PROJECT REPORT

Of

FABRICATION OF GRILLS, GATES AND FENCE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Fabrication unit of Grills, Gates and Fence.**

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.]

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FABRICATION OF GRILLS RAILINGS, FENCE

1. INTRODUCTION:

Now a days various types of steel furniture like Almirah, Table, Chair, Racks, etc are the normal requirements of a household. Steel almirah is practically used almost in every house, office, shop, educational- institution, library etc. These have become essential in all these places because they are used to keep clothes, paper, documents etc. safe and intact.

Gates, Grills, Fencing are essentially used for defining and defending the boundaries of premises and ensuring and avoiding unauthorized entry or trespassing of humans or animals.

Timber or wood was used since ancient times, which has now been replaced by iron and steel fabrications. The strength of steel. Light weight and compact size gives better protection, and offers good aesthetic appeal with better designs.

2. PRODUCT & ITS APPLICATION:

Gates, Grills, Fencing are essentially made from steel via fabrication of various sections, sheets and pipes. These products are a norm for all most all premises to install to cover area under their ownership. Railings and grills are part of protection and are also used as structure for most of stairways, people movement management and to provide natural view of both inside or outside of the covered areas.

Depending on the location and use, these products are designed with several geometric patterns and décor. They are made from wood, stone, cast iron, or metals like mild steel, stainless steel, aluminum, brass, bronze etc.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

A person with ITI, Diploma, or experience in the products.

4. INDUSTRY OUTLOOK/TREND

The grill fences and railings fabrication industry in India comprises various medium and small companies that manufacture wide range of simple and decorative ornamental products form mild steel, stainless steel sections tubes and rods, as also from cast items. The units in this sector compete with offer for various innovative designs and patterns with lowest costs. The medium and small companies are located all over India and also take up the general fabrication services to industries.

Most innovative designers of these items dominate the market and lately the stainless steel fabricators are coming of age in view of shopping and other commercial buildings in urban centers. The leading units in unorganized sector follow proper standards and specification of materials used.

The technology and market trend is of new finishes with bright brass/ copper/ golden color metal and color plating techniques, with/ without engraving and other decorative designs.

5. MARKET POTENTIAL AND MARKETING ISSUES. IF ANY:

These products are a normal feature for construction industry for new and old premises. Commercial and domestic buildings use railing and gates/ doors for indoor for protection and décor and fences for marking the land plots.

The Indian industry is dominated by low technology and very rare technological innovation is taken up. However, in recent years, the demand of stainless steel indoor railings and grills is rising. Demand for fence, grill and railing is mostly from new or redevelopment/ remodeling of housing and commercial buildings. The improvement in contemporary designs and décor is anticipated to improve demand significantly due to rapid industrial investments. Factors such as lower wastage weather and wear resistance coatings, higher productivity and better quality will lead to wide usage of new products. The segment is projected to witness moderate growth.

The growth of construction industry with growing population is the main demand driver. There is very good potential for good design and aesthetic designed products.

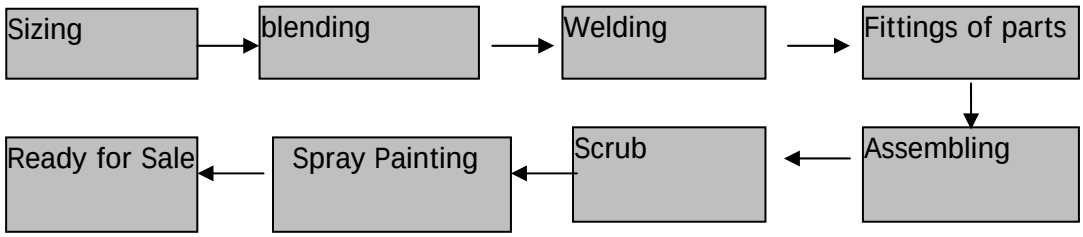
6. RAW MATERIAL REQUIREMENTS:

Structural section, round and square tubes, pipes, rods, flats, of various metal are required viz mild steel, stainless steel, aluminum extrusions, brass bronze and cast iron. Other materials are fasteners and consumables like welding materials.

7. MANUFACTURING PROCESS:

The process of manufacture involves operations as below.

Cutting of material sheets, tubes, pipes, sections as per required dimensions in shear machine. Certain components like cast iron and steel rods may be machined. Bending twisting and of rods/ pipes and forming of sheets in bending machine, press brake as per need. Welding of sections, pipes and sheets, Drilling and threading of components Pickling and surface treatment like phosphating, anodizing, hard chrome plating etc. to provide surface finish to components. Painting and polishing of components. Assembly of parts with fasteners. Inspection and packing for dispatch/ installations.



The entrepreneur should also develop several new aesthetic designs for different uses in residential as well as commercial premises.

8. MANPOWER REQUIREMENT:

The unit shall require highly skilled service persons. The unit can start from 8 employees initially and may be increased depending on business volume in future.

S.No.	Designation	No.	Salary(Rs.)	Total (In. Rs.)
1	Skilled Workers	4	7,000.00	28,000.00
2	Semi-skilled Workers	4	5,000.00	20,000.00
3	Supervisor	1	15,000.00	15,000.00
4	Other Staff	1	7,000.00	7,000.00
	Total Monthly Salary			70,000.00
	Total Annual Salary	8		8,40,000.00
			Rs in lac	8.40

9. IMPLEMENTATION SCHEDULE:

The unit can be implemented within 3 months from the serious initiation of project work.

Sr No	Activities	Time Required in Months
1	Acquisition of Premises	-
2	Construction (if Applicable)	-
3	Procurement and Installation of Plant and Machinery	2
4	Arrangement of Finance	1
5	Manpower Recruitment and start up	1
	Total Time Required (Some Activities run concurrently)	3

10. COST OF PROJECT:

The unit will require total project cost of Rs43.84 lakhs as shown below:

S.NO.	PARTICULARS	TOTAL COST	MARGIN	LOAN
1	Land & Building		0.00	Owned
2	Plant and Machinery	3.51	0.88	2.63
3	Furniture & Fixture	0.80	0.20	0.60
4	Contingencies	0.30	0.08	0.23
5	Pre and Post operative and	0.30	0.30	0.00
6	Margin for Working Capital	38.93	9.73	29.20
	Total	43.84	11.19	32.66

11. MEANS OF FINANCE:

The project will require promoter to invest about Rs11.00 lakhs and seek bank loans of Rs32.66 lakhs based on 25% loan on fixed assets.

S.NO.	PARTICULARS		AMOUNT
1	Own Contribution		11.19
2	Term Loan		3.46
3	Working capital		29.20
	Total		43.84

12. WORKING CAPITAL REQUIREMENTS:

Working capital requirements are calculated as below:

	TOTAL WORKING CAPITAL 3 MONTHS		Rs.
1	Salary and Wages		8,40,000.00
2	Raw Material		2,17,75,000.00
3	Utilities		2,07,770.00
4	Other selling and administrative Expenses		5,35,250.00
	Total		233.58
	Working Capital for 2 months	Rs in Lakhs	38.93

13. LIST OF MACHINERY REQUIRED:

Sr No	Particulars	UOM	Quantity	Rate	Total Value
	Main Machines/ Equipment				
1	Flat / wire Rod twisting machine	Nos	1	40000	40000
2	Shearing Machines	Nos	3	12000	36000
3	Fly Press	Nos	1	20000	20000
4	Manual Press brake	Nos	1	40000	40000
5	Hand Drills and tools	Nos	1	20000	20000
6	Pickling and Surface treatment	Nos	1	75000	75000
7	Sand Blasting Facility	Nos	1	25000	25000
8	Spray Painting Facility	Nos	1	15000	15000
9	Pipe Bending Machine	Nos	1	10000	10000

10	Welding Machine	Nos	2	25000	50000
11	Misc. equipment Dies tools etc.	LS	1	10000	10000
12	Hand Tools and gauges	LS	1	10000	10000
	Total :				351000
	Rs in lac				3.51

Other Expenses

Pre and Post Operative Expenses			0.30
Furniture and Fixture/ Office Equipment, electricity installation			0.50
Contingencies			0.30

14. PROFITABILITY CALCULATIONS:

COST OF PRODUCTION

S.No.	Particulars		In. Rs.
1	Total Recurring Expenditure		233.58
2	Depreciation on Plant and Machinery @ 15%		0.53
3	Depreciation of Furniture/Fixture & Office Equipment @ 10 %		0.05
4	Finance Cost		3.92
	TOTAL COST OF PRODUCTION	(in Lacs)	238.08

TURNOVER

S.No.	Particulars	Qty(tonnes)	Rate (in Rs)	In. Rs.
1	.Fabrication of Grills railings murals etc			
	.Mild Steel for Railings fencing for outdoor and indoor applications	202.50	65,000.00	1,31,62,500.00
	.Cast products and stainless steel	64.80	1,50,000.00	97,20,000.00
	.Brass, Bronze, SS steel with plating/ metal coating ,for murals and sculptures	2.70	12,00,000.00	32,40,000.00
	TOTAL TURNOVER			2,61,22,500.00
	Add cost of Scrap	30	18,000.00	5,40,000.00
				2,66,62,500.00
	Excluding 10% wastage		(In Lacs)	266.63

PROFIT

Cost of Production - Turnover		(In Lacs)	28.57
At 100% capacity utilisation			
Percentage profit on sales			10.72%

15 STATUTORY/ GOVERNMENT APPROVALS

The unit shall have to get state industrial unit registration from DIC, IEC Code for Export and local authority clearance. Depending on structure of finance the company shall need to register company with registrar of companies. The registration and approval for factory plan, safety for Fire etc. requirement, registration as per Labour laws ESI, PF etc. shall be required as per rules and applicability. Before starting the unit will also need GST registration for procurement of materials as also for sale of goods.

As such there is no pollution control registration requirements, except installation of chimney/ blowers for heat treatment furnace / pickling line and ensure safe environment as per rules of factory safety. Solid waste disposal shall have to meet the required norms. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

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