

PROJECT REPORT FOR
WATER PURIFIER UNIT



SUBMITTED TO

PROMOTER:

XXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION

XXXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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Project For:
Water Purifier Unit

I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Address- xxxxxxxxxxxxxxxxxxxxxxxxxxxx

2. Project Cost : Rs. 30.43 Lakhs

3. Mean of Finance
 - A) T. L. facility from Bank : Rs. 25.00 Lakhs
 - B) Beneficiary contribution : Rs. 3.04 Lakhs
 - C) C.C. Facility from Bank : Rs. 2.39 Lakhs

4. Rate of Interest : 11.00% Per Annum

5. Repayment :60 monthly installments, EMI @ 0.54 Lakhs

6. Nature of Project : Water Purifier Unit

7. Employment Potential : 3 Nos.

8. Nature of the Firm :Self employed

9. Average Debt Coverage ratios : **2.00**

II. ABOUT THE PROJECT

Introduction

It is needless to mention that water, a compound of hydrogen and oxygen is a precious natural gift which is very essential for survival of mankind including animals. The water used for portable purposes should be free from undesirable impurities. The water available from untreated sources such as Well, Boreholes and Spring is generally not hygienic and safe for drinking. Thus it is a desirable and necessary to purify the water and supply under hygienic conditions for human drinking purpose as the name implies. The mineral water is the purified water fortified with requisite amounts of minerals such as barium, iron, manganese etc., which can be absorbed by human body. It is either obtained from natural resources like spring and drilled wells or it is fortified artificially by blending and treating with mineral salts. The mineral water shall be manufactured and packed under hygienic conditions in properly washed and cleaned bottles in sterilized conditions.

MARKET POTENTIAL

Unfortunately sufficient safe portable water is not available everywhere in the country, either harmful chemical substances are found in the layers of earth which enter in to water or it may be contaminated due to pathogenic micro-organisms. If such water is consumed, the body suffers from water born diseases. Due to this, it has become imperative to process and bottle safe portable water for the mankind in prevailing conditions. The demand for purified water becomes more during summer season. Although few companies have already entered in the bottling of safe portable water and mineralized water, but still huge gap is there in between demand and supply at all metropolitan cities and towns. The product is widely accepted in offices, restaurants, railway stations, airport, bus stands, hospitals and to some extent in rich house-holds. So there is good scope for establishing the units for processing and bottling plain and mineralized drinking water in different parts of the country.

Project For :
Water Purifier Unit

III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Building (Shed)	19.00	0.00	19.00
2	Plant & Machinery Water purification Systems,water chillers	4.66	0.00	4.66
3	Furniture & Electrical Installations	2.50	0.00	2.50
4	Other Assets including Preliminary / Pre-operative expenses	1.62	0.00	1.62
5	Working Capital	2.65	0.00	2.65
		30.43	0.00	30.43

Means of Finance :

a) Own Contribution (10%)	3.04
b) T L facility from Bank (90%)	25.00
c) C.C. Facility from Bank (90%)	2.39

30.43

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Sales	28.93	34.71	40.50	43.39	46.28
	Add : Increase in Cl.Stock	1.45	2.09	2.05	2.26	2.64
	Total Turnover	30.37	36.81	42.54	45.65	48.93
2	RM Consumption	6.84	16.41	21.06	24.82	29.12
3	Overheads					
	a) Direct	4.20	4.62	5.08	5.57	6.11
	b) Indirect	0.93	1.03	1.13	1.21	1.31
4	Balance	18.40	14.75	15.27	14.05	12.39
5	Interest on TL & CC	2.84	2.38	1.87	1.30	0.66
6	Depreciation	2.85	2.53	2.25	2.00	1.78
7	Preliminary expenses W/off	0.32	0.32	0.32	0.32	0.32
8	Profit after Interest & Dep.	12.39	9.52	10.83	10.43	9.63
9	Income Tax	1.92	1.10	1.45	1.33	1.13
10	Profit after Tax	10.47	8.41	9.38	9.10	8.50
11	Add: Depreciation & Pre Exp.	3.17	2.85	2.57	2.32	2.10
12	Add : Interest on TL	2.84	2.38	1.87	1.30	0.66
13	Cash Accruals	16.49	13.65	13.82	12.72	11.26
14	Instalments of TL & Interest	6.81	6.81	6.81	6.81	6.81
15	DSCR	2.42	2.00	2.03	1.87	1.65
16	Average DSCR	2.00				
17	N.P. to Total receipts	36.20	24.24	23.17	20.98	18.37

Project For :
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C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A CASH INFLOW :						
1	Collection from Debtors	27.72	33.27	38.81	41.58	44.35
2	T.L. from Bank	25.00				
3	CC from bank	2.39				
4	Capital	3.04	-	-	-	-
5	Subsidy	-				
	TOTAL (A)	58.15	33.27	38.81	41.58	44.35
B CASH OUTFLOW :						
1	Fixed Assets	27.78			-	
2	Payments to creditors	5.70	13.67	17.55	20.68	24.27
3	Direct overheads	4.20	4.62	5.08	5.57	6.11
4	Indirect Overheads	0.93	1.03	1.13	1.21	1.31
5	Interest on Bank Loan	2.84	2.38	1.87	1.30	0.66
6	Income Tax	1.92	1.10	1.45	1.33	1.13
7	Term Loan Repayment	3.97	4.43	4.94	5.51	6.15
8	Drawings	2.00	2.20	2.42	2.66	2.93
	TOTAL (B)	49.34	29.43	34.44	38.27	42.55
SUMMERY:						
	Op. Cash & Bank Balance.	-	8.82	12.65	17.02	20.33
	Add : Surplus / (Deficit)	8.82	3.83	4.37	3.31	1.81
	Cl. Cash & Bank Balance.	8.82	12.65	17.02	20.33	22.13

Project For :
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D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A	ASSETS :					
1	Fixed Assets	23.31	20.78	18.54	16.54	14.76
2	Investments	-	-	-	-	-
3	Current Assets	11.47	18.84	26.94	34.33	40.70
4	Loans & Advances	-	-	-	-	-
5	Pre Exp. Not written off	1.30	0.97	0.65	0.32	-
	TOTAL (A)	36.07	40.59	46.13	51.19	55.47
B	LIABILITIES:					
1	Capital	11.52	17.73	24.69	31.13	36.71
2	Secured loans					
	Term Loan	21.03	16.60	11.66	6.15	-
3	Unsecured Loans	-	-	-	-	-
4	Current Liabilities					
	Cash Credit	2.39	2.39	2.39	2.39	2.39
	Sundry Creditors	1.14	3.87	7.38	11.52	16.37
	TOTAL (B)	36.07	40.59	46.13	51.19	55.47

Project For :
Water Purifier Unit

(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Op. Balance	-	11.52	17.73	24.69	31.13
2	Additions	3.04	-	-	-	-
3	Net Profit for the year.	10.47	8.41	9.38	9.10	8.50
	Sub Total	13.52	19.93	27.11	33.79	39.63
4	Less : Drawings	2.00	2.20	2.42	2.66	2.93
5	Cl. Balance	11.52	17.73	24.69	31.13	36.71

Project For :
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(Rs. Lacs)

F. PRODUCTION AND SALES

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
	Capacity utilisation	0.50	0.60	0.70	0.75	0.80
1	Production per annum (MT) Production of Purifier Water	315.56	378.67	441.78	473.34	504.90
2	Cl.Stock of Finished Goods (MT) Production of Purifier Water	26.30	31.56	36.82	39.45	42.07
3	Sales per annum (MT) (Tot Production less Cl. Stock) Production of Purifier Water	289.26	347.12	404.97	433.90	462.82
4	Sales per annum Production of Purifier Water Selling Price @ Rs.10 per Can	28.93	34.71	40.50	43.39	46.28
	Total Sale	<u>28.93</u>	<u>34.71</u>	<u>40.50</u>	<u>43.39</u>	<u>46.28</u>
5	Sundry Debtors (Credit period allowed 15 days)	1.21	1.45	1.69	1.81	1.93
6	Collection from Debtors	27.72	33.27	38.81	41.58	44.35
7	Total cost of Production	11.04	21.03	26.14	30.39	35.23
8	Cost per MT	0.03	0.06	0.06	0.06	0.07
9	Value of Closing Stock	0.92	1.75	2.18	2.53	2.94

Project For :
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PRODUCTION

S.No.	Particulars	Installed capacity (MT)	Year 1	Year 2	Year 3	Year 4	Year 5
			0.50	0.60	0.70	0.75	0.80

1	Production of Purifier Water	631.12	315.56	378.67	441.78	473.34	504.90
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Installed Capacity Kg/ Hrs	280.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	1.96 Liter
Total production per annum	631.12 Liter
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>322.00</u>

Project For :
Water Purifier Unit

(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Production (MT) (Output)	315.56	378.67	441.78	473.34	504.90
2	RM Purchases	6.31	15.15	19.44	22.91	26.88

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5
1	Raw Material (MT)	315.56	378.67	441.78	473.34	504.90
2	Purchase of Raw Material Water, Plastic Botols	0.02	0.04	0.04	0.05	0.05
3	Total cost of R.M	6.31	15.15	19.44	22.91	26.88

(Rs. Lacs)

RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	RM cost for total production	6.31	15.15	19.44	22.91	26.88
2	Cl. Stock of RM (assumed 30 days consumption)					
	O/p Stock	-	0.53	1.79	3.41	5.32
	Add : Addition	0.53	1.26	1.62	1.91	2.24
	Closing Stock	0.53	1.79	3.41	5.32	7.56
3	RM Purchases	6.84	16.41	21.06	24.82	29.12
4	Sundry Creditors (Credit period allowed 60 days)	1.14	2.73	3.51	4.14	4.85
5	Payment to creditors	5.70	13.67	17.55	20.68	24.27

Project For :
Water Purifier Unit

(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Staff					
a	Skill Worker 1 no. @ Rs. 12,000 per month	1.44	1.58	1.74	1.92	2.11
b	Unskill Worker Skilled labour 2 no.@ Rs. 8,000 per month	1.92	2.11	2.32	2.56	2.81
2	Power and Fule Rs. 3000 Per Month	0.36	0.40	0.44	0.48	0.53
3	Packing and forwarding Expenses (Rs.1500 per Month)	0.18	0.20	0.22	0.24	0.26
4	Other Production Overheads	0.30	0.33	0.36	0.38	0.40
	Total	4.20	4.62	5.08	5.57	6.11

Project For :
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(Rs. Lacs)

I. INDIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Advertisement & Marketing	0.25	0.28	0.30	0.33	0.37
2	Repairs & Maint. (5% of machinery cost)	0.23	0.26	0.28	0.31	0.34
3	Admin. Expenses	0.20	0.22	0.24	0.25	0.27
4	Misc. Expenses	0.25	0.28	0.30	0.32	0.33
		<u>0.93</u>	<u>1.03</u>	<u>1.13</u>	<u>1.21</u>	<u>1.31</u>

Project For :
Water Purifier Unit

(Rs. Lacs)

J. TERM LOAN REPAYMENT AND INTEREST THEREON

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	TL / Op. Bal.	25.00	21.03	16.60	11.66	6.15
2	Repayment during the year	3.97	4.43	4.94	5.51	6.15
3	Cl. Balance	21.03	16.60	11.66	6.15	-
4	Interest at 11 per cent p.a.	2.55	2.09	1.58	1.01	0.37
5	Total repayment with Interest	6.81	6.81	6.81	6.81	6.81
6	Interest on CC (at 12 per cent p.a.)	0.29	0.29	0.29	0.29	0.29
	Total Interest	2.84	2.38	1.87	1.30	0.66

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				25.00
1	0.54	0.23	0.31	24.69
2	0.54	0.23	0.32	24.37
3	0.54	0.22	0.32	24.05
4	0.54	0.22	0.32	23.73
5	0.54	0.22	0.33	23.40
6	0.54	0.21	0.33	23.07
7	0.54	0.21	0.33	22.74
8	0.54	0.21	0.34	22.40
9	0.54	0.21	0.34	22.07
10	0.54	0.20	0.34	21.72
11	0.54	0.20	0.34	21.38
12	0.54	0.20	0.35	21.03
First Year	6.52	2.55	3.97	
13	0.54	0.19	0.35	20.68
14	0.54	0.19	0.35	20.33
15	0.54	0.19	0.36	19.97
16	0.54	0.18	0.36	19.61
17	0.54	0.18	0.36	19.25
18	0.54	0.18	0.37	18.88
19	0.54	0.17	0.37	18.51

20	0.54	0.17	0.37	18.13
21	0.54	0.17	0.38	17.76
22	0.54	0.16	0.38	17.38
23	0.54	0.16	0.38	16.99
24	0.54	0.16	0.39	16.60
Second Year	6.52	2.09	4.43	
25	0.54	0.15	0.39	16.21
26	0.54	0.15	0.39	15.82
27	0.54	0.14	0.40	15.42
28	0.54	0.14	0.40	15.02
29	0.54	0.14	0.41	14.61
30	0.54	0.13	0.41	14.20
31	0.54	0.13	0.41	13.79
32	0.54	0.13	0.42	13.37
33	0.54	0.12	0.42	12.95
34	0.54	0.12	0.42	12.52
35	0.54	0.11	0.43	12.10
36	0.54	0.11	0.43	11.66
Third Year	6.52	1.58	4.94	
37	0.54	0.11	0.44	11.23
38	0.54	0.10	0.44	10.79
39	0.54	0.10	0.44	10.34
40	0.54	0.09	0.45	9.89
41	0.54	0.09	0.45	9.44
42	0.54	0.09	0.46	8.98
43	0.54	0.08	0.46	8.52
44	0.54	0.08	0.47	8.06
45	0.54	0.07	0.47	7.59
46	0.54	0.07	0.47	7.11
47	0.54	0.07	0.48	6.63
48	0.54	0.06	0.48	6.15
Fourth Year	6.52	1.01	5.51	
49	0.54	0.06	0.49	5.66
50	0.54	0.05	0.49	5.17
51	0.54	0.05	0.50	4.68
52	0.54	0.04	0.50	4.17
53	0.54	0.04	0.51	3.67
54	0.54	0.03	0.51	3.16
55	0.54	0.03	0.51	2.64
56	0.54	0.02	0.52	2.13
57	0.54	0.02	0.52	1.60
58	0.54	0.01	0.53	1.07
59	0.54	0.01	0.53	0.54
60	0.54	0.00	0.54	0.00
Fifth Year	6.52	0.37	6.15	

Project For :
Water Purifier Unit

(Rs. Lacs)

K. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Total Inventory	1.45	3.54	5.59	7.85	10.49
2	Sundry Debtors	1.21	1.45	1.69	1.81	1.93
	Total	2.65	4.99	7.27	9.66	12.42
3	Bank C.C. (90 per cent)	2.39	4.49	6.55	8.69	11.18
4	Own Contribution (10%)	0.27	0.50	0.73	0.97	1.24

Project For :
Water Purifier Unit

(Rs. Lacs)

L. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Cl. Stock of Materials	0.53	1.79	3.41	5.32	7.56
2	Cl. Stock of Finished Goods	0.92	1.75	2.18	2.53	2.94
	Total Inventory	<u>1.45</u>	<u>3.54</u>	<u>5.59</u>	<u>7.85</u>	<u>10.49</u>
3	Cash and bank Balance	8.82	12.65	17.02	20.33	22.13
4	Sundry Debtors	1.21	2.65	4.34	6.15	8.08
	Total	<u>11.47</u>	<u>18.84</u>	<u>26.94</u>	<u>34.33</u>	<u>40.70</u>

Project For :
Water Purifier Unit

M. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Building (Shed)					
	Op. Balance	-	17.10	15.39	13.85	12.47
	Additions	19.00	-			
	Total	19.00	17.10	15.39	13.85	12.47
	Less : Depreciation	1.90	1.71	1.54	1.39	1.25
	Cl. WDV	17.10	15.39	13.85	12.47	11.22
1	Plant & Machinery					
	Op. Balance	-	3.96	3.37	2.86	2.43
	Additions	4.66	-			
	Total	4.66	3.96	3.37	2.86	2.43
	Less : Depreciation	0.70	0.59	0.51	0.43	0.36
	Cl. WDV	3.96	3.37	2.86	2.43	2.07
2	Furniture & Electrical Installations					
	Op. Balance	-	2.25	2.03	1.82	1.64
	Additions	2.50	-			
	Total	2.50	2.25	2.03	1.82	1.64
	Less : Depreciation	0.25	0.23	0.20	0.18	0.16
	Cl. WDV	2.25	2.03	1.82	1.64	1.48
	Total Depreciation	2.85	2.53	2.25	2.00	1.78
	Cl. WDV	23.31	20.78	18.54	16.54	14.76