

# PROJECT REPORT

Of

## ALUMINIUM FOIL CONTAINER

### PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Aluminium Foil Container**.

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.]



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**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxx  
Pin: xxxxxxx  
Mobile : xxxxxxx
- State: xxxxxxxxx
- 5 Product and By Product : **ALUMINIUM FOIL CONTAINER**
- 6 Name of the project / business activity proposed : **ALUMINIUM FOIL CONTAINER UNIT**
- 7 Cost of Project : Rs.25 Lakhs
- 8 Means of Finance  
Term Loan : Rs.18 Lakhs  
Own Capital : Rs.2.5 Lakhs  
Working capital : Rs.4.5 Lakhs
- 9 Debt Service Coverage Ratio : 2.17
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 36%
- 13 Employment : 8 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : Aluminum Foil Rolls, Packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 96.57 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
	Own/Rented
Land / Building shed	19.00
Plant & Machinery	1.00
Furniture & Fixtures	5.00
Working Capital	25.00
<b>Total</b>	<b>25.00</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	2.50
Working Capital(Finance)	4.50
Term Loan	18.00
<b>Total</b>	<b>25.00</b>

## **ALUMINIUM FOIL CONTAINER**

**Introduction:** Aluminium foil containers are widely used in food packaging due to its number of advantages. It is impervious to moisture, light, bacteria, and all gases. Because of its ability to block out bacteria and moisture especially, it helps the food last longer than if it were wrapped in plastic. The ease of packaging and sealing of food with aluminum foil is what makes it the most ideal household and food industry item. Aluminum foil has good thermal stability. Apart from this, it is it can recycle efficiently, protect the environment, and save resources. This product is light-weight and meets national food hygiene standards. This project is based on containers with capacity of 450 ml.



**Uses & Market Potential:** The growth of the aluminum foil packaging market is influenced by the growth in the pharmaceutical industry and the increase in demand from the cosmetic industry. Aluminum foil is used for packaging applications in the personal care and cosmetic industries. This

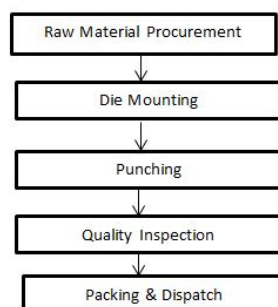
provides protection to the products internally and enhances the appearance of the packaging. The growing demand for cost-effective, light-weight, and single-serve packaging solutions is likely to propel the growth of the aluminium foil containers market. The aluminum foil packaging market is undergoing various changes such as availability in various forms, acceleration of technological innovation, and shifts in competitive power, and with the evolving customer expectations. The global aluminum foil packaging market is expected to grow with 4.5 % CAGR during the forecast period to 2023.



## **Raw Material:**

1. Aluminum Foil rolls
2. Packing Material

## **Manufacturing Process:**



At first, the aluminium foil rolls of desired quality (required micron thickness) will be procured from the local vendor. The die of the desired shape and size of the container is mounted on the hydraulic paper plate punching machine after the approval from the production department. After mounting of the die, aluminium foil is fed into the punching machine. There are arrangements of successive rolls in this machine that allow the continuous feed of aluminium foil.

There is an arrangement of hydraulic operated punch in the machine which imparts sufficient force for the aluminium foil punching. The foil will take the desired shape of the die. The compressed air is blown over the die for removal of the container from the die.

For quality enhancement before starting the continuous production, the first three-four pieces of aluminium container are analyzed to satisfy the client requirement. Once the container meets the desired criteria continuous feeding of the aluminium foil is done in the machine.

The containers produced by the punching process are collected in the bins. The finished containers thus obtained will be packed down in the required quantities for dispatch.

**Machines & equipments:** Major machines and equipments are:

S No.	Machine	Unit	Price
1.	Aluminium Foil Container making machines	1	1850000
2.	Other equipments (Dies, bins, pumps,etc.)		50000

**Area:**

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities,

documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000 to 1500Sqft.

**Power Requirement** –The power consumption required to run all the machinery could be approximated as 30hp

**Manpower Requirement**– There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 8 including 1 Supervisor, 1 Plant operator, 1 unskilled worker, 1 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

**Bank Term Loan:** Rate of Interest is assumed to be at 11%

**Depreciation:** Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

**Approvals & Registration Requirement:**

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require

### **Implementation Schedule:**

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

## **FINANCIALS**

<b>PROJECTED CASH FLOW STATEMENT</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>SOURCES OF FUND</b>					
Own Contribution	2.50	-			
Reserve & Surplus	3.41	5.51	7.78	11.95	16.35
Depriciation & Exp. W/off	2.95	2.51	2.14	1.82	1.55
Increase In Cash Credit	4.50				
Increase In Term Loan	18.00	-	-	-	-
Increase in Creditors	0.76	0.11	0.07	0.07	0.07
<b>TOTAL :</b>	<b>32.13</b>	<b>8.13</b>	<b>9.98</b>	<b>13.84</b>	<b>17.97</b>
<b>APPLICATION OF FUND</b>					
Increase in Fixed Assets	20.00	-	-	-	-
Increase in Stock	2.31	0.30	0.28	0.30	0.32
Increase in Debtors	4.01	0.65	0.55	0.60	0.63
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Taxation	-	0.55	1.17	3.59	4.91
Drawings	2.00	2.50	3.50	5.00	7.00
<b>TOTAL :</b>	<b>30.32</b>	<b>7.99</b>	<b>9.49</b>	<b>13.49</b>	<b>16.86</b>
Opening Cash & Bank Balance	-	1.81	1.94	2.43	2.78
Add : Surplus	1.81	0.13	0.49	0.35	1.12
Closing Cash & Bank Balance	<b>1.81</b>	<b>1.94</b>	<b>2.43</b>	<b>2.78</b>	<b>3.90</b>



<b>PROJECTED BALANCE SHEET</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>SOURCES OF FUND</b>					
<b>Capital Account</b>					
Opening Balance	-	3.91	6.37	9.48	12.85
Add: Additions	2.50	-	-	-	-
Add: Net Profit	3.41	4.96	6.61	8.37	11.45
Less: Drawings	2.00	2.50	3.50	5.00	7.00
<b>Closing Balance</b>	<b>3.91</b>	<b>6.37</b>	<b>9.48</b>	<b>12.85</b>	<b>17.29</b>
CC Limit	4.50	4.50	4.50	4.50	4.50
Term Loan	16.00	12.00	8.00	4.00	-
Sundry Creditors	0.76	0.87	0.94	1.00	1.07
<b>TOTAL :</b>	<b>25.18</b>	<b>23.74</b>	<b>22.92</b>	<b>22.35</b>	<b>22.86</b>
<b>APPLICATION OF FUND</b>					
<b>Fixed Assets ( Gross)</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>
Gross Dep.	2.95	5.46	7.60	9.43	10.98
Net Fixed Assets	17.05	14.54	12.40	10.57	9.02
<b>Current Assets</b>					
Sundry Debtors	4.01	4.66	5.20	5.80	6.44
Stock in Hand	2.31	2.60	2.89	3.19	3.51
Cash and Bank	1.81	1.94	2.43	2.78	3.90
<b>TOTAL :</b>	<b>25.18</b>	<b>23.74</b>	<b>22.92</b>	<b>22.35</b>	<b>22.86</b>

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<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>A) SALES</b>					
Gross Sale	60.13	69.83	78.03	87.07	96.57
<b>Total (A)</b>	<b>60.13</b>	<b>69.83</b>	<b>78.03</b>	<b>87.07</b>	<b>96.57</b>
<b>B) COST OF SALES</b>					
Raw Material Consumed	32.76	37.26	40.13	43.00	45.86
Electricity Expenses	2.74	2.97	3.20	3.42	3.65
Repair & Maintenance	6.01	6.98	7.80	8.71	9.66
Labour & Wages	4.79	5.08	5.53	6.09	6.69
Depreciation	2.95	2.51	2.14	1.82	1.55
<b>Cost of Production</b>	<b>49.25</b>	<b>54.80</b>	<b>58.80</b>	<b>63.04</b>	<b>67.42</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.76</b>	<b>1.98</b>	<b>2.22</b>	<b>2.47</b>
<b>Less: Closing Stock /WIP</b>	<b>1.76</b>	<b>1.98</b>	<b>2.22</b>	<b>2.47</b>	<b>2.74</b>
Cost of Sales (B)	47.49	54.58	58.57	62.78	67.15
<b>C) GROSS PROFIT (A-B)</b>	<b>12.65</b>	<b>15.25</b>	<b>19.46</b>	<b>24.29</b>	<b>29.41</b>
	<b>21.03%</b>	<b>21.84%</b>	<b>24.94%</b>	<b>27.90%</b>	<b>30.46%</b>
D) Bank Interest (Term Loan )	1.95	1.60	1.16	0.72	0.28
ii) Interest On Working Capital	0.50	0.50	0.50	0.50	0.50
E) Salary to Staff	3.78	4.16	4.57	5.03	5.53
F) Selling & Adm Expenses Exp.	3.01	3.49	5.46	6.09	6.76
<b>TOTAL (D+E)</b>	<b>9.23</b>	<b>9.74</b>	<b>11.69</b>	<b>12.34</b>	<b>13.06</b>
H) NET PROFIT	3.41	5.51	7.78	11.95	16.35
	<b>5.7%</b>	<b>7.9%</b>	<b>10.0%</b>	<b>13.7%</b>	<b>16.9%</b>
I) Taxation	-	0.55	1.17	3.59	4.91
J) PROFIT (After Tax)	3.41	4.96	6.61	8.37	11.45

<b>COMPUTATION OF MAKING OF ALUMINUM FOIL CONTAINER</b>			
<b>Item to be Manufactured</b>	<b>Aluminum Foil Container</b>		
Manufacturing Capacity per day		19,200	pcs
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		57,60,000	pcs
Total Production per Annum		57,600	100 pcs per packet
Year		Capacity Utilisation	ALUMINIUM FOIL CONTAINER
I		60%	34,560.00
II		65%	37,440.00
III		70%	40,320.00
IV		75%	43,200.00
V		80%	46,080.00

**COMPUTATION OF RAW MATERIAL**

Item Name	Quantity of Raw	Unit	Unit Rate of	Total CostPer
Aluminium Foil Rolls	27,000.00	Kg	200	54,00,000.00
Packing Material				60,000.00
<b>Total</b>				<b>54,60,000.00</b>
Total Raw material in Rs lacs				54.60

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)	
I	60%	32.76	
II	65%	37.26	5% Increase in Cost
III	70%	40.13	5% Increase in Cost
IV	75%	43.00	5% Increase in Cost
V	80%	45.86	5% Increase in Cost

<b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</b>					
<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>Finished Goods</b>					
(7 Days requirement)	1.76	1.98	2.22	2.47	2.74
<b>Raw Material</b>					
(5 Days requirement)	0.55	0.62	0.67	0.72	0.76
<b>Closing Stock</b>	<b>2.31</b>	<b>2.60</b>	<b>2.89</b>	<b>3.19</b>	<b>3.51</b>

<b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b>			
<b>Particulars</b>	<b>Amount</b>	<b>Margin(10%)</b>	<b>Net Amount</b>
Stock in Hand	2.31		
Less:			
Sundry Creditors	0.76		
<b>Paid Stock</b>	<b>1.54</b>	<b>0.15</b>	<b>1.39</b>
Sundry Debtors	4.01	0.40	3.61
<b>Working Capital Requirement</b>			<b>5.00</b>
<b>Margin</b>			0.56
<b>MPBF</b>			5.00
<b>Working Capital Demand</b>			<b>4.50</b>

<u>COMPUTATION OF SALE</u>					
Particulars	I	II	III	IV	V
Op Stock	-	1,152.00	1,248.00	1,344.00	1,440.00
Production	34,560.00	37,440.00	40,320.00	43,200.00	46,080.00
	34,560.00	38,592.00	41,568.00	44,544.00	47,520.00
Less : Closing Stock(10 Days)	1,152.00	1,248.00	1,344.00	1,440.00	1,536.00
Net Sale	33,408.00	37,344.00	40,224.00	43,104.00	45,984.00
Sale Price per packet	180.00	187.00	194.00	202.00	210.00
<b>Sale (in Lacs)</b>	<b>60.13</b>	<b>69.83</b>	<b>78.03</b>	<b>87.07</b>	<b>96.57</b>

<b>BREAK UP OF LABOUR</b>				
Particulars	Wages	No of	Total	
	Per Month	Employees	Salary	
Supervisor	12,000.00	1	12,000.00	
Plant Operator	10,000.00	1	10,000.00	
Unskilled Worker	6,000.00	1	6,000.00	
Helper	4,000.00	1	4,000.00	
Security Guard	6,000.00	1	6,000.00	
			38,000.00	
Add: 5% Fringe Benefit			1,900.00	
Total Labour Cost Per Month			39,900.00	
Total Labour Cost for the year ( In Rs. Lakhs)		5	4.79	

<b>BREAK UP OF SALARY</b>				
Particulars	Salary	No of	Total	
	Per Month	Employees	Salary	
Manager	12,000.00	1	12,000.00	
Accountant cum store keeper	10,000.00	1	10,000.00	
Sales	8,000.00	1	8,000.00	
Total Salary Per Month			30,000.00	
Add: 5% Fringe Benefit			1,500.00	
Total Salary for the month			31,500.00	
Total Salary for the year ( In Rs. Lakhs)		3	3.78	

<b>COMPUTATION OF DEPRECIATION</b>				
Description	Land	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		15.00%	10.00%	
<b>Opening Balance</b>	Leased	-	-	-
Addition	-	19.00	1.00	20.00
	-	19.00	1.00	20.00
		-	-	
<b>TOTAL</b>		19.00	1.00	20.00
Less : Depreciation	-	2.85	0.10	2.95
WDV at end of Ist year	-	16.15	0.90	17.05
Additions During The Year	-	-	-	-
	-	16.15	0.90	17.05
Less : Depreciation	-	2.42	0.09	2.51
WDV at end of IInd Year	-	13.73	0.81	14.54
Additions During The Year	-	-	-	-
	-	13.73	0.81	14.54
Less : Depreciation	-	2.06	0.08	2.14
WDV at end of IIIrd year	-	11.67	0.73	12.40
Additions During The Year	-	-	-	-
	-	11.67	0.73	12.40
Less : Depreciation	-	1.75	0.07	1.82
WDV at end of IV year	-	9.92	0.66	10.57
Additions During The Year	-	-	-	-
	-	9.92	0.66	10.57
Less : Depreciation	-	1.49	0.07	1.55
WDV at end of Vth year	-	8.43	0.59	9.02

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	18.00	18.00	0.50	-	18.00
	IInd Quarter	18.00	-	18.00	0.50	-	18.00
	IIIrd Quarter	18.00	-	18.00	0.50	1.00	17.00
	Ivth Quarter	17.00	-	17.00	0.47	1.00	16.00
					1.95	2.00	
<b>II</b>	Opening Balance						
	Ist Quarter	16.00	-	16.00	0.44	1.00	15.00
	IInd Quarter	15.00	-	15.00	0.41	1.00	14.00
	IIIrd Quarter	14.00	-	14.00	0.39	1.00	13.00
	Ivth Quarter	13.00		13.00	0.36	1.00	12.00
					1.60	4.00	
<b>III</b>	Opening Balance						
	Ist Quarter	12.00	-	12.00	0.33	1.00	11.00
	IInd Quarter	11.00	-	11.00	0.30	1.00	10.00
	IIIrd Quarter	10.00	-	10.00	0.28	1.00	9.00
	Ivth Quarter	9.00		9.00	0.25	1.00	8.00
					1.16	4.00	
<b>IV</b>	Opening Balance						
	Ist Quarter	8.00	-	8.00	0.22	1.00	7.00
	IInd Quarter	7.00	-	7.00	0.19	1.00	6.00
	IIIrd Quarter	6.00	-	6.00	0.17	1.00	5.00
	Ivth Quarter	5.00		5.00	0.14	1.00	4.00
					0.72	4.00	
<b>V</b>	Opening Balance						
	Ist Quarter	4.00	-	4.00	0.11	1.00	3.00
	IInd Quarter	3.00	-	3.00	0.08	1.00	2.00
	IIIrd Quarter	2.00	-	2.00	0.06	1.00	1.00
	Ivth Quarter	1.00		1.00	0.03	1.00	-
					0.28	4.00	

Door to Door Period      60 Months  
Moratorium Period        6 Months  
Repayment Period         54 Months



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>	6.36	7.47	8.75	10.19	13.00
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	8.31	9.07	9.91	10.90	13.27
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	2.00	4.00	4.00	4.00	4.00
Interest on Term Loan	1.95	1.60	1.16	0.72	0.28
Total	3.95	5.60	5.16	4.72	4.28
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.10</b>	<b>1.62</b>	<b>1.92</b>	<b>2.31</b>	<b>3.10</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.17</b>		

<b>COMPUTATION OF ELECTRICITY</b>			
<b>(A) POWER CONNECTION</b>			
Total Working Hour per day		Hours	8
Electric Load Required		HP	30
Load Factor			0.7460
Electricity Charges		per unit	7.50
Total Working Days			300
<b>Electricity Charges</b>			<b>4,02,840.00</b>
Add : Minimim Charges (@ 10%)			
<b>(B) DG set</b>			
No. of Working Days			300 days
No of Working Hours			0.3 Hour per day
Total no of Hour			90
Diesel Consumption per Hour			8
Total Consumption of Diesel			720
Cost of Diesel			65.00 Rs. /Ltr
Total cost of Diesel			0.47
Add : Lube Cost @15%			0.07
Total			<b>0.54</b>
Total cost of Power & Fuel at 100%			4.57
Year		Capacity	Amount (in Lacs)
I		60%	2.74
II		65%	2.97
III		70%	3.20
IV		75%	3.42
V		80%	3.65

## **DISCLAIMER**

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