MODEL PROJECT REPORT

PROJECT REPORT ON COPPER BOTTLES & JUGS

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PROJECT AT A GLANCE

1	Name of the Entreprenuer		xxxxxxxxxx
2	Constitution (legal Status)	:	xxxxxxxxxx
3	Father / Spouse Name		xxxxxxxxxxxx
4	Unit Address	:	xxxxxxxxxxxxxxxxxxxxxx District : xxxxxxx Pin: xxxxxxx State: xxxxx Mobile xxxxxxx
5	Product and By Product	:	**COPPER BOOTLE & JUG SET**
6	Name of the project / business activity proposed :		**COPPER BOTTLE & JUG MANUFACTURING UNIT**
7	Cost of Project	:	Rs.18.74 Lakhs
8	Means of Finance Term Loan Own Capital Working Capital		 Rs.12.69 Lakhs Rs.1.87 Lakhs Rs.4.17 Lakhs
9	Debt Service Coverage Ratio	:	2.88
10	Pay Back Period	:	5 Years
11	Project Implementation Period	:	5-6 Months
12	Break Even Point	:	25%
13	Employment	:	11 Persons
14	Power Requirement	:	40.00 HP
15	Major Raw materials	:	Copper & other materials
16	Estimated Annual Sales Turnover (Max Capacity)	:	137.98 Lakhs
17	Detailed Cost of Project & Means of Finance		

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	13.50
Furniture & Fixtures	0.60
Working Capital	4.64
Total	**18.74**

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.87
Working Capital(Finance)	4.17
Term Loan	12.69
Total	**18.74**

COPPER BOTTLES & JUGS MANUFACTURING UNIT

Introduction:

Copper bottles and jugs are containers made of copper used to store and drink water. They can come in different shapes and have different purposes. The reason that copper is still used in the crafting of vessels is due to copper's durability and ability to sterilize whatever it touches by killing bacteria and other pathogens. Copper bottles and jugs are mainly used for drinking water, as they can sterilize it, alkalize it, and release beneficial copper ions into it. When used for storing acidic drinks (such as cocktails), these copper vessels can be lined with a non-reactive metal to prevent the formation of toxic copper salts. Copper is known to be oligodynamic (the sanitizing impact of metals on microorganisms) and can obliterate microscopic organisms adequately. It is particularly powerful against several microscopic organisms that cause extreme diseases in the human body. Copper washes down and detox stomach to guarantee legitimate disposal of waste and hurtful items. It likewise manages liver and kidney working, and guarantees the retention of supplements from sustenance. Copper advances the breakdown and disposal of fat cells. At the point when water is put in a copper vessel, the copper delicately drains into the water and gives all its positive properties.

Uses & Market Potential:

Copper bottles and jugs are primarily used for drinking and storing water. It can be used at restaurants, offices, households, etc. Copper bottles and copper jugs, the market reflects a growing demand for copper utensils to store water.In our front-line and snappy-paced life, we never contemplate the jugs from which we take our day-by-day amount of water. A copper water bottle makes a magnificent choice rather than the wrong sort of plastic holder. Copper bottles are eco-pleasing and strong. They are moreover easy to clean, in sureness many are dishwasher safe, and come in drawing in frameworks Copper is an essential mineral with many wellbeing benefits to the human body. Copper water bottles can give a safe and vigorous intake in trace amounts. Moreover, there are numerous benefits of copper and the utilization of copper bottles. Not only are copper bottles safe and healthy, but also sturdy and of soaring quality. The customers are expecting and demanding sustainability- oriented products in a world more candidly involved with health concerns. Currently, eco-friendly has an excellent opportunity to gain market grip and increase the consumer base. In the coming days, eco-friendly will be a necessary aspect of the commercial world.

Product:

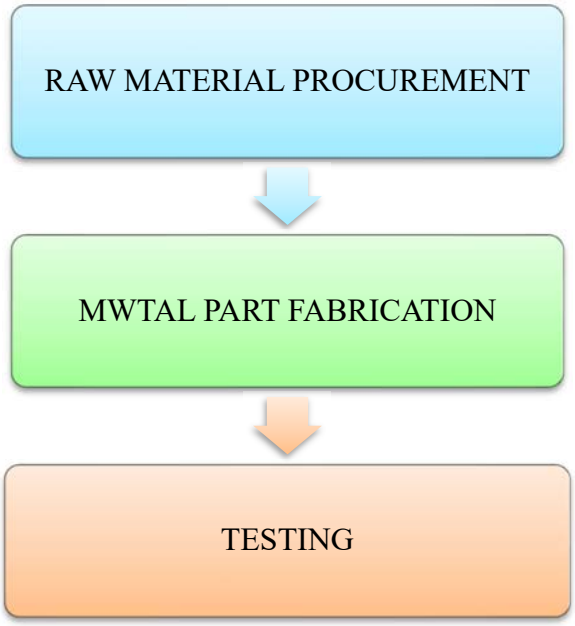
Copper Bottle and Jug Set

Raw Material:

The raw materials required are:

- Copper
- Other materials (silicon seal, screw, etc.)

Manufacturing Process:



Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 2000-2500Sqft.

Cost of Machines:

Machine	Quantity	Price
Metal Sheet shearing machine	1	2,00,000

Spinning Machine (or lathe machine)	1	57,000
Stamping or Hydraulic Punch press machine	1	2,00,000
Spot Welding machine	1	16,000
Buffing machine	1	7,000
Threading Machine	1	70,000
Roll forming machine	1	7,00,000
Printing machine	1	1,00,000
TOTAL		**13,50,000**

Power Requirement- The estimated Power requirement is taken at 40 HP.

Manpower Requirement– Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	2.86	4.64	7.25	9.83
Add: Additions	1.87	-	-	-	-
Add: Net Profit	4.49	5.77	7.11	8.58	10.31
Less: Drawings	3.50	4.00	4.50	6.00	7.00
Closing Balance	2.86	4.64	7.25	9.83	13.13
CC Limit	4.17	4.17	4.17	4.17	4.17
Term Loan	11.28	8.46	5.64	2.82	-
Sundry Creditors	2.16	2.57	3.00	3.44	3.90
TOTAL :	**20.48**	**19.84**	**20.06**	**20.26**	**21.20**
APPLICATION OF FUND					
Fixed Assets (Gross)	14.10	14.10	14.10	14.10	14.10
Gross Dep.	2.09	3.86	5.37	6.66	7.76
Net Fixed Assets	12.02	10.24	8.73	7.44	6.34
Current Assets					
Sundry Debtors	3.33	4.12	4.85	5.62	6.44
Stock in Hand	3.47	4.98	5.82	6.69	7.58
Cash and Bank	1.66	0.50	0.66	0.51	0.84
TOTAL :	**20.48**	**19.84**	**20.06**	**20.26**	**21.20**
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	71.34	88.26	103.96	120.52	137.98
Total (A)	**71.34**	**88.26**	**103.96**	**120.52**	**137.98**
B) COST OF SALES					
Raw Material Consumed	43.20	51.41	59.93	68.77	77.94
Elecricity Expenses	2.69	3.13	3.58	4.03	4.48
Repair & Maintenance	1.43	1.77	2.08	2.41	2.76
Labour & Wages	11.47	14.33	17.49	20.98	24.34
Depreciation	2.09	1.78	1.51	1.29	1.10
Cost of Production	60.86	72.41	84.58	97.48	110.61
Add: Opening Stock /WIP	-	2.03	2.41	2.82	3.25
Less: Closing Stock /WIP	2.03	2.41	2.82	3.25	3.69
Cost of Sales (B)	58.83	72.03	84.18	97.05	110.17
C) GROSS PROFIT (A-B)	12.51	16.23	19.78	23.47	27.81
	17.53%	**18.39%**	**19.03%**	**19.48%**	**20.15%**
D) Bank Interest i) (Term Loan)	1.38	1.12	0.81	0.50	0.19
ii) Interest On Working Capital	0.46	0.46	0.46	0.46	0.46
E) Salary to Staff	5.04	6.30	7.56	9.45	10.87
F) Selling & Adm Expenses Exp.	1.14	2.21	3.12	3.37	4.14
G) TOTAL (D+E+F)	**8.02**	**10.09**	**11.95**	**13.79**	**15.66**
H) NET PROFIT	4.49	6.14	7.83	9.68	12.15
	6.3%	**7.0%**	**7.5%**	**8.0%**	**8.8%**
I) Taxation	-	0.37	0.72	1.10	1.84
J) PROFIT (After Tax)	4.49	5.77	7.11	8.58	10.31

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	1.87	-	-	-	-
Reserve & Surplus	4.49	6.14	7.83	9.68	12.15
Depriciation & Exp. W/off	2.09	1.78	1.51	1.29	1.10
Increase In Cash Credit	4.17	-	-	-	-
Increase In Term Loan	12.69	-	-	-	-
Increase in Creditors	2.16	0.41	0.43	0.44	0.46
TOTAL :	**27.47**	**8.33**	**9.76**	**11.41**	**13.70**
APPLICATION OF FUND					
Increase in Fixed Assets	14.10	-	-	-	-
Increase in Stock	3.47	1.52	0.83	0.87	0.90
Increase in Debtors	3.33	0.79	0.73	0.77	0.81
Repayment of Term Loan	1.41	2.82	2.82	2.82	2.82
Taxation	-	0.37	0.72	1.10	1.84
Drawings	3.50	4.00	4.50	6.00	7.00
TOTAL :	**25.81**	**9.49**	**9.60**	**11.57**	**13.37**
Opening Cash & Bank Balance	-	1.66	0.50	0.66	0.51
Add : Surplus	1.66	- 1.17	0.16	- 0.16	0.33
Closing Cash & Bank Balance	**1.66**	**0.50**	**0.66**	**0.51**	**0.84**

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
Finished Goods					
(10 Days requirement)	2.03	2.41	2.82	3.25	3.69
Raw Material					
(10 Days requirement)	1.44	2.57	3.00	3.44	3.90
Closing Stock	**3.47**	**4.98**	**5.82**	**6.69**	**7.58**

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.47		
Less:			
Sundry Creditors	2.16		
Paid Stock	**1.31**	**0.13**	**1.18**
Sundry Debtors	3.33	0.33	3.00
Working Capital Requirement			**4.17**
Margin			0.46
MPBF			**4.17**
Working Capital Demand			**4.17**

REPAYMENT SCHEDULE OF TERM LOAN 11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
I	Opening Balance						
	Ist Quarter	-	12.69	12.69	0.35	-	12.69
	Iind Quarter	12.69	-	12.69	0.35	-	12.69
	IIIrd Quarter	12.69	-	12.69	0.35	0.71	11.99
	Ivth Quarter	11.99	-	11.99	0.33	0.71	11.28
					1.38	1.41	
II	Opening Balance						
	Ist Quarter	11.28	-	11.28	0.31	0.71	10.58
	Iind Quarter	10.58	-	10.58	0.29	0.71	9.87
	IIIrd Quarter	9.87	-	9.87	0.27	0.71	9.17
	Ivth Quarter	9.17		9.17	0.25	0.71	8.46
					1.12	2.82	
III	Opening Balance						
	Ist Quarter	8.46	-	8.46	0.23	0.71	7.76
	Iind Quarter	7.76	-	7.76	0.21	0.71	7.05
	IIIrd Quarter	7.05	-	7.05	0.19	0.71	6.35
	Ivth Quarter	6.35		6.35	0.17	0.71	5.64
					0.81	2.82	
IV	Opening Balance						
	Ist Quarter	5.64	-	5.64	0.16	0.71	4.94
	Iind Quarter	4.94	-	4.94	0.14	0.71	4.23
	IIIrd Quarter	4.23	-	4.23	0.12	0.71	3.53
	Ivth Quarter	3.53		3.53	0.10	0.71	2.82
					0.50	2.82	
V	Opening Balance						
	Ist Quarter	2.82	-	2.82	0.08	0.71	2.12
	Iind Quarter	2.12	-	2.12	0.06	0.71	1.41
	IIIrd Quarter	1.41	-	1.41	0.04	0.71	0.70
	Ivth Quarter	0.70		0.70	0.02	0.71	- 0.00
					0.19	2.82	

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	6.57	7.55	8.62	9.87	11.40
Interest on Term Loan	1.38	1.12	0.81	0.50	0.19
Total	7.95	8.67	9.44	10.37	11.60
REPAYMENT					
Repayment of Term Loan	1.41	2.82	2.82	2.82	2.82
Interest on Term Loan	1.38	1.12	0.81	0.50	0.19
Total	2.79	3.94	3.63	3.32	3.01
DEBT SERVICE COVERAGE RATIO	**2.85**	**2.20**	**2.60**	**3.12**	**3.85**
AVERAGE D.S.C.R.			**2.88**		

Assumptions:

1. Production Capacity of Copper Bottles & Jugs Manufacturing unit is taken at 100 Sets per day. First year, Capacity has been taken @ 30%.

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 14 days.

5. Credit period by the Sundry Creditors has been provided for 15 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 40 HP.

10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.