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PROJECT REPORT

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PROJECT:

Aluminium Utensils unit

PROJECT REPORT

Of

ALUMINIUM UTENSILS

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Aluminium Utensils**.

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.]

PROJECT PROFILE

DOMESTIC UTENSILS ALUMINIUM



INTRODUCTION:

Domestic Utensils, as the term indicates, are used for household purposes like cooking, storing water, preparing hot water etc. and these utensils are made mostly out of non-ferrous metals like aluminum, brass and copper as well as out of stainless steel. Out of all these metals, aluminum utensils are largely and widely used by people from all walks of life especially middle class, lower middle class, weaker sections and laborer's, due to its cheapness and convenience. Stainless steel utensils also find a place in domestic use, but they are used mostly by well to do families and to some extent by middle class families. Aluminum utensils are mostly accepted by all classes of people when compared with utensils of other metals. These utensils are also preferred by catering organizations like hotels, restaurants, canteens, defense, railways etc. Though these establishments do replace a few items of aluminum with stainless steel ones, but for cooking purpose aluminum is still preferred. Aluminium has advantages over other materials due to better strength with lower weight, higher heat conductivity, resistance to heat, and easy pliability to shape.

MARKET POTENTIAL:

Aluminium domestic utensils are used widely in both urban and rural areas. These utensils fetch some money even after use. They are more durable compared to earthen wares. Due to its durability, cheapness and other factors, these items find market in all places without much difficulty. Aluminium is quick to heat up food and has lower cost, thereby making it affordable to consumers. Besides aluminum is preferred metal in cooking utensils. Lower cost makes it popular for all types of utensils including utensils used for dining and other uses, in low income strata of population. Products from over 100 brands are available from India. Branded products are increasingly finding favor with Indian consumers in all segments of the market. Overall demand is growing between 20-30% depending on the sub-category. Despite competition, new design products are finding favors due to convenience and utility.

Government of India's "Housing for all by 2022" scheme is likely to see construction of over 30 million new homes over the next 8 years and will certainly provide a major boost to demand for home textiles, furnishing, home décor and housewares products, which even currently is growing at a healthy 25% annually. With growing population there will always be new demand generation. In Kitchen, utensils are essential and almost each house hold and restaurants /hotels etc. require utensils. Besides there is a specific life cycle for utensils requiring replacement every 6 – 7 years. Therefore there is new and replacement demand in domestic market. Besides there is very good export demand in developed as well as developing markets that can be met by good quality manufacturers. An entrepreneur needs to decide on the type of kitchen utensils he wants to manufacture. There are over 135 kitchen utensils design varieties available in the market. Success and profitability are ensured mostly on the product mix and design selection.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.50	2.50	2.50	2.50	2.50
Retained Profit	17.18	30.18	46.18	65.93	89.24
Term Loan	13.16	9.87	6.58	3.29 -	0.03
Cash Credit	9.34	9.34	9.34	9.34	9.34
Sundry Creditors	9.11	10.94	12.76	14.58	16.40
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	51.65	63.22	77.79	96.11	117.97
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	9.12	9.12	9.12	9.12	9.12
Gross Dep.	1.32	2.47	3.45	4.28	4.99
Net Fixed Assets	7.80	6.65	5.67	4.84	4.13
Current Assets					
Sundry Debtors	7.61	8.93	10.58	12.10	13.63
Stock in Hand	11.88	21.38	24.94	28.50	32.06
Cash and Bank	21.86	23.51	33.58	47.34	64.49
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	51.65	63.22	77.79	96.11	117.97

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	217.50	255.20	302.33	345.83	389.33
Scrap Sales 5%	10.88	12.76	15.12	17.29	19.47
Total (A)	228.38	267.96	317.44	363.12	408.79
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	182.25	218.70	255.15	291.60	328.05
Elecricity Expenses	2.51	3.01	3.51	4.02	4.52
Repair & Maintenance	-	2.55	3.02	3.46	3.89
Labour & Wages	11.88	13.07	14.37	15.81	17.39
Depreciation	1.32	1.15	0.98	0.83	0.71
Consumables and Other Expense	4.57	5.36	6.35	7.26	8.18
Cost of Production	202.53	243.84	283.39	322.98	362.74
Add: Opening Stock /WIP	-	5.80	10.44	12.18	13.92
Less: Closing Stock /WIP	5.80	10.44	12.18	13.92	15.66
Cost of Sales (B)	196.73	239.20	281.65	321.24	361.00
C) GROSS PROFIT (A-B)	31.64	28.76	35.79	41.87	47.79
	15%	11%	12%	12%	12%
D) Bank Interest (Term Loan)	1.14	1.37	0.99	0.61	0.24
Bank Interest (C.C. Limit)	0.93	0.93	0.93	0.93	0.93
E) Salary to Staff	3.96	4.36	4.79	5.27	5.80
F) Selling & Adm Expenses Exp.	6.53	7.66	9.07	10.37	11.68
TOTAL (D+E)	12.55	14.32	15.79	17.19	18.65
H) NET PROFIT	19.09	14.44	20.00	24.68	29.14
I) Taxation	1.91	1.44	4.00	4.94	5.83
J) PROFIT (After Tax)	17.18	13.00	16.00	19.74	23.31

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.50	-			
Reserve & Surplus	19.09	14.44	20.00	24.68	29.14
Depriciation & Exp. W/off	1.32	1.15	0.98	0.83	0.71
Increase in Cash Credit	9.34	-	-	-	-
Increase In Term Loan	13.16	-	-	-	-
Increase in Creditors	9.11	1.82	1.82	1.82	1.82
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	54.88	17.45	22.84	27.38	31.72
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	9.12	-	-	-	-
Increase in Stock	11.88	9.50	3.56	3.56	3.56
Increase in Debtors	7.61	1.32	1.65	1.52	1.52
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.29	3.29	3.29	3.33
Taxation	1.91	1.44	4.00	4.94	5.83
TOTAL :	33.02	15.80	12.78	13.61	14.57
Opening Cash & Bank Balance	-	21.86	23.51	33.58	47.34
Add : Surplus	21.86	1.65	10.07	13.77	17.15
Closing Cash & Bank Balance	21.86	23.51	33.58	47.34	64.49

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