

Peas Water Solution

A business initiative by a **Nobin Udyokta**
to Supply Arsenic free pure drinking water to the community



Mentors by Grameen Fund

2nd Executive YCSB Design Lab

25th of May, 2014

Peas Water Solution



Entrepreneurs Background:

Name	:	Kazi Mahedi Hasan.
Address	:	Toilokupy, Ataikula, Pabna.
Mother	:	Momtaz Begum, Member ID-6215 Branch – R-Ataikula, Santhia Centre – 65, Member since April 06, 2003 Existing Loan – BDT 11,500
Qualification	:	BA Honours
Experience	:	2 years experience in this sector. Working as a Manager of his elder sister's Organization "Water Fine".

Mission:

Peas Water Solution is committed to providing water purifier machine to supply safe pure drinking water for Dhaka city.

Vision:

Ultimate goal is to setup plants in rural areas to supply Arsenic free pure drinking water in cheap for Grameen Bank members & rural people. Specially in Pabna District.

What is my objectives:

- Self-employment.
- Create employment opportunities for others.
- Supply water purifier machine.
- Ensure Arsenic free safe & pure drinking water for rural People.
- Contribute in improving socio-economic condition.



Products :

- Water purifier.
- Membrane
- Water plant setup.
- Washing machine.
- Cold & hot water machine.
- Jar & Vessel.
- Dispenser, filter, media and Accessories.



INVESTMENT :

Proposed Business	:	<i>Peas Water Solution.</i>
Shop Location	:	Kallayanpur, Dhaka.
Total Investment	:	BDT: <u>1,600,000</u>
		Self : Tk. 600,000/-
		Seeking : Tk. 1,000,000/-

Break even point: First Year
Pay back period : Five years.

Investment Breakdown

Particulars	Proposed
	<i>BDT</i>
Advance (Shop)	300,000
Decoration (Shop)	150,000
Machineries	50,000
Raw Materials of water Accessories	1,000,000
Vehicle (Motor Byc)	100,000
Total	1,600,000

Risk Factor & Risk Management

Risk Factor

- **Existing Competitors**
- **Unavailability of Raw materials**
- **Political Unrest**

Risk Management

- **Low cost high quality product to be produced**
- **Close market watch to compete**
- **Procure reasonable amount of raw material**
- **Proper security measures would be taken**

Cash Flow

<i>Particulars</i>	<i>Existing Year</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
	<i>(BDT)</i>	<i>(BDT)</i>	<i>(BDT)</i>	<i>(BDT)</i>	<i>(BDT)</i>	<i>(BDT)</i>
<u>Cash inflow</u>						
Opening Balance	-	-	216,000	453,600	354,960	282,456
Investment - Entrepreneur	600,000	-	-	-	-	-
Investment - Investor	1,000,000	-	-	-	-	-
Net Profit	-	156,000	177,600	201,360	227,496	256,246
Depreciation	-	60,000	60,000	60,000	60,000	60,000
Total Cash inflow	1,600,000	216,000	453,600	714,960	642,456	598,702
<u>Cash Outflow</u>						
Advance (Shop)	300,000	-	-	-	-	-
Decoration (Shop)	150,000	-	-	-	-	-
Machineries	50,000	-	-	-	-	-
Vehicle	100,000	-	-	-	-	-
Raw Materials	1,000,000	-	-	-	-	-
<i>Investment Pay Back</i>	-	-	-	<i>300,000</i>	<i>300,000</i>	<i>400,000</i>
<i>Transfer Fee</i>	-	-	-	<i>60,000</i>	<i>60,000</i>	<i>80,000</i>
Total Cash Outflow	1,600,000	-	-	360,000	360,000	480,000
Closing Balance	-	216,000	453,600	354,960	282,456	118,702

PIAS WATER SOLUTION PROFITABILITY FORECAST

Revenue:(BDT)	Year 1		Year 2		Year 3		Year 4		Year 5	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Revenue from Products	500,000	6,000,000	550,000	6,600,000	605,000	7,260,000	665,500	7,986,000	732,050	8,784,600
Revenue from Services		-	-	-	-	-	-	-	-	-
Total revenue-100%	500,000	6,000,000	550,000	6,600,000	605,000	7,260,000	665,500	7,986,000	732,050	8,784,600
Less :										
Raw Material Cost @ 80% of revenue	400,000	4,800,000	440,000	5,280,000	484,000	5,808,000	532,400	6,388,800	585,640	7,027,680
Gross Profit	100,000	1,200,000	110,000	1,320,000	121,000	1,452,000	133,100	1,597,200	146,410	1,756,920
Less:										
Operating Expenses :										
Admin & Accounts salary	15000	180,000	16,500	198,000	18,150	217,800	19,965	239,580	21,962	263,538
Staf Salary	30,000	360,000	33,000	396,000	36,300	435,600	39,930	479,160	43,923	527,076
Shop Rent	20,000	240,000	22,000	264,000	24,200	290,400	26,620	319,440	29,282	351,384
Electricity	2,000	24,000	2,200	26,400	2,420	29,040	2,662	31,944	2,928	35,138
Others	10,000	120,000	11,000	132,000	12,100	145,200	13,310	159,720	14,641	175,692
Depreciation	5000	60,000	5,000	60,000	5,000	60,000	5,000	60,000	5,000	60,000
Provision for bad debt@1.0% of revenue	5,000	60,000	5,500	66,000	6,050	72,600	6,655	79,860	7,321	87,846
Total Operating Expense	87,000	1,044,000	95,200	1,142,400	104,220	1,250,640	114,142	1,369,704	125,056	1,500,674
Operating Profit-EBIT	13,000	156,000	14,800	177,600	16,780	201,360	18,958	227,496	21,354	256,246
Interest expense	-	-	-	-	-	-	-	-	-	-
Net profit before tax	13,000	156,000	14,800	177,600	16,780	201,360	18,958	227,496	21,354	256,246
GP margin		20%		20%		20%		20%		20%
OP margin		3%		3%		3%		3%		3%
NP margin		3%		3%		3%		3%		3%

Note:

* Depreciation @ 20% of fixed asset.

* Revenue & Expenditure increase 10% per year.

* Staf salary- Technician 12,000/= , Assistant 8,000/=,Marketing 10,000/=.



End of presentation

thank you