



SNS COLLEGE OF TECHNOLOGY
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Coimbatore – 641035.



Unit 2– Topic 3

DPR (Detailed Project Report)

Detailed Project Reports (DPRs) are the outputs of planning and design phase of a project. DPR is a very detailed and elaborate plan for a project indicating overall programme, different roles and responsibilities, activities and resources required for the project. To be more precise,

A DPR is a final, detailed appraisal report on the project and a blue print for its execution and eventual operation. It provide details of the basic programme the roles and responsibilities, all the activities to be carried out and the resources required and possible risk with recommended measure to counter them.

The success of project is measured on the basis of:-

- Whether the project was completed on time.
- Whether actual cost of project was within reasonable limits of escalation.
- Whether after completion of the project it was able to deliver the products of desired quality and in adequate quantity to clients satisfaction at profitable costs.
- Whether the project gestation period was within planned duration.

The design stage is a blue print which on paper gives a great length and detail what has to be done to convert the corporate investment in a feasible project idea and ultimately a profit making enterprise. The top management policy guidelines, its impact on the project life, appraisal in terms of financial viability are dealt in great detail. The DPR is the basic of specification, contract drawings, detailed technical feasibility, financial feasibility, execution of project from practical point of view. The DPR should also highlight the nature of inherent risks in the project & potential external risks that will influence the outcome of the project. Also the DPR should give the measures for risk management and risk mitigation.

The main sub-division in a DPR is:-

- General Information of the project.
- Background and the experience of the project promoters.
- Details and working result of industrial concerns already owned and promoted by the project promoters.
- Details of the proposed project:-
 1. Plant capacity
 2. Manufacturing procedure adopted
 3. Technical knowhow/ tie-ups.



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4. Management teams for the project.
 5. Details of land, buildings and plant and machinery.
 6. Details of infrastructural facilities (power, water supply, transport facilities etc.)
 7. Raw material requirement/ availability.
 8. Effluents produced by the project & treatment procedures adopted.
 9. Labour requirement and availability.
- Schedule of implement of the project.
 - Project cost.
 - Means of financial projects.
 - Working capital requirement/arrangements made.
 - Marketing and selling arrangement made.
 - Profitability and cash flow estimates.
 - Mode of repayment of loans.
 - Government approvals. Local body consents and statutory permissions.
 - Details of collaterals security that can offered to the financial institutions.

Preparation of DPR

The preparation of DPR requires wide variety of expertise. A number of decisions are mutually related. For example: requirement and training plan is dependent on the nature of the technology, availability in the general employment market in the region, need for foreign collaboration and training, extent of specialised plant and equipments supplied from abroad etc.

Financials requirements are dependent on the time schedule for the implementation of the project. The nature of issue to be included in the commercial terms and conditions depend on the extent of the spread of the contractors. If only local and regional parties are in picture, the scope and jurisdiction for disputes gets restricted.

A number of issues largely depend upon managerial perceptions and top management policies. On the whole preparation of DPR is a complete task. Therefore highly specialised agencies have come up in different areas, who undertake such task for the clients.

They are usually known as technical consultancy organisations. They specialise in some particular field. For example: Dastur & co specialises in metallurgical industries, Engineers India Ltd. specialises in oil sectors.

Even for medium sized project, it is necessary that a capable consulting firm is entrusted with the task of formulating the DPR.



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Steps of preparation of DPR:

1. Client interacts with consultant.
 2. Consultant takes all required inputs from client & do necessary first phase studies.
- Client evaluates it & makes all necessary changes & requests consultant to do the necessary modifications.
1. Consultant submits the revised draft for approval.
 2. Consultant submits the final DPR after getting approval from client.

Evaluation of DPR:

The final responsibility of the project lies with the owners. Therefore, the owner's organisation must have an appropriate mechanism for project evaluation of a DPR submitted by the consultant. Apart from care in selecting the most suitable consultant in the first place the owner's must pose the following questions.

- What are the sources of critical data & information that have form the basic premises of the DPR, like demand, capital cost, input cost etc?
- The extent to which the strategic plan of top management have been reflected in the design and the repair?
- What were the various alternative considered, and the methodology followed for choosing one among them?
- The extent to which the design fulfils all applicable statutory requirements and regulations, both currently in force and those may be foreseen?
- Identification of potential problems, bottlenecks and/or major risks involved in the project.
- Degree of detailing.
- Influence of complementary/ completing projects.
- Scope for future expansion/modification/adaptation to new technologies and so on.

The above list is a simple of the types of question that the owner's may pose to the consultant during the process of selection, appraisal of the first draft and before giving the approval.