

# UP MSME 1-Connect

## PROJECT REPORT

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PROJECT:

**SOLAR LANTERN**

**PROJECT REPORT**

**Of**

**SOLAR LANTERN**

**PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Solar Lantern making 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.]

## **INTRODUCTION**

A solar lamp or lantern is a portable light fixture composed of an LED lamp, a photovoltaic solar panel, and a rechargeable battery. Outdoor lamps may have lamp, solar panel and battery integrated in one unit. Indoor solar lamps with separately mounted solar panels are used for general illumination where centrally generated power is not conveniently or economically available. Solar-powered household lighting may displace light sources such as kerosene lamps, saving money for the user, and reducing fire and pollution hazards.

Solar lamps recharge during the day. Automatic outdoor lamps turn on at dusk and remain illuminated overnight, depending on how much sunlight they receive during the day.

Solar garden lights are used for decoration, and come in a wide variety of designs. They are sometimes holiday-themed and may come in animal shapes. They are frequently used to mark footpaths or the areas around swimming pools. Some solar lights do not provide as much light as a line-powered lighting system, but they are easily installed and maintained, and provide a cheaper alternative to wired lamps.

Solar street lights provide public lighting without use of an electrical grid; they may have individual panels for each lamp of a system, or may have a large central solar panel and battery bank to power multiple lamps.

To reduce the overall cost of a solar lighting system, energy saving lamps of either the fluorescent or LED lamp type are used, since incandescent bulbs consume several times as much energy for a given quantity of light.

The technology in this sector is undergoing rapid strides of change and there is a need for regular monitoring of the national and international technology scenario. The unit, may therefore, keep abreast with new technologies in order to keep them in pace with the

developments for global competition. Quality today is not only confined to the product or service alone. It also extends to the process and environment in which they are generated. The ISO 9000 defines standards for quality management system and ISO 14001 defines standards for environmental

### **MARKET POTENTIAL**

India is a nation in transition. Considered an "emerging economy," increasing GDP is driving the demand for additional electrical energy, as well as transportation fuels. India is a nation of extremes. Poverty remains in areas with no energy services, while wealth grows in the new business hubs. Coal fired generation currently provides two thirds of the generation capacity, and hydropower supplies the other third. Yet, India is blessed with vast resources of renewable energy in solar, wind, biomass and small hydro. In fact, the technical potential of these renewable exceeds the present installed generation capacity. Unique in the world, India has the only Ministry that is dedicated to the development of renewable energies: the Ministry of New and Renewable Energy. This bodes well for the acceleration of renewable development throughout the nation –both to meet the underserved needs of millions of rural residents and the growing demand of an energy hungry economy.

The development and deployment of renewable energy, products, and services in India is driven by the need to

- decrease dependence on energy imports
- sustain accelerated deployment of renewable energy system and devices
- expand cost-effective energy supply
- augment energy supply to remote and deficient areas to provide normative

Consumption levels to all section of the population across the country

And finally, switch fuels through new and renewable energy system/ device deployment.

Renewable energy remains a small fraction of installed capacity, yet India is blessed with over 150,000 MW of exploitable renewable. It makes sense that all efforts and investment should consider accelerating these sustainable energy resources before committing to the same fossil fuel path as western nations.

<b><u>PROJECTED CASH FLOW STATEMENT</u></b>					
<b>PARTICULARS</b>	<b>1ST YEAR</b>	<b>IIIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Share Capital	2.15	-	-	-	-
Reserve & Surplus	18.43	22.11	26.63	30.99	35.17
Depriciation & Exp. W/off	0.80	0.74	0.65	0.56	0.49
Increase in Cash Credit	12.77	-	-	-	-
Increase In Term Loan	6.53	-	-	-	-
Increase in Creditors	7.65	1.28	1.28	1.28	1.28
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
<b>TOTAL :</b>	<b>48.69</b>	<b>24.16</b>	<b>28.59</b>	<b>32.87</b>	<b>36.98</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	6.76	-	-	-	-
Increase in Stock	15.57	2.17	1.92	1.92	1.92
Increase in Debtors	6.27	1.38	1.10	1.10	1.10
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	1.63	1.63	1.63	1.92
Taxation	-	2.21	5.33	6.20	7.03
<b>TOTAL :</b>	<b>31.10</b>	<b>3.30</b>	<b>10.25</b>	<b>11.15</b>	<b>12.30</b>
Opening Cash & Bank Balance	-	17.59	38.45	56.80	78.52
Add : Surplus	17.59	20.86	18.34	21.72	24.68
Closing Cash & Bank Balance	<b>17.59</b>	<b>38.45</b>	<b>56.80</b>	<b>78.52</b>	<b>103.20</b>

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>1ST YEAR</b>	<b>2ND YEAR</b>	<b>3RD YEAR</b>	<b>4TH YEAR</b>	<b>5TH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Capital Account	2.15	2.15	2.15	2.15	2.15
Retained Profit	18.43	38.33	59.63	84.43	112.56
Term Loan	6.53	4.90	3.27	1.63	0.28
Cash Credit	12.77	12.77	12.77	12.77	12.77
Sundry Creditors	7.65	8.93	10.20	11.48	12.75
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
<b>TOTAL :</b>	<b>47.89</b>	<b>67.47</b>	<b>88.45</b>	<b>112.93</b>	<b>140.47</b>
<b><u>APPLICATION OF FUND</u></b>					
Fixed Assets ( Gross)	6.76	6.76	6.76	6.76	6.76
Gross Dep.	0.80	1.55	2.19	2.76	3.25
Net Fixed Assets	5.96	5.21	4.57	4.00	3.51
<b>Current Assets</b>					
Sundry Debtors	6.27	7.65	8.75	9.85	10.95
Stock in Hand	15.57	13.41	15.32	17.24	19.15
Cash and Bank	17.59	38.45	56.80	78.52	103.20
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
<b>TOTAL :</b>	<b>47.89</b>	<b>67.47</b>	<b>88.45</b>	<b>112.93</b>	<b>140.47</b>

<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>PARTICULARS</b>	<b>1ST YEAR</b>	<b>IND YEAR</b>	<b>HIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b>A) SALES</b>					
Gross Sale	188.10	229.35	262.35	295.35	328.35
<b>Total (A)</b>	<b>188.10</b>	<b>229.35</b>	<b>262.35</b>	<b>295.35</b>	<b>328.35</b>
<b>B) COST OF SALES</b>					
Raw Mateiral Consumed	153.00	178.50	204.00	229.50	255.00
Electricity Expenses	0.43	0.50	0.57	0.64	0.72
Repair & Maintenance	-	2.29	2.62	2.95	3.28
Labour & Wages	10.03	11.04	12.14	13.35	14.69
Depriciation	0.80	0.74	0.65	0.56	0.49
Consumables and Other Expense	3.76	4.59	5.25	5.91	6.57
<b>Cost of Production</b>	<b>168.02</b>	<b>197.66</b>	<b>225.23</b>	<b>252.92</b>	<b>280.75</b>
Add: Opening Stock/WIP	-	7.92	9.24	10.56	11.88
Less: Closing Stock/WIP	7.92	9.24	10.56	11.88	13.20
<b>Cost of Sales (B)</b>	<b>160.10</b>	<b>190.34</b>	<b>223.91</b>	<b>251.60</b>	<b>279.43</b>
<b>C) GROSS PROFIT (A-B)</b>	<b>28.00</b>	<b>33.01</b>	<b>38.44</b>	<b>43.75</b>	<b>48.92</b>
	15%	14%	15%	15%	15%
D) Bank Interest (Term Loan)	0.56	0.68	0.49	0.31	0.11
Bank Interest ( C.C. Limit )	1.28	1.28	1.28	1.28	1.28
E) Salary to Staff	3.96	4.36	4.79	5.27	5.80
F) Selling & Adm Expenses Exp.	3.76	4.59	5.25	5.91	6.57
<b>TOTAL (D+E)</b>	<b>9.56</b>	<b>10.90</b>	<b>11.81</b>	<b>12.76</b>	<b>13.76</b>
<b>H) NET PROFIT</b>	<b>18.43</b>	<b>22.11</b>	<b>26.63</b>	<b>30.99</b>	<b>35.17</b>
D) Taxation	-	2.21	5.33	6.20	7.03
<b>J) PROFIT (After Tax)</b>	<b>18.43</b>	<b>19.90</b>	<b>21.30</b>	<b>24.79</b>	<b>28.13</b>

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