be Installed / to be utilized
E	Technology & Production:
1	Manufacturing process
2	Technical know how: Foreign / Local
3	By-products
4	Advantages of alternate technologies
5	Technology: Stable / fast changing
6	Factory will work in-----shifts.
7	Length of production cycle
8	Whether material will be sent out for processing?
F	Personnel:
1	Availability of key personnel
2	Training facility
3	Accommodation facility for staff, Staff quarters.
G	Government permissions, licenses

4.0	Economic viability
A	Product:
1	Products proposed to be manufactured.
2	Whether production will be seasonal or throughout the year?
3	Whether demand will be seasonal or throughout the year?

4	Features of the product and plus points over other products.
5	Who are the main competitors?
6	Who are the main customers?
7	What is the Demand & Supply position?
8	----Existing
9	----Future
10	Market share: Existing & Future
11	Location of market
12	Export prospects
13	Whether Indian / Foreign standards have been specified?
14	Whether your product meets the said standard?
15	Quality control
16	Is it a standard product or to be produced against order booking?
17	Marketing arrangement
18	Direct marketing/ through distributors, agents
19	Credit period to be allowed to customers.
20	Discount policy
21	Life of the product
22	Storage facility requirement
23	Stock holding
24	Cost of production, margin
25	Gross margin on sales

5.0	Financial viability:
5.01	Project cost & Means of Finance
5.02	Projected profitability statements
5.03	Projected Balance Sheet
5.04	Notes, assumptions and working notes for projected P& L , B/S
5.05	Funds Flow statements
5.06	Ratio Analysis
5.07	Break even analysis & margin of safety, capacity utilization.
5.08	Interest Coverage Ratio
5.09	Debt service coverage ratio
5.10	Sensitivity analysis

6.0	Managerial competence:
6.01	List of directors, partners, proprietor
6.02	Qualification, experience, family reputation in the market
6.03	Credit worthiness report from their Bankers.
6.04	Copy of I.T. return, WT return
6.05	Details of sister / associate concerns