

PROJECT REPORT FOR
CORE PIN MANUFACTURING



SUBMITTED TO

M/s. xxxxxxxxxxxxxxxx

PROMOTER:

MR. xxxxxxxxxxxxxxxx
ADDRESS : xxxxxxxxxxxxxxxx

PREPARED BY:

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Project For:
Core PIN Manufacturing

I. PROJECT AT A GLANCE

1. About the Promoter : Mr. xxxxxxxxxxxxxxxxxxxxxxxx
Address :xxxxxxxxxxxxxxxxxxxxxxxxxxxx
2. Project Cost : Rs. 12.50 Lakhs
3. Mean of Finance
A) T. L. facility from Bank : Rs. 10.00 Lakhs
B) Beneficiary contribution : Rs. 2.50 Lakhs
4. Rate of Interest : 9.00% Per Annum
5. Repayment : 60 monthly instalments, EMI @ 0.21 Lakhs
6. Nature of Project : Core Pin product
7. Employment Potential : 6 Nos
8. Nature of the Firm : Proprietary Firm
9. Average Debt Coverage ratios : **2.86**

Project For :
Core Pin Manufacturing

III. ECONOMICS OF THE PROJECT

A. COST OF PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
1	Plant & Machinery	12.09	0.00	12.09
2	Computer & Printer	0.25	0.00	0.25
2	Furniture, Interior & Electricals	0.16	0.00	0.16
		12.50	0.00	12.50

Means of Finance :

a) Own Contribution (20%)	2.50
b) T L facility from Bank (80%)	10.00
	12.50

B. PROFITABILITY STATEMENT

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Sales	29.96	35.95	41.94	47.94	50.93
	Add : Increase in Cl.Stock	3.37	1.80	2.04	2.29	2.30
	Total Turnover	33.33	37.75	43.99	50.22	53.23
2	RM Consumption	15.80	18.91	22.02	25.14	26.74
3	Overheads					
	a) Direct	10.00	11.00	12.10	13.25	14.51
	b) Indirect	2.03	2.10	2.19	2.26	2.34
4	Balance	5.49	5.74	7.67	9.58	9.64
5	Interest on TL & CC	0.83	0.68	0.51	0.32	0.12
6	Depreciation	1.93	1.62	1.36	1.15	0.97
7	Preliminary expenses W/off	-	-	-	-	-
8	Profit after Interest & Dep.	2.73	3.45	5.81	8.11	8.55
9	Income Tax	-	0.34	0.36	0.82	0.91
10	Profit after Tax	2.73	3.10	5.44	7.29	7.64
11	Add: Depreciation & Pre Exp.	1.93	1.62	1.36	1.15	0.97
12	Add : Interest on TL	0.83	0.68	0.51	0.32	0.12
13	Cash Accruals	5.49	5.40	7.31	8.76	8.73
14	Instalments of TL & Interest	2.49	2.49	2.49	2.49	2.49
15	DSCR	2.21	2.17	2.93	3.51	3.50
16	Average DSCR	2.86				
17	N.P. to Total receipts	9.12	8.63	12.98	15.20	15.00

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	28.71	34.45	40.20	45.94	48.81
2	T.L. from Bank	10.00				
3	CC from bank	-				
4	Capital	2.50	-	-	-	-
5	Subsidy	-	-			
TOTAL (A)		41.21	34.45	40.20	45.94	48.81
B CASH OUTFLOW :						
1	Fixed Assets	12.50			-	
2	Payments to creditors	13.17	15.76	18.35	20.95	22.28
3	Direct overheads	10.00	11.00	12.10	13.25	14.51
4	Indirect Overheads	2.03	2.10	2.19	2.26	2.34
5	Interest on Bank Loan	0.83	0.68	0.51	0.32	0.12
6	Income Tax	-	0.34	0.36	0.82	0.91
7	Term Loan Repayment	1.66	1.81	1.98	2.17	2.37
8	Drawings	0.25	0.25	0.28	0.30	0.64
TOTAL (B)		40.44	31.94	35.77	40.07	43.17
SUMMERY:						
Op. Cash & Bank Balance.		-	0.77	3.28	7.71	13.57
Add : Surplus / (Deficit)		0.77	2.51	4.42	5.87	5.64
Cl. Cash & Bank Balance.		0.77	3.28	7.71	13.57	19.21

D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
A	ASSETS :					
1	Fixed Assets	10.57	8.95	7.60	6.45	5.48
2	Investments	-	-	-	-	-
3	Current Assets	5.39	11.19	19.41	29.56	39.61
4	Loans & Advances	-	-	-	-	-
5	Pre Exp. Not written off	-	-	-	-	-
	TOTAL (A)	15.96	20.15	27.00	36.01	45.09
B	LIABILITIES:					
1	Capital	4.98	7.83	13.00	19.99	26.99
2	Secured loans					
	Term Loan	8.34	6.53	4.54	2.37	-
3	Unsecured Loans	-	-	-	-	-
4	Current Liabilities					
	Cash Credit	-	-	-	-	-
	Sundry Creditors	2.63	5.79	9.46	13.65	18.10
	TOTAL (B)	15.96	20.15	27.00	36.01	45.09

Project For :
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(Rs. Lacs)

E. CAPITAL ACCOUNT

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Op. Balance	-	4.98	7.83	13.00	19.99
2	Additions	2.50	-	-	-	-
3	Net Profit for the year.	2.73	3.10	5.44	7.29	7.64
	Sub Total	5.23	8.08	13.28	20.29	27.63
4	Less : Drawings	0.25	0.25	0.28	0.30	0.64
5	Cl. Balance	4.98	7.83	13.00	19.99	26.99

Project For : Core Pin Manufacturing
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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	0.80	0.85
1	Production per annum (Nos.) Core Pin Production	5,635	6,762	7,889	9,016	9,580
2	Cl.Stock of Finished Goods (Nos.) Core Pin Production	469.58	563.50	657.42	751.33	798.29
3	Sales per annum (MT) (Tot Production less Cl. Stock) Core Pin Production	5,165.42	6,198.50	7,231.58	8,264.67	8,781.21
4	Sales per annum Core Pin Production (Avg. Selling Price @ Rs 580 per Nos)	29.96	35.95	41.94	47.94	50.93
	Total Sale	<u>29.96</u>	<u>35.95</u>	<u>41.94</u>	<u>47.94</u>	<u>50.93</u>
5	Sundry Debtors (Credit period allowed 15 days)	1.25	1.50	1.75	2.00	2.12
6	Collection from Debtors	28.71	34.45	40.20	45.94	48.81
7	Total cost of Production	25.80	29.91	34.12	38.39	41.25
8	Cost per MT	0.00	0.00	0.00	0.00	0.00
9	Value of Closing Stock	2.15	2.49	2.84	3.20	3.44

Project For :
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PRODUCTION

S.No.	Particulars	Installed capacity (Nos.)	Year 1 0.50	Year 2 0.60	Year 3 0.70	Year 4 0.80	Year 5 0.85
1	Production of Thermocol Material (Core Pin)	11,270	5,635	6,762	7,889	9,016	9,580

Installed Capacity Nos./ Hrs	500.00
Per Day Working Hours	8.00
Less: Lunch Hours	1.00
Net	<u>7.00</u>
Total Production per day	35.00 Nos
Total production per annum	11,270 Nos
Total Working Days	365.00
Weekly off	26.00
Holidays	7.00
Machine Break down	10.00
Net Working days	<u>43.00</u> <u>322.00</u>

Project For :
Core Pin Manufacturing

(Rs. Lacs)

G. RAW MATERIAL CONSUMPTION AND INVENTORY

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Production (Nos.) (Output)	5,635	6,762	7,889	9,016	9,580
2	RM Purchases	14.59	17.46	20.33	23.21	24.68

Raw Material requirement (Input)

S.No.	Items	Year 1	Year 2	Year 3	Year 4	Year 5
1	Requirement of Raw material Hot Die Steel	14.09	16.91	19.72	22.54	23.95
2	Packaging Material	0.50	0.55	0.61	0.67	0.73
3	Total cost of R.M	14.59	17.46	20.33	23.21	24.68

Project For :
Core Pin Manufacturing

(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	14.59	17.46	20.33	23.21	24.68
2	Cl. Stock of RM (assumed 30 days consumption)					
	O/p Stock	-	1.22	2.67	4.36	6.30
	Add : Addition	1.22	1.45	1.69	1.93	2.06
	Closing Stock	1.22	2.67	4.36	6.30	8.35
3	RM Purchases	15.80	18.91	22.02	25.14	26.74
4	Sundry Creditors (Credit period allowed 60 days)	2.63	3.15	3.67	4.19	4.46
5	Payment to creditors	13.17	15.76	18.35	20.95	22.28

Project For :
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(Rs. Lacs)

H. DIRECT OVERHEADS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Manpower					
a	Skilled Worker 2 no.@ Rs. 15,000 per month	3.60	3.96	4.36	4.79	5.27
b	Skilled Worker 4 no.@ Rs. 10,000 per month	4.80	5.28	5.81	6.39	7.03
2	Power and Fule @ Rs. 5000 per month	0.60	0.66	0.73	0.80	0.88
3	Other Production Overheads	1.00	1.10	1.21	1.27	1.33
	Total	10.00	11.00	12.10	13.25	14.51

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 & Publicity	0.50	0.55	0.61	0.67	0.73
2	Repairs & Maint. (5% of machinery cost)	0.53	0.45	0.38	0.32	0.27
3	Misc. Expenses	1.00	1.10	1.21	1.27	1.33
		<u>2.03</u>	<u>2.10</u>	<u>2.19</u>	<u>2.26</u>	<u>2.34</u>

Project For :
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(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.	10.00	8.34	6.53	4.54	2.37
2	Repayment during the year	1.66	1.81	1.98	2.17	2.37
3	Cl. Balance	8.34	6.53	4.54	2.37	-
4	Interest at 9 per cent p.a.	0.83	0.68	0.51	0.32	0.12
5	Total repayment with Interest	2.49	2.49	2.49	2.49	2.49
6	Interest on CC (at 12 per cent p.a.)	-	-	-	-	-
	Total Interest	0.83	0.68	0.51	0.32	0.12

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				10.00
1	0.21	0.08	0.13	9.87
2	0.21	0.07	0.13	9.73
3	0.21	0.07	0.13	9.60
4	0.21	0.07	0.14	9.46
5	0.21	0.07	0.14	9.33
6	0.21	0.07	0.14	9.19
7	0.21	0.07	0.14	9.05
8	0.21	0.07	0.14	8.91
9	0.21	0.07	0.14	8.77
10	0.21	0.07	0.14	8.63
11	0.21	0.06	0.14	8.49
12	0.21	0.06	0.14	8.34
First Year	2.49	0.83	1.66	
13	0.21	0.06	0.15	8.20
14	0.21	0.06	0.15	8.05
15	0.21	0.06	0.15	7.90
16	0.21	0.06	0.15	7.76
17	0.21	0.06	0.15	7.61
18	0.21	0.06	0.15	7.46
19	0.21	0.06	0.15	7.30

20	0.21	0.05	0.15	7.15
21	0.21	0.05	0.15	7.00
22	0.21	0.05	0.16	6.84
23	0.21	0.05	0.16	6.69
24	0.21	0.05	0.16	6.53
Second Year	2.49	0.68	1.81	
25	0.21	0.05	0.16	6.37
26	0.21	0.05	0.16	6.21
27	0.21	0.05	0.16	6.05
28	0.21	0.05	0.16	5.89
29	0.21	0.04	0.16	5.72
30	0.21	0.04	0.16	5.56
31	0.21	0.04	0.17	5.39
32	0.21	0.04	0.17	5.23
33	0.21	0.04	0.17	5.06
34	0.21	0.04	0.17	4.89
35	0.21	0.04	0.17	4.72
36	0.21	0.04	0.17	4.54
Third Year	2.49	0.51	1.98	
37	0.21	0.03	0.17	4.37
38	0.21	0.03	0.17	4.20
39	0.21	0.03	0.18	4.02
40	0.21	0.03	0.18	3.84
41	0.21	0.03	0.18	3.66
42	0.21	0.03	0.18	3.48
43	0.21	0.03	0.18	3.30
44	0.21	0.02	0.18	3.12
45	0.21	0.02	0.18	2.93
46	0.21	0.02	0.19	2.75
47	0.21	0.02	0.19	2.56
48	0.21	0.02	0.19	2.37
Fourth Year	2.49	0.32	2.17	
49	0.21	0.02	0.19	2.18
50	0.21	0.02	0.19	1.99
51	0.21	0.01	0.19	1.80
52	0.21	0.01	0.19	1.61
53	0.21	0.01	0.20	1.41
54	0.21	0.01	0.20	1.21
55	0.21	0.01	0.20	1.01
56	0.21	0.01	0.20	0.81
57	0.21	0.01	0.20	0.61
58	0.21	0.00	0.20	0.41
59	0.21	0.00	0.20	0.21
60	0.21	0.00	0.21	0.00
Fifth Year	2.49	0.12	2.37	

Project For :
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(Rs. Lacs)

K. CURRENT ASSETS

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Cl. Stock of Materials	1.22	2.67	4.36	6.30	8.35
2	Cl. Stock of Finished Goods	2.15	2.49	2.84	3.20	3.44
	Total Inventory	<u>3.37</u>	<u>5.16</u>	<u>7.21</u>	<u>9.50</u>	<u>11.79</u>
3	Cash and bank Balance	0.77	3.28	7.71	13.57	19.21
4	Sundry Debtors	1.25	2.75	4.49	6.49	8.61
	Total	<u>5.39</u>	<u>11.19</u>	<u>19.41</u>	<u>29.56</u>	<u>39.61</u>

Project For :
Core Pin Manufacturing

L. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Plant & Machinery					
	Op. Balance	-	10.28	8.74	7.42	6.31
	Additions	12.09	-			
	Total	12.09	10.28	8.74	7.42	6.31
	Less : Depreciation	1.81	1.54	1.31	1.11	0.95
	Cl. WDV	10.28	8.74	7.42	6.31	5.36
2	Computer & Printer					
	Op. Balance	-	0.15	0.09	0.05	0.03
	Additions	0.25	-			
	Total	0.25	0.15	0.09	0.05	0.03
	Less : Depreciation	0.10	0.06	0.04	0.02	0.01
	Cl. WDV	0.15	0.09	0.05	0.03	0.02
3	Furniture, Interior & Electricals					
	Op. Balance	-	0.14	0.13	0.12	0.10
	Additions	0.16	-			
	Total	0.16	0.14	0.13	0.12	0.10
	Less : Depreciation	0.02	0.01	0.01	0.01	0.01
	Cl. WDV	0.14	0.13	0.12	0.10	0.09
	Total Depreciation	1.93	1.62	1.36	1.15	0.97
	Cl. WDV	10.57	8.95	7.60	6.45	5.48