



# MODEL PROJECT REPORT



## PROJECT REPORT ON CLUTCHER

**SWAVALAMBI BHARAT ABHIYAN**

**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx  
Pin: xxxxxxxx State: xxxxx  
Mobile xxxxxxxx
- 5 Product and By Product : **CLUTCHER**
- 6 Name of the project / business activity proposed : **CLUTCHER MANUFACTURING UNIT**
- 7 Cost of Project : Rs.22.53 Lakhs
- 8 Means of Finance  
Term Loan Rs.16.07 Lakhs  
Own Capital Rs.2.25 Lakhs  
Working Capital Rs.4.21 Lakhs
- 9 Debt Service Coverage Ratio : 2.52
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 37%
- 13 Employment : 11 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Polypropylene Resin & Other Additives
- 16 Estimated Annual Sales Turnover (Max Capacity) : 117.91 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	17.15
Furniture & Fixtures	0.70
Working Capital	4.68
<b>Total</b>	<b>22.53</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	2.25
Working Capital(Finance)	4.21
Term Loan	16.07
<b>Total</b>	<b>22.53</b>

# **CLUTCHER MANUFACTURING UNIT**

## **Introduction:**

Hair plays an integral part in enhancing an individual's appearance. Healthy, shiny, and well-groomed hair add to an individual's aesthetics. Therefore, people take care of their hair, try different hairstyles, and use various accessories to look appealing. Gone are the days when hair accessories were limited to bands and pins. Currently, a broad range of hair accessories are available in the market, especially for women as they are major consumers of hair accessories and Hair Clutcher is one of the most popular and demanded hair accessories in today's era. Hair Clutchers are small pieces of plastic used to keep hair off the face or to hold part of the hair in position. They come in different shapes such as Banana, Snap, Wave Setting, etc. The creation of different hairstyles, especially among women, seems to be common to all cultures and all periods and many past, and current, societies use hair clutchers for same.



## **Uses & Market Potential:**

Hair Clutchers are used to make different hairstyles, to keep hair off the face, or to hold part of the hair in position. The global market size was valued at USD 20.0 billion in 2018 and is expected to register a CAGR of 15.2% from 2019 to 2025. The market growth is attributed to rising preference for fashionable products that serve the purpose of utility as well as give a trendy look to the hairdo. Growing awareness regarding their appearance is anticipated to be the primary driver of the hair clutcher market. A large number of blogs and beauty websites are increasing awareness about recent trends in the fashion industry and a large number of people are subscribing to them. This is anticipated to propel the hair clutcher market. A large number of manufacturers are stepping into the market, which is projected to boost the market. Furthermore, the growing young population which is increasingly becoming trendy is propelling the growth of the market. However, availability of counterfeit and inauthentic products is expected to hamper the market. Growing adoption of hair clutcher by individuals to enhance their aesthetics is projected to drive the market. Continuous innovation and improvement in the product quality and designs are expected to drive customer attention to the global market.

## **Product:**

Clutcher

## **Raw Material:**

The raw materials required are:

- Polypropylene Resin
- Other Additives

## **Manufacturing Process:**

- Raw material procurement
- Mixing process
- Injection molding-plastic molding
- Packaging

## **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 1500-2000Sqft.

## **Cost of Machines:**

Machine	Quantity	Price
Injection Molding Machine	1	1200000
Tumbler Mixer	1	100000
Cooling Tower	1	50000
Scrap Grinder	1	150000
Air Compressor	1	215000
<b>Total Amount</b>		<b>1715000</b>

**Power Requirement-** The estimated Power requirement is taken at 20 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**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital Account</u></b>					
Opening Balance	-	3.15	4.68	6.91	9.70
Add: Additions	2.25	-	-	-	-
Add: Net Profit	5.39	6.53	7.53	8.79	10.05
Less: Drawings	4.50	5.00	5.30	6.00	7.00
<b>Closing Balance</b>	<b>3.15</b>	<b>4.68</b>	<b>6.91</b>	<b>9.70</b>	<b>12.75</b>
CC Limit	4.21	4.21	4.21	4.21	4.21
Term Loan	14.28	10.71	7.14	3.57	-
Sundry Creditors	2.10	2.36	2.62	2.90	3.18
<b>TOTAL :</b>	<b>23.74</b>	<b>21.95</b>	<b>20.88</b>	<b>20.38</b>	<b>20.14</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	<b>17.85</b>	<b>17.85</b>	<b>17.85</b>	<b>17.85</b>	<b>17.85</b>
Gross Dep.	2.64	4.89	6.81	8.44	9.83
Net Fixed Assets	15.21	12.96	11.04	9.41	8.02
<b>Current Assets</b>					
Sundry Debtors	3.38	3.95	4.44	4.96	5.50
Stock in Hand	3.39	4.60	5.13	5.67	6.24
Cash and Bank	1.75	0.44	0.27	0.33	0.37
<b>TOTAL :</b>	<b>23.74</b>	<b>21.95</b>	<b>20.88</b>	<b>20.38</b>	<b>20.14</b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>A) SALES</u></b>					
Gross Sale	72.50	84.72	95.21	106.27	117.91
<b>Total (A)</b>	<b>72.50</b>	<b>84.72</b>	<b>95.21</b>	<b>106.27</b>	<b>117.91</b>
<b><u>B) COST OF SALES</u></b>					
Raw Material Consumed	42.00	47.12	52.45	57.95	63.67
Electricity Expenses	2.24	2.46	2.69	2.91	3.13
Repair & Maintenance	1.45	1.69	1.90	2.13	2.36
Labour & Wages	11.47	13.76	16.24	18.67	21.29
Depreciation	2.64	2.25	1.92	1.63	1.39
<b>Cost of Production</b>	<b>59.80</b>	<b>67.29</b>	<b>75.19</b>	<b>83.29</b>	<b>91.84</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.99</b>	<b>2.24</b>	<b>2.51</b>	<b>2.78</b>
<b>Less: Closing Stock /WIP</b>	<b>1.99</b>	<b>2.24</b>	<b>2.51</b>	<b>2.78</b>	<b>3.06</b>
Cost of Sales (B)	57.80	67.04	74.93	83.02	91.55
<b>C) GROSS PROFIT (A-B)</b>	<b>14.70</b>	<b>17.68</b>	<b>20.28</b>	<b>23.25</b>	<b>26.35</b>
	<b>20.27%</b>	<b>20.87%</b>	<b>21.30%</b>	<b>21.88%</b>	<b>22.35%</b>
D) Bank Interest i) (Term Loan )	1.74	1.42	1.03	0.64	0.25
ii) Interest On Working Capital	0.46	0.46	0.46	0.46	0.46
E) Salary to Staff	5.67	6.58	7.56	9.23	10.34
F) Selling & Adm Expenses Exp.	1.16	2.12	2.86	2.98	3.54
<b>G) TOTAL (D+E+F)</b>	<b>9.04</b>	<b>10.58</b>	<b>11.91</b>	<b>13.30</b>	<b>14.58</b>
<b>H) NET PROFIT</b>	<b>5.66</b>	<b>7.10</b>	<b>8.36</b>	<b>9.95</b>	<b>11.77</b>
	<b>7.8%</b>	<b>8.4%</b>	<b>8.8%</b>	<b>9.4%</b>	<b>10.0%</b>
I) Taxation	0.27	0.57	0.83	1.16	1.72
<b>J) PROFIT (After Tax)</b>	<b>5.39</b>	<b>6.53</b>	<b>7.53</b>	<b>8.79</b>	<b>10.05</b>



**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
Own Contribution	2.25	-	-	-	-
Reserve & Surplus	5.66	7.10	8.36	9.95	11.77
Depreciation & Exp. W/off	2.64	2.25	1.92	1.63	1.39
Increase In Cash Credit	4.21	-	-	-	-
Increase In Term Loan	16.07	-	-	-	-
Increase in Creditors	2.10	0.26	0.27	0.28	0.29
<b>TOTAL :</b>	<b>32.93</b>	<b>9.60</b>	<b>10.55</b>	<b>11.86</b>	<b>13.45</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	17.85	-	-	-	-
Increase in Stock	3.39	1.21	0.53	0.55	0.57
Increase in Debtors	3.38	0.57	0.49	0.52	0.54
Repayment of Term Loan	1.79	3.57	3.57	3.57	3.57
Taxation	0.27	0.57	0.83	1.16	1.72
Drawings	4.50	5.00	5.30	6.00	7.00
<b>TOTAL :</b>	<b>31.18</b>	<b>10.91</b>	<b>10.72</b>	<b>11.79</b>	<b>13.41</b>
Opening Cash & Bank Balance	-	1.75	0.44	0.27	0.33
Add : Surplus	1.75	- 1.31	- 0.17	0.06	0.04
Closing Cash & Bank Balance	<b>1.75</b>	<b>0.44</b>	<b>0.27</b>	<b>0.33</b>	<b>0.37</b>

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>Finished Goods</u></b>					
(10 Days requirement)	1.99	2.24	2.51	2.78	3.06
<b><u>Raw Material</u></b>					
(10 Days requirement)	1.40	2.36	2.62	2.90	3.18
<b>Closing Stock</b>	<b>3.39</b>	<b>4.60</b>	<b>5.13</b>	<b>5.67</b>	<b>6.24</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

<b>Particulars</b>	<b>Amount</b>	<b>Margin(10%)</b>	<b>Net</b>
			<b>Amount</b>
Stock in Hand	3.39		
Less:			
Sundry Creditors	2.10		
<b>Paid Stock</b>	<b>1.29</b>	<b>0.13</b>	<b>1.16</b>
Sundry Debtors	3.38	0.34	3.05
<b>Working Capital Requirement</b>			<b>4.21</b>
<b>Margin</b>			0.47
<b>MPBF</b>			<b>4.21</b>
<b>Working Capital Demand</b>			<b>4.21</b>

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	16.07	16.07	0.44	-	16.07
	Iind Quarter	16.07	-	16.07	0.44	-	16.07
	IIIrd Quarter	16.07	-	16.07	0.44	0.89	15.17
	Ivth Quarter	15.17	-	15.17	0.42	0.89	14.28
					1.74	1.79	
II	Opening Balance						
	Ist Quarter	14.28	-	14.28	0.39	0.89	13.39
	Iind Quarter	13.39	-	13.39	0.37	0.89	12.50
	IIIrd Quarter	12.50	-	12.50	0.34	0.89	11.60
	Ivth Quarter	11.60		11.60	0.32	0.89	10.71
					1.42	3.57	
III	Opening Balance						
	Ist Quarter	10.71	-	10.71	0.29	0.89	9.82
	Iind Quarter	9.82	-	9.82	0.27	0.89	8.93
	IIIrd Quarter	8.93	-	8.93	0.25	0.89	8.03
	Ivth Quarter	8.03		8.03	0.22	0.89	7.14
					1.03	3.57	
IV	Opening Balance						
	Ist Quarter	7.14	-	7.14	0.20	0.89	6.25
	Iind Quarter	6.25	-	6.25	0.17	0.89	5.36
	IIIrd Quarter	5.36	-	5.36	0.15	0.89	4.46
	Ivth Quarter	4.46		4.46	0.12	0.89	3.57
					0.64	3.57	
V	Opening Balance						
	Ist Quarter	3.57	-	3.57	0.10	0.89	2.68
	Iind Quarter	2.68	-	2.68	0.07	0.89	1.79
	IIIrd Quarter	1.79	-	1.79	0.05	0.89	0.89
	Ivth Quarter	0.89		0.89	0.02	0.89	0.00
					0.25	3.57	
<div> <div>Door to Door Period</div> <div>60 Months</div> </div> <div> <div>Moratorium Period</div> <div>6 Months</div> </div> <div> <div>Repayment Period</div> <div>54 Months</div> </div>							

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>CASH ACCRUALS</u></b>	8.04	8.78	9.45	10.42	11.44
Interest on Term Loan	1.74	1.42	1.03	0.64	0.25
Total	9.78	10.20	10.48	11.06	11.68
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	1.79	3.57	3.57	3.57	3.57
Interest on Term Loan	1.74	1.42	1.03	0.64	0.25
Total	3.53	4.99	4.60	4.21	3.82
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.77</b>	<b>2.04</b>	<b>2.28</b>	<b>2.63</b>	<b>3.06</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.52</b>		

**Assumptions:**

1. Production Capacity of Clutcher Manufacturing unit is taken at 2000 Pcs 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 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 20 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.