

PROJECT REPORT

Of

**CERAMIC SANITARYWARE
WASHBASIN**

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Ceramic sanitaryware washbasin Manufacturing unit.

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 GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX
2 Firm Name	XXXXXXXXXX
3 Registered Address	XXXXXXXXXX
4 Nature of Activity	XXXXXXXXXX
5 Category of Applicant	XXXXXXXXXX
6 Location of Unit	XXXXXXXXXX
7 Cost of Project	15.74 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	1.57 Rs. In Lakhs
ii) Term Loan	10.28 Rs. In Lakhs
iii) Working Capital	3.89 Rs. In Lakhs
9 Debt Service Coverage Ratio	2.92
10 Break Even Point	41%
11 Power Requiremnet	10 KW
12 Employment	18 Persons

13 Major Raw Materials China clay, ball clay/fire clay, felsar powder,plaster of paris,other colours and chemicals and packaging material

14 Details of Cost of Project & Means of Finance

Cost of Project	Amount in Lacs
Particulars	Amount
Land and building	Owned/Leased
Plant & Machinery	9.92
Furniture & Fixture	-
Other Misc Assets	1.50
Working Capital Requirement	4.32
Total	15.74

Means of Finance	
Particulars	Amount
Own Contribution	1.57
Term Loan	10.28
Working capital Loan	3.89
Total	15.74

1. INTRODUCTION



The ceramic sanitary wares are used for sanitation purposes and the product ranges from washbasins, closets, urinals, sinks, baths to hoppers. It has properties like very good resistance to weathering, chemical erosion, mechanical strength and resistance to abrasion. Today sanitary wares are made from variety of materials each of them having certain advantages over the others. However, sanitary wares made of ceramic have many advantages over those made of other materials and are economical also. It has a wide acceptance in the society. Because of its good properties like good corrosion resistance, good abrasion resistance, glazy surface with different appealing colors, the use of sanitary ware for sanitation purpose has not yet been remarkably replaced by other materials like steel, fiber etc. Its use in sanitation has preference over other materials. In near future also the chance for replacing these items by other materials looks very black. They are economical, easy-to-clean, longer life and are available in pleasing colors. The ceramic sanitary wares are rather cheap, easy to clean and are available of various colors.

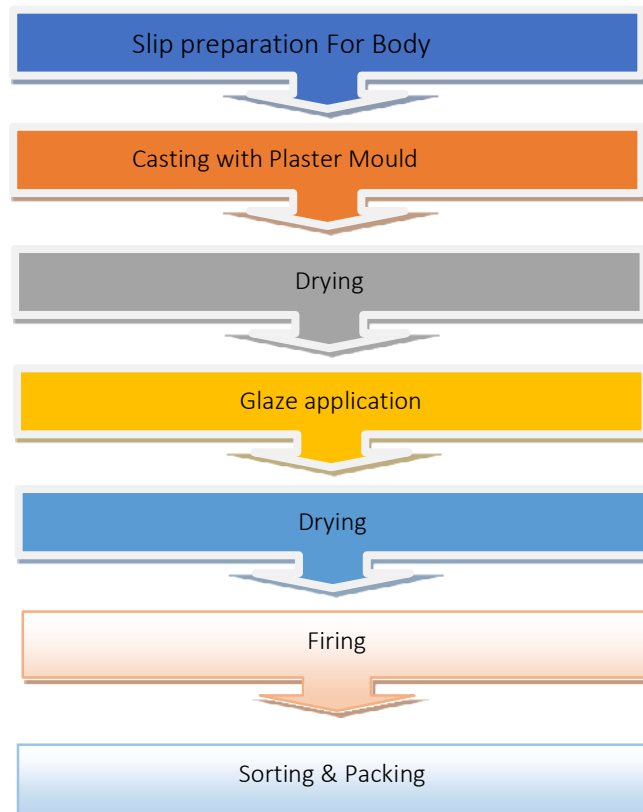
2. PRODUCT DESCRIPTION

2.1 PRODUCT USES

Ceramic Sanitary wares are used for sanitation purposes. Sanitary ware products range from Wash Basins, Closets, Urinals, Sinks, Baths tubs etc. The ceramic sanitary wares are rather cheap, easy to clean.

2.2 MANUFACTURING PROCESS

For body making the raw materials like china clays, fire clay, ball clay, quartz, feldspar etc. are mixed with water and ground thoroughly to get a uniform slip. They are unloaded in an agitator. The slip is screened, magnetic separated and kept in an agitating tank with addition of required flocculants. The wares are cast in plaster moulds. The cast wares are hand felted and kept on open racks or benches for drying. The dried wares are tested for cracks and then finished. On the other hand glaze is prepared in similar way by ball milling, screening and magnetic separation and then the glaze is used in spray booth to apply on the finished dry body products and the glazed body is sent for drying & then firing. After firing the fired products are sorted out and packed for sale.



3. PROJECT COMPONENTS

3.1 Land & Building

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and stitching and polishing area. 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 small scale factory setup is 5500 Sq. ft. approximate.

- **Workshop Area-** This area includes the machinery setup and foundation space for all equipments, work floor area, Processing zone, Conveyor Area, Glazing Bay, Kiln area. Total workshop area is approx. 4000 Sqft.
- **Inventory Area-** This area includes the storage space for all the raw materials, finished goods area. Total inventory area is approx. 1000 Sqft.
- **Office Area –** This space includes staff working region, their accommodation space, canteen area, medical facility etc. Total workshop area is approx. 300Sqft. This may be considered above the ground floor.
- **Parking Space, Electricity Utensils Mounting Space, and Others.** This could be approx. 200Sqft.

Land and building requirement may vary depending on the size of project.

3.2 Plant & Machinery

- **Ball mill with porcelain lining and grinding media**



- **Agitator.**



- **Slurry pump:**



- **Magnetic separator**



- **Spray booths complete with air compressor spray guns etc:**



- **Ceramic fiber lined, shuttle kilns, oil fired:**



- Oil storage tank and pre heating system



Other Equipments

- Testing Laboratory equipments and apparatus
- Drying racks and working table, slurry container etc

Note: Total Machinery cost shall be Rs 9.92 lakh excluding GST and Transportation Cost.

4. LICENSE & APPROVALS

Basic registration required in this project:

- MSME Udyam registration
- GST registration
- NOC for fire safety board
- NOC from Pollution Control Board
- Trade License
- Factory License
- Import/Export License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.10	3.31	4.83	6.72
Add: Additions	1.57	-	-	-	-
Add: Net Profit	2.92	4.22	6.02	8.10	8.93
Less: Drawings	2.40	3.00	4.50	6.20	6.90
Closing Balance	2.10	3.31	4.83	6.72	8.76
CC Limit	3.89	3.89	3.89	3.89	3.89
Term Loan	9.14	6.85	4.57	2.28	-
Sundry Creditors	0.86	0.96	1.07	1.18	1.30
TOTAL :	15.99	15.02	14.36	14.08	13.95
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	11.42	11.42	11.42	11.42	11.42
Gross Dep.	1.64	3.04	4.23	5.26	6.13
Net Fixed Assets	9.78	8.38	7.19	6.16	5.29
Current Assets					
Sundry Debtors	2.13	2.49	2.80	3.12	3.46
Stock in Hand	3.06	3.46	3.87	4.31	4.77
Cash and Bank	1.02	0.69	0.50	0.49	0.43
TOTAL :	15.99	15.02	14.36	14.08	13.95
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	63.80	74.62	83.86	93.67	103.91
Total (A)	63.80	74.62	83.86	93.67	103.91
<u>B) COST OF SALES</u>					
Raw Material Consumed	25.80	28.91	32.11	35.41	38.98
Electricity Expenses	3.36	3.69	4.03	4.36	4.70
Repair & Maintenance	2.23	2.61	2.94	3.28	3.64
Labour & Wages	16.88	19.25	21.56	24.79	27.77
Depreciation	1.64	1.40	1.20	1.02	0.88
Cost of Production	49.91	55.86	61.83	68.87	75.95
Add: Opening Stock /WIP	-	2.20	2.49	2.80	3.13
Less: Closing Stock /WIP	2.20	2.49	2.80	3.13	3.47
Cost of Sales (B)	47.71	55.57	61.52	68.54	75.61
C) GROSS PROFIT (A-B)	16.09	19.05	22.34	25.13	28.30
	25.22%	25.53%	26.64%	26.83%	27.23%
D) Bank Interest i) (Term Loan)	1.11	0.91	0.66	0.41	0.16
ii) Interest On Working Capital	0.43	0.43	0.43	0.43	0.43
E) Salary to Staff	9.07	10.89	12.30	12.92	13.95
F) Selling & Adm Expenses Exp.	2.55	2.61	2.94	3.28	3.64
TOTAL (D+E+F)	13.17	14.84	16.32	17.03	18.17
H) NET PROFIT	2.92	4.22	6.02	8.10	10.13
	4.6%	5.6%	7.2%	8.6%	9.7%
I) Taxation	-	-	-	-	1.20
J) PROFIT (After Tax)	2.92	4.22	6.02	8.10	8.93

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.57	-			
Reserve & Surplus	2.92	4.22	6.02	8.10	10.13
Depriciation & Exp. W/off	1.64	1.40	1.20	1.02	0.88
Increase In Cash Credit	3.89				
Increase In Term Loan	10.28	-	-	-	-
Increase in Creditors	0.86	0.10	0.11	0.11	0.12
TOTAL :	21.17	5.72	7.32	9.23	11.12
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.42	-	-	-	-
Increase in Stock	3.06	0.40	0.42	0.44	0.46
Increase in Debtors	2.13	0.36	0.31	0.33	0.34
Repayment of Term Loan	1.14	2.28	2.28	2.28	2.28
Taxation	-	-	-	-	1.20
Drawings	2.40	3.00	4.50	6.20	6.90
TOTAL :	20.15	6.04	7.51	9.25	11.18
Opening Cash & Bank Balance	-	1.02	0.69	0.50	0.49
Add : Surplus	1.02	- 0.32	- 0.19	- 0.02	- 0.06
Closing Cash & Bank Balance	1.02	0.69	0.50	0.49	0.43

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	10.28	10.28	0.28	-	10.28
	Iind Quarter	10.28	-	10.28	0.28	-	10.28
	IIIrd Quarter	10.28	-	10.28	0.28	0.57	9.71
	Ivth Quarter	9.71	-	9.71	0.27	0.57	9.14
					1.11	1.14	
II	Opening Balance						
	Ist Quarter	9.14	-	9.14	0.25	0.57	8.57
	Iind Quarter	8.57	-	8.57	0.24	0.57	7.99
	IIIrd Quarter	7.99	-	7.99	0.22	0.57	7.42
	Ivth Quarter	7.42		7.42	0.20	0.57	6.85
					0.91	2.28	
III	Opening Balance						
	Ist Quarter	6.85	-	6.85	0.19	0.57	6.28
	Iind Quarter	6.28	-	6.28	0.17	0.57	5.71
	IIIrd Quarter	5.71	-	5.71	0.16	0.57	5.14
	Ivth Quarter	5.14		5.14	0.14	0.57	4.57
					0.66	2.28	
IV	Opening Balance						
	Ist Quarter	4.57	-	4.57	0.13	0.57	4.00
	Iind Quarter	4.00	-	4.00	0.11	0.57	3.43
	IIIrd Quarter	3.43	-	3.43	0.09	0.57	2.86
	Ivth Quarter	2.86		2.86	0.08	0.57	2.28
					0.41	2.28	
V	Opening Balance						
	Ist Quarter	2.28	-	2.28	0.06	0.57	1.71
	Iind Quarter	1.71	-	1.71	0.05	0.57	1.14
	IIIrd Quarter	1.14	-	1.14	0.03	0.57	0.57
	Ivth Quarter	0.57		0.57	0.02	0.57	0.00
					0.16	2.28	

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
<u>CASH ACCRUALS</u>	4.56	5.61	7.21	9.12	9.81
Interest on Term Loan	1.11	0.91	0.66	0.41	0.16
Total	5.67	6.53	7.87	9.53	9.96
<u>REPAYMENT</u>					
Repayment of Term Loan	1.14	2.28	2.28	2.28	2.28
Interest on Term Loan	1.11	0.91	0.66	0.41	0.16
Total	2.26	3.19	2.94	2.69	2.44
DEBT SERVICE COVERAGE R	2.51	2.04	2.67	3.54	4.08
AVERAGE D.S.C.R.			2.92		

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