

PROJECT REPORT

Of

SCRUBBER(UTENSILS)

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Scrubber(Utensils) 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 A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **SCRUBBER(UTENSILS)**
- 6 Name of the project / business activity proposed : **SCRUBBER(UTENSILS) MANUFACTURING UNIT**
- 7 Cost of Project : Rs.12.31 Lakhs
- 8 Means of Finance
- Term Loan Rs.7.74 Lakhs
- Own Capital Rs.1.23 Lakhs
- Working Capital Rs.3.34 Lakhs
- 9 Debt Service Coverage Ratio : 2.90
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 40%
- 13 Employment : 9 Persons
- 14 Power Requirement : 10.00 HP
- 15 Major Raw materials : Matt Finish stainless steel, Blister Packaging and Blister Cups
- 16 Estimated Annual Sales Turnover (Max Capacity) : 70.56 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	8.10
Furniture & Fixtures	0.50
Working Capital	3.71
Total	12.31

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.23
Working Capital(Finance)	3.34
Term Loan	7.74
Total	12.31

SCRUBBER (UTENSILS) MANUFACTURING UNIT

Introduction:

Introduction of Stainless Steel Pot Scrubber have revolutionized the way household utensils, vessels, sinks, pans, kitchen files are cleaned. The “Easy to Use” quality with any cleaning solution and sanitary storing ability makes it the popular it the popular choice for kitchen cleaning applications

Scrubbers, which find wide application in for cleaning household cookware pots, pans and dishes and light painting. It also is a good helper to clean the stove, sink and hoods in the kitchen.

Steel scrubbers are harsh enough to remove the dirt or other sticky things from the steel cook ware but at the same time these are equally soft to the skin and don't cause cut even when touched with naked skin. Moreover, these also possess the salient feature of controlling stretch or abrasion on the body of the cook ware. Moreover, though these Scrubbers are often used in contact with water and detergent, yet these are resistant to corrosion. There are four kinds of scrubbers, namely stainless steel scrubbers, galvanized steel scrubbers, copper scrubbers and brass scrubbers.



Uses & Market Potential:

Scrubbers are widely applied to homes, hotels and restaurants for cleaning the dishes, stoves and cooking utensils. They are also used in industries and constructions for removing the dirty and oily parts of metal, porcelain, marble and glass items. In the rapid use of scrubbers as an abrasive enjoys constant demand and good market potential in the country. Being a consumable item, it has great demand in commercial establishments, houses, automobile repairing shops etc. It has great market potential.

Stainless steel scrubbers can clean the pots and other kitchenware clearly without scratches, it can also clean the dirty and oily surface of dishes without detergent. They are also used in industries and constructions for removing the dirty and oily parts of metal, porcelain, marble and glass items.

In the rapid industrialization the use of steel wool as an abrasive enjoys constant demand and good market potential in the country. Being a consumable item, it has great demand in commercial establishments, houses, automobile repairing shops etc. There are very few manufacturers of this item; as such it has great market potential.

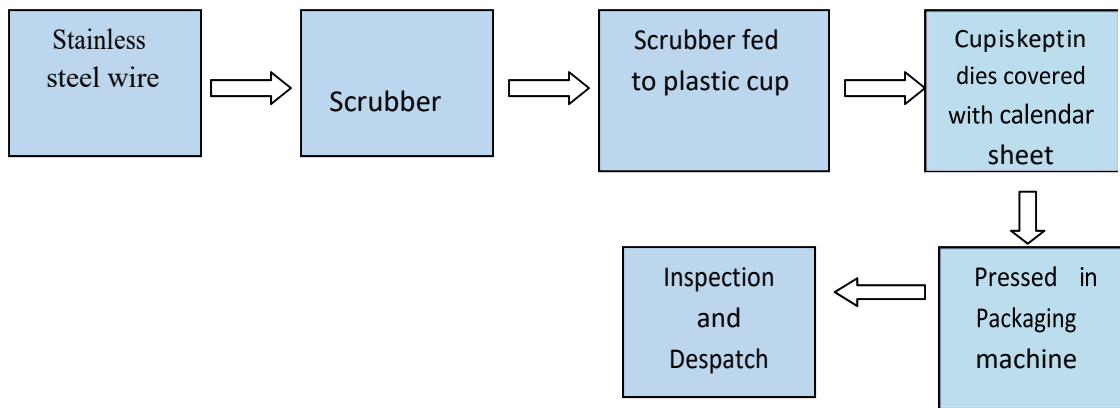
Product:

Scrubber (Utensils)

Raw Material:

Basic raw material is Matt finish stainless steel, Blister Packaging and Blister cups.

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 1200-1800Sqft.

Cost of Machines:

Machine	Unit	Rate	Price
Scrubber making machine	1	650000	650000
Scrubber Packaging machine	1	120000	120000
Other tools	-	40000	40000
Total Amount			810000

Power Requirement- The estimated Power requirement is taken at 10 HP.

Manpower Requirement- Following manpower is required:

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

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.70	2.47	3.64	5.11
Add: Additions	1.23	-	-	-	-
Add: Net Profit	2.97	3.77	4.47	5.26	5.95
Less: Drawings	2.50	3.00	3.30	3.80	4.50
Closing Balance	1.70	2.47	3.64	5.11	6.56
CC Limit	3.34	3.34	3.34	3.34	3.34
Term Loan	6.88	5.16	3.44	1.72	-
Sundry Creditors	1.13	1.26	1.40	1.55	1.70
TOTAL :	13.05	12.24	11.83	11.72	11.60
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	8.60	8.60	8.60	8.60	8.60
Gross Dep.	1.27	2.34	3.26	4.04	4.71
Net Fixed Assets	7.34	6.26	5.34	4.56	3.89
Current Assets					
Sundry Debtors	2.00	2.37	2.66	2.97	3.29
Stock in Hand	2.84	3.20	3.57	3.93	4.32
Cash and Bank	0.88	0.41	0.27	0.26	0.10
TOTAL :	13.05	12.24	11.83	11.72	11.60
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	42.75	50.75	57.00	63.64	70.56
Total (A)	42.75	50.75	57.00	63.64	70.56
<u>B) COST OF SALES</u>					
Raw Material Consumed	22.50	25.25	28.08	31.01	34.02
Electricity Expenses	1.12	1.23	1.34	1.45	1.57
Repair & Maintenance	1.07	1.27	1.43	1.59	1.76
Labour & Wages	8.44	9.96	11.46	12.83	14.37
Depreciation	1.27	1.08	0.92	0.78	0.67
Cost of Production	34.39	38.78	43.22	47.66	52.39
Add: Opening Stock /WIP	-	1.72	1.94	2.16	2.38
Less: Closing Stock /WIP	1.72	1.94	2.16	2.38	2.62
Cost of Sales (B)	32.68	38.56	43.00	47.44	52.15
C) GROSS PROFIT (A-B)	10.07	12.19	14.00	16.19	18.41
	23.57%	24.02%	24.56%	25.45%	26.09%
D) Bank Interest i) (Term Loan)	0.84	0.69	0.50	0.31	0.12
ii) Interest On Working Capital	0.37	0.37	0.37	0.37	0.37
E) Salary to Staff	5.04	5.95	6.84	7.80	8.73
F) Selling & Adm Expenses Exp.	0.86	1.42	1.82	2.23	2.82
G) TOTAL (D+E+F)	7.10	8.42	9.53	10.70	12.04
H) NET PROFIT	2.97	3.77	4.47	5.50	6.37
	7.0%	7.4%	7.8%	8.6%	9.0%
I) Taxation	-	-	-	0.23	0.41
J) PROFIT (After Tax)	2.97	3.77	4.47	5.26	5.95

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.23	-	-	-	-
Reserve & Surplus	2.97	3.77	4.47	5.50	6.37
Depreciation & Exp. W/off	1.27	1.08	0.92	0.78	0.67
Increase In Cash Credit	3.34	-	-	-	-
Increase In Term Loan	7.74	-	-	-	-
Increase in Creditors	1.13	0.14	0.14	0.15	0.15
TOTAL :	17.68	4.98	5.53	6.42	7.18
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	8.60	-	-	-	-
Increase in Stock	2.84	0.36	0.36	0.37	0.39
Increase in Debtors	2.00	0.37	0.29	0.31	0.32
Repayment of Term Loan	0.86	1.72	1.72	1.72	1.72
Taxation	-	-	-	0.23	0.41
Drawings	2.50	3.00	3.30	3.80	4.50
TOTAL :	16.80	5.45	5.68	6.43	7.34
Opening Cash & Bank Balance	-	0.88	0.41	0.27	0.26
Add : Surplus	0.88	- 0.47	- 0.14	- 0.01	- 0.16
Closing Cash & Bank Balance	0.88	0.41	0.27	0.26	0.10

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	1.72	1.94	2.16	2.38	2.62
<u>Raw Material</u>					
(15 Days requirement)	1.13	1.26	1.40	1.55	1.70
Closing Stock	2.84	3.20	3.57	3.93	4.32

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.84		
Less:			
Sundry Creditors	1.13		
Paid Stock	1.72	0.17	1.55
Sundry Debtors	2.00	0.20	1.80
Working Capital Requirement			3.34
Margin			0.37
MPBF			3.34
Working Capital Demand			3.34

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	7.74	7.74	0.21	-	7.74
	Iind Quarter	7.74	-	7.74	0.21	-	7.74
	IIIrd Quarter	7.74	-	7.74	0.21	0.43	7.31
	Ivth Quarter	7.31	-	7.31	0.20	0.43	6.88
					0.84	0.86	
II	Opening Balance						
	Ist Quarter	6.88	-	6.88	0.19	0.43	6.45
	Iind Quarter	6.45	-	6.45	0.18	0.43	6.02
	IIIrd Quarter	6.02	-	6.02	0.17	0.43	5.59
	Ivth Quarter	5.59		5.59	0.15	0.43	5.16
					0.69	1.72	
III	Opening Balance						
	Ist Quarter	5.16	-	5.16	0.14	0.43	4.73
	Iind Quarter	4.73	-	4.73	0.13	0.43	4.30
	IIIrd Quarter	4.30	-	4.30	0.12	0.43	3.87
	Ivth Quarter	3.87		3.87	0.11	0.43	3.44
					0.50	1.72	
IV	Opening Balance						
	Ist Quarter	3.44	-	3.44	0.09	0.43	3.01
	Iind Quarter	3.01	-	3.01	0.08	0.43	2.58
	IIIrd Quarter	2.58	-	2.58	0.07	0.43	2.15
	Ivth Quarter	2.15		2.15	0.06	0.43	1.72
					0.31	1.72	
V	Opening Balance						
	Ist Quarter	1.72	-	1.72	0.05	0.43	1.29
	Iind Quarter	1.29	-	1.29	0.04	0.43	0.86
	IIIrd Quarter	0.86	-	0.86	0.02	0.43	0.43
	Ivth Quarter	0.43		0.43	0.01	0.43	0.00
					0.12	1.72	

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>	4.24	4.84	5.39	6.04	6.62
Interest on Term Loan	0.84	0.69	0.50	0.31	0.12
Total	5.08	5.53	5.89	6.35	6.74
<u>REPAYMENT</u>					
Repayment of Term Loan	0.86	1.72	1.72	1.72	1.72
Interest on Term Loan	0.84	0.69	0.50	0.31	0.12
Total	1.70	2.41	2.22	2.03	1.84
DEBT SERVICE COVERAGE RATIO	2.99	2.30	2.66	3.13	3.67
AVERAGE D.S.C.R.			2.90		

Assumptions:

1. Production Capacity of Scrubber(Utensils) manufacturing unit is taken at 6000 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 15 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 10 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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