PROJECT PROFILE ON PACKAGED DRINKING WATER UNIT

1. INTRODUCTION

Water is essential for sustenance and multiplication of living organisms. Whether it is an unicellular ameba or complex human body system water is an absolute necessity for keeping the system functioning. Humans need clean tasty and safe drinking water free from any microorganism when he or she is thirsty and is ready to pay substantially if need be. This is available in Pouch, Bottles and cans as per requirement of the customers.

2. MARKET DEMAND

Packaged drinking water industry has grown many fold in all the developed economics of the world. The product is targeted especially at touring and traveling market segments. The market is also growing due to contamination/shortage of water supply in the cities.

At present the Indian market is dominated by processed water. The demand for consumption of mineral water in India has been estimated at approx. 500 million liters of pure water bottles and the market is expected to grow at a rate of 25-35% per annum.

The domestic market of mineral water is mainly derived from the tourism sector. Further, the demand may also be from institutional sector as well as from higher income bracket group in urban areas.

In view of the large scope of packaged drinking water, the project will has tremendous scope for its development.

PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Packaged Drinking Water Pouches (100 ML)
Quantity (Nos)	3000000
Value (Rs)	1200000

3. MANUFACTURING PROCESS

As the name itself indicates that the proposed concern will purify the available water in such a way that it may be kept 4-7 days at least as well as it should be a hygienic. The major steps involved on the purification process are given below:

- Water treatment & Purification
- Mixing of negligible mineral and necessary for human life.
- Pouch Filling
- Inspection and Packing
- Dispatch

4. QUALITY CONTROL STANDARDS

Quality of the product must be according to Beauro of Indian standards and parameters of local municipal \ Food Controlling office.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	500
3.	Total area	Sq. Ft.	1000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	2000

6. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Ozonator, tank & pump, U.V.System (water processing unit)	1	140000
2.	Pouch Packaging Machine	1	
3.	Syntex \ StorageTanks	1	
4.	Spares, Pipes and other fittings	1	
5.	Hand Tools	1	
6.	Furniture	1	
7.	Sales Tax, Freight & Insurance etc.		14000
	Total		154000

7. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Kg)	Value (Rs)
1.	Different Chemicals & other consumables required during cleaning process like	L.S.	5000
2.	Packaging Material (Plastic Film for pouch packaging)	250	37500
		Total	42500

8. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	2	2000	4000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	2	2000	4000
	Sub-Total			14000
	Plus perquisites @ 30% of salaries			4200
	TOTAL			18200

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	2000
2.	Electricity Charges	8000
3.	Fuel Exp.	0
4.	Advertisement & Travelling	4000
5.	Transport	5000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	1000
8.	Stationery	1000
9.	Repairs & Maintenance's	2000
	Total	24000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	42500
2	Salaries & Wages	18200
3	Other Expenses	24000
	Total	84700

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	154000
Working capital for one month	84700
Total	238700

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	1016400
Depreciation on machinery & equipment	15000
Interest on total investment @ 10%	24000
Total	1055400

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Kg)	Value (Rs.)
1.	Drinking Water Pouches (100 Ml)	3000000	1200000
	Total		1200000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	144600
2.	% of Profit on Sales	12.05%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	506400
3.2	Annual Sales	3000000
3.3	Annual Variable Cost	690000
3.4	Break Even Point	73.39%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales – Annual variable costs}} = \%$$

15. Manufactures/ Suppliers of Machinery

1	Mascat Chemengers & Consultants Plot No-10, Kalpana Nagar, Raisen Road, Bhopal 21. Ph- 280845,755551
2.	Shivalaya Machinery Mfg. Co. 1, Shivaji Nagar, Behind Hukumchand Mill, Vishranti Chouraha, Indore 452 003 Ph- 530669,545541
3.	Millipore India(P) Ltd. 50-A 2nd stage, Ring road, Peenya, Bangalore.

4.	Ion Exchange India Ltd., 20/7, South Tukoganj, Mansa Building, Indore.
5.	SPR Marketing Pvt. Ltd. C-2/8, Mayapuri Industrial Area - phase II, New Delhi
6.	Hilden & Co. 101, MIDC, Chakala, Andheri East, Bombay -400 093.
7.	Seion Marketing Pvt. Ltd. 150, Jaora Compound, Indore Ph. 705014,704404
8.	Waterlite (India) Udyog 33D, Nilmoni Mitra Street, Calcutta 700 006 Ph 554 9779/ 5430906
9.	Gujrat Ion Exchange and Chemicals Limited T-14, Balaji Centre, Opp. Gurukul, Memnagar, Ahemdabad.

16. Suppliers of Raw Materials & Consumables

From Local chemical mandi of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours

4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	In all districts
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Railway Station, Bus-stands & Local Hotels / Restaurants of the district .
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP