

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

WASHING MACHINE

PROJECT REPORT

Of

WASHING MACHINE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Washing Machine 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.]

PROJECT AT A GLANCE

1	Name of the Entrepreneur	xxxxxxxxxx xxxxxxxxxxxx		
2	Constitution (legal Status)	:	xxxxxxxxxxxx	
3	Father / Spouse Name	xxxxxxxxxxxxxxxxxxxxxxxxxx		
4	Unit Address	:	District : xxxxxxxx Pin: xxxxxxxx State: xxxxx Mobile xxxxxxxx	
		:	WASHING MACHINE	
5	Product and By Product		WASHING MACHINE MANUFACTURING UNIT	
6	Name of the project / business activity proposed :	:	Rs.20.54 Lakhs	
7	Cost of Project		Rs.13.5 Lakhs Rs.2.05	
8	Means of Finance		Lakhs	
	Term Loan		Rs.4.98 Lakhs	
	Own Capital			
	Working Capital	:	2.59	
9	Debt Service Coverage Ratio	:	5 Years	
10	Pay Back Period	:	5-6 Months	
11	Project Implementation Period	:	22%	
12	Break Even Point	:	10 Persons	
13	Employment	:	18.00 KWH	
14	Power Requirement		Metal, Sheet Steel,Plastic,Cast Aluminum,Paint,Porcelain coating,Power Cord,Electrical Components such as switches, wires, plugs, motor, suspension rod, etc,Packaging Material	
15	Major Raw materials	:		
		:	189.36 Lakhs	
16	Estimated Annual Sales Turnover (Max Capacity)			
17	Detailed Cost of Project & Means of Finance		(Rs. In Lakhs)	

COST OF PROJECT	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Land</td> <td>Own/Rented</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Plant & Machinery</td> <td>14.00</td> </tr> <tr> <td>Furniture & Fixtures</td> <td>1.00</td> </tr> <tr> <td>Working Capital</td> <td>5.54</td> </tr> <tr> <td>Total</td> <td>20.54</td> </tr> </tbody> </table>	Particulars	Amount	Land	Own/Rented			Plant & Machinery	14.00	Furniture & Fixtures	1.00	Working Capital	5.54	Total	20.54
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WASHING MACHINE MANUFACTURING UNIT

Introduction:

A washing machine is a machine that washes dirty clothes. It contains a barrel into which the clothes are placed. This barrel is filled with water, and then rotated very quickly to make the water remove dirt from the clothes. Most washing machines are made so that detergent (liquids or powders) can be put into the machine. These can help make the clothes cleaner.



Uses & Market Potential:

The global washing machines market is expected to grow from \$17.27 billion in 2020 to \$18.09 billion in 2021 at a compound annual growth rate (CAGR) of 4.7%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach \$21.3 billion in 2025 at a CAGR of 4%.

Product:

WASHING MACHINE

Raw Material:

1. Metal, Sheet Steel

2. Plastic
3. Cast Aluminum
4. Paint
5. Porcelain coating
6. Power Cord
7. Electrical Components such as switches, wires, plugs, motor, suspension rod, etc
8. Packaging Material

Manufacturing Process:

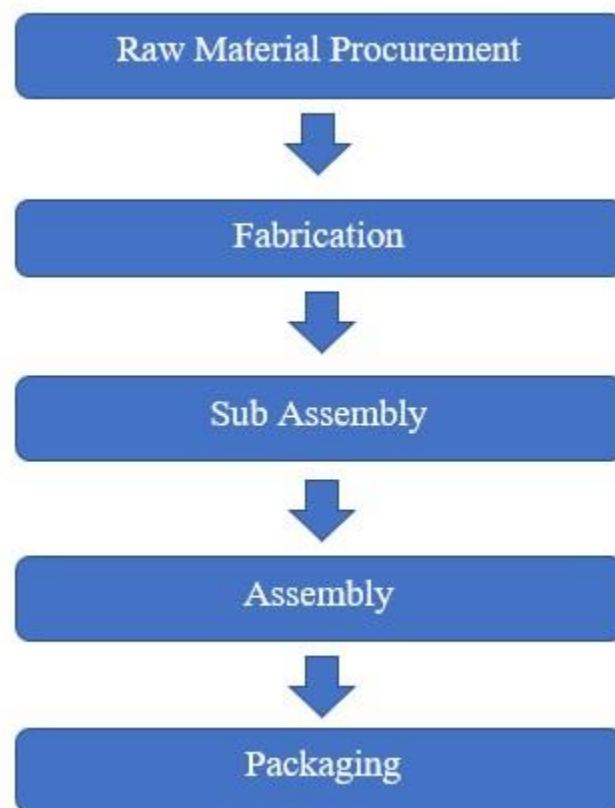


Fig. 1 – Process Flowchart

Area:

The land required for this manufacturing unit will be approx. around 1500 square feet.

Cost of Machines:

S No.	Machine	Price (INR)
1.	Turret Punch Press	4,00,000/-
2.	Injection Molding Machine	7,00,000/-
3.	Die Casting Machine	2,00,000/-
4.	Belt Conveyor	1,00,000/-
	Total	14,00,000/-

Power Requirement- The estimated Power requirement is taken at 18 KWH.

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-6
- Helper- 2
- Sales Personal and Accountant- 2

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Capital Account					
Opening Balance	-	2.17	4.78	7.53	10.87
Add: Additions	2.05	-	-	-	-
Add: Net Profit	2.52	4.61	6.76	8.54	11.11
Less: Drawings	2.40	2.00	4.00	5.20	7.40
Closing Balance	2.17	4.78	7.53	10.87	14.59
CC Limit	4.98	4.98	4.98	4.98	4.98
Term Loan	12.00	9.00	6.00	3.00	-
Sundry Creditors	1.50	1.92	2.35	2.79	3.26
TOTAL :	20.66	20.68	20.87	21.65	22.83
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	15.00	15.00	15.00	15.00	15.00
Gross Dep.	2.20	4.08	5.67	7.04	8.20
Net Fixed Assets	12.80	10.93	9.33	7.96	6.80
Current Assets					
Sundry Debtors	2.72	3.60	4.46	5.36	6.31
Stock in Hand	4.32	5.54	6.83	8.18	9.59
Cash and Bank	0.82	0.61	0.25	0.15	0.12
TOTAL :	20.66	20.68	20.87	21.65	22.83

-	-	-	-	-
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<u>PROJECTED PROFITABILITY STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	81.66	108.04	133.69	160.78	189.36
Total (A)	81.66	108.04	133.69	160.78	189.36
B) COST OF SALES					
Raw Material Consumed	45.12	57.53	70.42	83.80	97.69
Electricity Expenses	0.81	1.01	1.21	1.41	1.61
Repair & Maintenance	2.45	3.24	4.01	4.82	5.68
Labour & Wages	17.39	22.60	28.93	35.30	41.65
Depreciation	2.20	1.88	1.60	1.36	1.16
Cost of Production	67.96	86.26	106.17	126.69	147.80
Add: Opening Stock /WIP	-	2.82	3.63	4.48	5.38
Less: Closing Stock /WIP	2.82	3.63	4.48	5.38	6.34
Cost of Sales (B)	65.15	85.45	105.31	125.79	146.84
C) GROSS PROFIT (A-B)	16.52	22.60	28.38	34.99	42.52
	20.22%	20.91%	21.23%	21.76%	22.45%
D) Bank Interest i) (Term Loan)	1.46	1.20	0.87	0.54	0.21
ii) Interest On Working Capital	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	6.68	8.68	10.85	13.02	15.63
F) Selling & Adm Expenses Exp.	5.31	7.56	9.36	11.25	13.26
G) TOTAL (D+E+F)	14.00	17.99	21.62	25.36	29.64

H) NET PROFIT	2.52	4.61	6.76	9.63	12.88
	3.1%	4.3%	5.1%	6.0%	6.8%
I) Taxation	-	-	-	1.09	1.77
J) PROFIT (After Tax)	2.52	4.61	6.76	8.54	11.11

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.05	-			
Reserve & Surplus	2.52	4.61	6.76	9.63	12.88
Depreciation & Exp. W/off	2.20	1.88	1.60	1.36	1.16
Increase In Cash Credit	4.98				
Increase In Term Loan	13.50	-	-	-	-
Increase in Creditors	1.50	0.41	0.43	0.45	0.46
TOTAL :	26.76	6.90	8.78	11.44	14.51
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	15.00	-	-	-	-
Increase in Stock	4.32	1.22	1.29	1.35	1.42
Increase in Debtors	2.72	0.88	0.85	0.90	0.95
Repayment of Term Loan	1.50	3.00	3.00	3.00	3.00
Taxation	-	-	-	1.09	1.77
Drawings	2.40	2.00	4.00	5.20	7.40
TOTAL :	25.94	7.10	9.14	11.55	14.54

Opening Cash & Bank Balance	-	0.82	0.61	0.25	0.15
Add : Surplus	0.82	- 0.21	- 0.36	- 0.11	- 0.03
Closing Cash & Bank Balance	0.82	0.61	0.25	0.15	0.12

<u>COMPUTATION OF CLOSING STOCK & WORKING CAPITAL</u>					
PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.82	3.63	4.48	5.38	6.34
<u>Raw Material</u>					
(10 Days requirement)	1.50	1.92	2.35	2.79	3.26
Closing Stock	4.32	5.54	6.83	8.18	9.59
COMPUTATION OF WORKING CAPITAL REQUIREMENT					
Particulars	Amount	Margin(10%)	Net		
			Amount		
Stock in Hand	4.32				
Less:					
Sundry Creditors	1.50				

Paid Stock	2.82	0.28	2.53
Sundry Debtors	2.72	0.27	2.45
Working Capital Requirement			4.98
Margin			0.55
MPBF			4.98
Working Capital Demand			4.98

<u>REPAYMENT SCHEDULE OF TERM LOAN</u>							
11.0%							
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	13.50	13.50	0.37	-	13.50
	Iind Quarter	13.50	-	13.50	0.37	-	13.50
	IIIrd Quarter	13.50	-	13.50	0.37	0.75	12.75
	Ivth Quarter	12.75	-	12.75	0.35	0.75	12.00
					1.46	1.50	
II	Opening Balance						
	Ist Quarter	12.00	-	12.00	0.33	0.75	11.25
	Iind Quarter	11.25	-	11.25	0.31	0.75	10.50
	IIIrd Quarter	10.50	-	10.50	0.29	0.75	9.75
	Ivth Quarter	9.75		9.75	0.27	0.75	9.00
					1.20	3.00	

III	Opening Balance						
	Ist Quarter	9.00	-	9.00	0.25	0.75	8.25
	IInd Quarter	8.25	-	8.25	0.23	0.75	7.50
	IIIrd Quarter	7.50	-	7.50	0.21	0.75	6.75
	Ivth Quarter	6.75		6.75	0.19	0.75	6.00
					0.87	3.00	
IV	Opening Balance						
	Ist Quarter	6.00	-	6.00	0.17	0.75	5.25
	IInd Quarter	5.25	-	5.25	0.14	0.75	4.50
	IIIrd Quarter	4.50	-	4.50	0.12	0.75	3.75
	Ivth Quarter	3.75		3.75	0.10	0.75	3.00
					0.54	3.00	
V	Opening Balance						
	Ist Quarter	3.00	-	3.00	0.08	0.75	2.25
	IInd Quarter	2.25	-	2.25	0.06	0.75	1.50
	IIIrd Quarter	1.50	-	1.50	0.04	0.75	0.75
	Ivth Quarter	0.75		0.75	0.02	0.75	-
					0.21	3.00	
<p>Door to Door Period 60 Months</p> <p>Moratorium Period 6 Months</p> <p>Repayment Period 54 Months</p>							

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	I	II	III	IV	V

<u>CASH ACCRUALS</u>	4.72	6.48	8.35	9.90	12.28
Interest on Term Loan	1.46	1.20	0.87	0.54	0.21
Total	6.18	7.68	9.22	10.43	12.48
<u>REPAYMENT</u>					
Repayment of Term Loan	1.50	3.00	3.00	3.00	3.00
Interest on Term Loan	1.46	1.20	0.87	0.54	0.21
Total	2.96	4.20	3.87	3.54	3.21
DEBT SERVICE COVERAGE RATIO	2.09	1.83	2.38	2.95	3.89
AVERAGE D.S.C.R.			2.59		

Assumptions:

- 1.** Production Capacity of Washing Machine is 16 Units per day. First year, Capacity has been taken @ 20%.
- 2.** Working shift of 10 hours per day has been considered.
- 3.** Raw Material stock and Finished goods closing stock has been taken for 10 days.
- 4.** Credit period to Sundry Debtors has been given for 10 days.
- 5.** Credit period by the Sundry Creditors has been provided for 10 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 18 KWH.
- 10.** Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years

DISCLAIMER

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