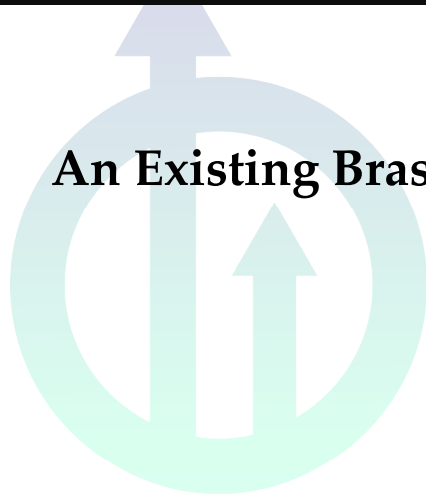


Project Report

On



An Existing Brass Utensil Manufacturing[®]

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By



Having Factory At

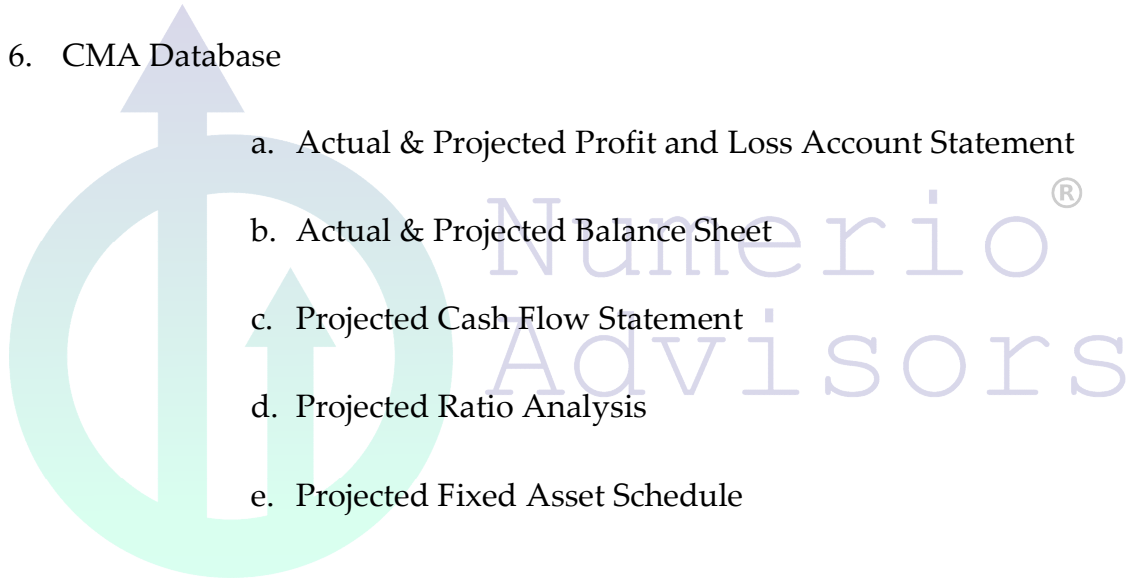


Project Synopsis

- Name of Unit- [REDACTED]
- Promoter- [REDACTED]
- Constitution- Proprietary Firm
- Address- [REDACTED]
- Nature of Business- Manufacturing of Brass Utensils
- Raw Material- Brass Scrap, Tin, Zinc
- Debt Requirement- Working Capital Loan in form of Cash Credit of Rs. 20 Lacs
- Subsidy- Interest Subvention of 2% eligible for MSME Units

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1. Company Particulars and Promoter Profile

██████ is a registered proprietary concern of ██████ The factory is into manufacturing of Brass Utensil and other products like buckets, Tops, Parart, Navsari. ██████ is running this business successfully for last 37 years and is renowned businessman.

██████ is seasoned industrialist and was President of various Manufactures association.

██████, a young and dynamic entrepreneur is currently managing the factory and taking the business to new height by exploring various untouched products and markets. He is into business since last 10 years.



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2. Industry Overview

The Bhandara Brassware has been well-known from ancient times. Brassware was one of the major cottage industries of the district. The size of the industry unit-wise is differed considerably. The industry is quite prosperous, and the utensils manufactured in the district are marketed in various places in the country. There were organized small-scale units as well as cottage units engaged in manufacturing of brass utensils. The small units were semi-mechanized but cottage units were mostly hand operated with few machines. All these units had a larger proportion of their capital invested in fixed assets and worked much below their capacity. The average production per worker employed in these units considerably varied according to the variations in the extent of capacity utilized by them. All kinds of cups and plates, large gunds, jhakni, parat, ganj, buckets, gangals etc., were manufactured by these units.

Bhandara has a fairly large brass working industry, in earlier days the castes engaged being Kasars, who originally came from Northern India, and Panchals from the South, however as industry started flourishing, the business and skills were adopted by all and sundry and now almost people of all the caste are part of Value Chain of Brass Cluster. Brass is imported in form of sheets from Mumbai and old vessels are bought at half price and melted down. The Panchals manufacture them also from Kansa, a mixture of copper and zinc. Made to order copperware are produced of its health benefits i.e., drinking water stored overnight in a copper vessel helps resolve digestive problems etc. Iron nut cutters and other articles are made with imported iron in Kamtha and Pangri. Kaneri, in Sakoli tehsil a soap-stone quarry were worked and stone cups and jars were made. These are used for holding curds and acids which would corrode brass.

The mechanical power presses are used in the production as they facilitate pressing, embossing, spinning, cutting and buff-polishing. The equipment mainly consists of power press, fly press, sharpening and scraping machine, spinning lathe, rolling machine, etc.

The principal raw materials used in these units are various kinds of metal scraps. Among the other raw materials required are chemicals, soda ash, caustic soda, acids, sand, etc. Electricity, hard coke, coal and firewood are used as fuel in the process of production.

3. Manufacturing Process-

Production of brassware from sheet is simple and involves operations like hammering and folding to provide the sheet the desired shape and welding, polishing and engraving depending upon the types of products to be made. Production of brassware with the use of brass scrap is elaborate and involves a number of production processes including:

- Ingot making of brass (locally known as silly making).
 - Melting and casting.
 - Scraping (With the help of chisels on jobs rotated by motors).
 - Welding (with the help of gas welding and stove).
 - Polishing (by buffing and grinding).
- Electro-plating, engraving and coloring.

1. **Casting**: Casting is a manufacturing process where a solid metal is melted; heated to proper temperature sometimes treated to modify its chemical composition, and is then poured into a cavity or mold, which contains it in the proper shape during solidification. Thus, in a single step, simple or complex shapes can be made from any metal that can be melted. The resulting product can have virtually any configuration the designer desires
2. **Hot Rolling**: Rolling is a process which passes metal through rollers at temperatures below its recrystallization temperatures. This increases the yield strength and hardness of the metal. This is done by introducing defects into the crystal structure of the metal creating a hardened microstructure which prevents further slip.
3. **Annealing & Pickling**: Annealing is a heat process whereby a metal is heated to a specific temperature /colour and then allowed to cool slowly. This softens the metal which means it can be cut and shaped more easily. Pickling is a process to chemically remove scale or oxide from steel to obtain a clean surface
4. **Slitting & Packing**: Slitting is a type of metal cutting process where large rolls, or coils, of sheet metal stock are cut using extremely sharp rotary blades. In metal slitting, straight lines are cut lengthwise into the large coil to create strips of metal that are narrower in width.

FLOW CHART



**Raw Material- Brass Scrap,
Copper & Zinc**



Melting of Raw Material

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Pouring of melted raw material into Molds (Gulli)



Material obtained out of Molds after cooling

erio[®]
i



Rolling Machine



**Circles – Output of Rolling
Machine**

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**Molded Circles – Output of
Re-Pressing**



**Semi-Finished output
obtained after going through
various machines**

erio®



**High Speed Surface Cleaning
of Semi-Finished Products**



**Blazing and Gas Washing of
products**

errio[®]
i



Spinning of Products



Buffing



Semi-Finished Products



**Finished Products after
Polishing**

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4. SWOT Analysis

a. Strength

- i. Locational advantage
- ii. Loads of business experience
- iii. Low cost of production
- iv. Established Value Chain

b. Weakness

- i. Dependency of labour; As Bhandara is a Brass Cluster the supply of skilled labour is available in plenty also a lot of automation is taking place in industry

c. Opportunity

- i. Create a brand in itself
- ii. Leverage owns business acumen
- iii. To explore high end products and supply it in Five Star Hotel's etc.

d. Threat

- i. Fairly Competitive Market
- ii. Aluminium utensils coming up as competitive product to Brass



Projected Profit & Loss Account Statement

Particulars	Actuals			Provisional	Estimated	Projected				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Indirect Expenses										
Professional Tax	2,500	2,500	0	0	0	0	0	0	0	0
Telephone Charges	11,961	12,157	12,524	11,668	12,018	12,379	12,750	13,132	13,526	13,932
Bank Commission	2,355	475	7,453	7,547	30,000	9,056	9,328	9,608	9,896	10,193
Legal & Audit Fees	4,000	4,500	9,700	6,500	10,000	10,000	10,000	10,000	10,000	10,000
Accounting Charges	18,000	9,000	10,000	10,000	15,000	15,000	15,000	15,000	15,000	15,000
Licence Fees	8,000	500	1,000	0	1,000	1,000	1,000	1,000	1,000	1,000
Labour Welfare Fund Contribution	418	1,437	0	0	0	0	0	0	0	0
Insurance	4,556	6,066	3,752	4,330	4,460	4,594	4,732	4,873	5,020	5,170
Interest paid to Others	25,000	0	0	0	0	0	0	0	0	0
Interest on CC Limit	0	0	704	47,013	138,750	240,000	240,000	240,000	240,000	240,000
Municipal Tax & NA Tax	10,707	3,225	9,394	13,674	14,358	15,076	15,829	16,621	17,452	18,324
Encashment of Leave	8,580	10,824	12,150	12,600	13,230	13,892	14,586	15,315	16,081	16,885
Bonus	13,900	18,056	19,842	19,171	20,130	21,136	22,193	23,302	24,468	25,691
Employee Providend Fund	31,904	39,200	29,555	40,156	42,164	44,272	46,486	48,810	51,250	53,813
Misc. Shop Expenses	2,000	62,342	1,908	1,555	1,633	1,715	1,800	1,890	1,985	2,084
Repair & Maintenance	30,832	4,807	41,043	52,528	55,154	57,912	60,808	63,848	67,041	70,393
Depreciation	56,693	55,834	75,889	71,963	61,829	52,580	44,717	38,030	32,345	27,510
Total Indirect Expenses	231,406	230,923	234,914	298,705	419,725	498,611	499,228	501,431	505,063	509,996
Net Profit	598,419	675,379	609,212	544,336	552,179	740,695	825,011	1,093,696	1,220,939	1,560,050

Projected Balance Sheet

Particulars	Actuals			Provisional	Estimated	Projected				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Assets										
Fixed Assets										
Land	31,509	31,509	31,509	31,509	31,509	31,509	31,509	31,509	31,509	31,509
Building	7,127	6,414	5,773	5,196	4,676	4,209	3,788	3,409	3,068	2,761
Plant & Machinery	74,001	115,994	296,316	251,869	214,088	181,975	154,679	131,477	111,756	94,992
Car, Motor & Scooter	242,774	206,358	175,404	156,858	133,329	113,330	96,330	81,881	69,599	59,159
Total Fixed Assets	355,411	360,274	509,001	445,431	383,603	331,022	286,306	248,276	215,931	188,421
Non Current Assets										
Advances & Deposits	21,830	21,830	139,162	102,916	102,916	102,916	102,916	102,916	102,916	102,916
Investments	0	0	0	249,029	367,531	461,952	1,052,453	1,716,890	2,235,205	2,995,955
Total Non Current Assets	21,830	21,830	139,162	351,945	470,447	564,868	1,155,369	1,819,806	2,338,121	3,098,871
Current Assets										
Stock in Hand	4,510,500	3,985,520	4,787,799	6,710,061	6,039,055	6,220,226	6,282,429	6,345,253	6,408,705	6,472,792
Sundry Debtors	1,440,074	1,602,108	1,628,207	2,196,254	2,365,016	2,719,768	2,736,766	2,922,476	3,360,847	3,864,974
Cash & Bank Balance	503,330	390,809	162,479	140,630	200,000	200,000	200,000	200,000	200,000	200,000
Total Current Assets	6,453,904	5,978,437	6,578,486	9,046,946	8,604,070	9,139,994	9,219,195	9,467,728	9,969,552	10,537,766
Total Assets	6,831,145	6,360,542	7,226,649	9,844,322	9,458,120	10,035,885	10,660,870	11,535,810	12,523,605	13,825,059

Projected Ratio Analysis

Particulars	Actuals			Provisional	Estimated	Projected				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
GP Ratio [Gross Profit/ Turnover %]	11.94%	9.87%	11.16%	17.25%	9.05%	10.06%	9.35%	9.80%	9.23%	9.63%
NP Ratio [Net Profit/ Turnover %]	8.70%	8.11%	8.13%	11.25%	5.19%	6.05%	5.86%	6.76%	6.56%	7.29%
Return on Capital Employed [Net Profit Before Interest & Tax/ Capital Employed]	11.60%	11.84%	9.68%	7.96%	7.68%	9.61%	9.95%	11.99%	12.15%	13.82%
Current Ratio [Current Asset/ Current Liablites]	3.86	9.10	7.07	3.01	3.79	3.93	3.89	3.92	4.03	4.15
Maximum Permissible Banking Finance										
MPBF- Method-I	3,586,904	3,991,268	4,284,693	5,120,432	6,251,637	6,610,777	6,638,697	6,789,514	7,121,125	7,499,657
MPBF- Method-II	3,169,063	3,827,081	4,068,303	4,565,507	6,184,498	6,529,371	6,546,798	6,685,754	7,002,446	7,365,101
Proposed CC Limit				1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Inventory Turnover Ratio [Inventory/ Sales *365]	239	175	233	506	207	186	163	143	126	110
Debtor Turnover Ratio [Debtors/ Sales *365]	76	70	79	166	81	81	71	66	66	66
Creditor Turnover Ratio [Creditors/ Purchases *365]	102	35	44	150	10	10	10	10	10	10

Projected Fixed Asset Schedule

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Land	31,509	31,509	31,509	31,509	31,509	31,509
Less- Depreciation	0	0	0	0	0	0
WDV of Building	31,509	31,509	31,509	31,509	31,509	31,509
Building & Shed	5,196	4,676	4,209	3,788	3,409	3,068
Less- Depreciation	520	468	421	379	341	307
WDV of Building	4,676	4,209	3,788	3,409	3,068	2,761
Car, Motor & Scooters	156,858	133,329	113,330	96,330	81,881	69,599
Less- Depreciation	23,529	19,999	16,999	14,450	12,282	10,440
WDV of Car, Motor & Scooters	133,329	113,330	96,330	81,881	69,599	59,159
Plant & Machinery	251,869	214,088	181,975	154,679	131,477	111,756
Less- Depreciation	37,780	32,113	27,296	23,202	19,722	16,763
WDV of P&M	214,088	181,975	154,679	131,477	111,756	94,992
Total Fixed Assets						
Gross Block	445,431	383,603	331,022	286,306	248,276	215,931
Depreciation	61,829	52,580	44,717	38,030	32,345	27,510
Net Block	383,603	331,022	286,306	248,276	215,931	188,421