

PROJECT REPORT

Of

GAURA STONE UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Gaura Stone Handicraft 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.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **FLOWER VASE AND SHOWPIECE ITEMS**
- 6 Name of the project / business activity proposed : **GAURA STONE HANDICRAFT UNIT**
- 7 Cost of Project : Rs.10.47 Lakhs
- 8 Means of Finance
- Term Loan Rs.6.48 Lakhs
- Own Capital Rs.1.05 Lakhs
- Working Capital Rs.2.94 Lakhs
- 9 Debt Service Coverage Ratio : 2.82
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 39%
- 13 Employment : 7 Persons
- 14 Power Requirement : 6.00 HP
- 15 Major Raw materials : Gaura Stone, Compass, Pencil, Red Oxide etc.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 56.97 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	2.90
Civil Work	4.00
Furniture & Fixtures	0.30
Working Capital	3.27
Total	10.47

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.05
Working Capital(Finance)	2.94
Term Loan	6.48
Total	10.47

GAURA STONE HANDICRAFT UNIT

Introduction:

India a country with tremendous workmanship and writing is a land wealthy in different societies, plans, identity, sacred texts, engineer and some more. The stone art holds a unique spot in the realm of workmanship and art. Gaura stone has a delicate surface. It is cut into a few pieces which are then utilized for making different specialty things that are utilized for fancy reason. Craftsmen from Mahoba are known worldwide for their remarkable works of art of unequaled examples of Gaura stone handiwork.

The craftsmen in Gaurahari town of Mahoba District rehearsed once a flourishing and famous specialty of Gaurahari Stonework, wherein they made a wide scope of painstaking work, out of a specific hue stone called 'Gaura Patthar', known for its delicate surface. In any case, because of the disappointment of any supported mediation, absence of interest roads, and inflexible government standards on mining of Gaura Stone, they have almost lost any desire for any future for their specialty. The public authority is attempting to patch up the item and make it a significant item back in the area. In this undertaking we have examined Gaura Stone items like Gaura workmanship and specialty marble flower vase & decorative showpieces.

In India Handicrafts not only represent an industry but also mirror the way of life, ethos, and customs of a billion people. Notwithstanding, because of an absence of Innovation and Creativity in its strategies, the handiwork business has lost its substance and the craftsmen of the nation are helpless before a couple of individuals. Gaurahari Stonework includes handcrafting items like sculptures, home stylistic theme, and utility things out of an uncommon stone called 'Gaura Stone' known for its interesting brilliance and rich surface. All the items are made by the craftsmen utilizing instruments and gear which are created by them as it were. At a certain point as expected, the craftsmen were broadly perceived for their ability and greatness. In any case, absence of interest roads, shutting down of Gaurahari Mines and unavailability to innovation has pushed the craftsmen of Gaurahari to obscurity.



Uses & Market Potential:

Gaura stone art is made of brilliant white shaded stone that is dominantly found in this district. The stone specialty holds an exceptional spot in the realm of workmanship and art. Gaura stone has a delicate surface. It is cut into a few pieces which are then utilized for making different specialty things that are utilized for ornamental reason.

The karigars of Gaurahari are the guardians of the well-established novel stone art rehearsed since the nineteenth century. Because of conclusion of the town stone mines by the public authority and absence of mindfulness about the art, the local area of 200 craftsmen diminished to a simple 10.

There was once a flourishing and prestigious art of Gaurahari stonework, wherein they made a wide scope of crafted works, sculptures and decorative utensils out of a specific hued stone called gaura patthar. The delicate surface and brilliance of the stone made it appropriate for such work. More than 70% of Gaurahari's craftsmen were subject to the exchange. Be that as it may, Stones from Gaura Hill were once utilized by experts to create perfect. Red sculptures of Buddha made of Gaura stone have been in enormous interest in China.

The town is lined by a few slopes made of this stone, which they dug for crude material and offered to a few urban communities outside the state. It was among the numerous famous workmanship things of Uttar Pradesh. As indicated by state government gauges, UP alone contributes 44% of the all-out craftsmanship sends

out from the country. The Indian material and painstaking work industry is probably the biggest generator after agriculture.

Product:

GAURA STONE HANDICRAFT ITEMS:

- Flower Vase
- Showpiece Items

Raw Material:

1. Gaura Stone
2. Red oxide
3. Other consumables like compass, pencil etc.

Manufacturing Process:



Fig. 1 - Process Flowchart

Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1200Sqft. Civil work cost will be Rs. 4 Lakh (Approx.).

Cost of Machines:

S No.	Machine	Unit	Price (INR)
1.	Stone Cutter	1	1,40,000/-
2.	Buffing Machine	2	70,000/-
3.	Stone Power Drill	2	30,000/-
4.	Die Grinder	2	20,000/-
5.	Other Tools & Equipments		30,000/-

Power Requirement- - The estimated Power requirement is taken at 6 HP

Manpower Requirement- Following manpower is required:

- Machine operator-1
- Skilled/unskilled worker-2
- Helpers-2
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.21	2.37	3.67	5.20
Add: Additions	1.05	-	-	-	-
Add: Net Profit	1.97	3.15	3.80	4.53	5.20
Less: Drawings	1.80	2.00	2.50	3.00	3.70
Closing Balance	1.21	2.37	3.67	5.20	6.70
CC Limit	2.94	2.94	2.94	2.94	2.94
Term Loan	5.76	4.32	2.88	1.44	-
Sundry Creditors	1.17	1.31	1.44	1.59	1.73
TOTAL :	11.09	10.94	10.94	11.17	11.38
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	7.20	7.20	7.20	7.20	7.20
Gross Dep.	0.87	1.62	2.28	2.86	3.37
Net Fixed Assets	6.34	5.58	4.92	4.34	3.83
Current Assets					
Sundry Debtors	1.77	2.08	2.33	2.58	2.85
Stock in Hand	2.67	2.95	3.27	3.59	3.94
Cash and Bank	0.31	0.32	0.43	0.67	0.77
TOTAL :	11.09	10.94	10.94	11.17	11.38
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale of Flower Vase	26.65	31.37	35.01	38.87	42.89
Gross Sale of Showpiece Items	8.78	10.32	11.50	12.72	14.08
Total (A)	35.43	41.69	46.51	51.59	56.97
<u>B) COST OF SALES</u>					
Raw Material Consumed	23.43	26.11	28.88	31.74	34.70
Electricity Expenses	0.74	0.81	0.87	0.94	1.01
Repair & Maintenance	0.18	0.21	0.23	0.26	0.28
Labour & Wages	4.79	5.03	5.78	6.59	7.51
Depreciation	0.87	0.76	0.66	0.58	0.51
Cost of Production	30.00	32.91	36.43	40.11	44.01
Add: Opening Stock /WIP	-	1.50	1.65	1.82	2.01
Less: Closing Stock /WIP	1.50	1.65	1.82	2.01	2.20
Cost of Sales (B)	28.50	32.76	36.25	39.93	43.81
C) GROSS PROFIT (A-B)	6.93	8.93	10.26	11.66	13.16
	19.55%	21.42%	22.06%	22.61%	23.09%
D) Bank Interest i) (Term Loan)	0.70	0.57	0.42	0.26	0.10
ii) Interest On Working Capital	0.32	0.32	0.32	0.32	0.32
E) Salary to Staff	3.40	4.25	5.02	5.77	6.46
F) Selling & Adm Expenses Exp.	0.53	0.63	0.70	0.78	0.86
G) TOTAL (D+E+F)	4.96	5.78	6.46	7.13	7.74
H) NET PROFIT	1.97	3.15	3.80	4.53	5.41
	5.5%	7.6%	8.2%	8.8%	9.5%
I) Taxation	-	-	-	-	0.22
J) PROFIT (After Tax)	1.97	3.15	3.80	4.53	5.20

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.05	-	-	-	-
Reserve & Surplus	1.97	3.15	3.80	4.53	5.41
Depriciation & Exp. W/off	0.87	0.76	0.66	0.58	0.51
Increase In Cash Credit	2.94	-	-	-	-
Increase In Term Loan	6.48	-	-	-	-
Increase in Creditors	1.17	0.13	0.14	0.14	0.15
TOTAL :	14.47	4.04	4.60	5.26	6.07
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.20	-	-	-	-
Increase in Stock	2.67	0.28	0.31	0.33	0.34
Increase in Debtors	1.77	0.31	0.24	0.25	0.27
Repayment of Term Loan	0.72	1.44	1.44	1.44	1.44
Taxation	-	-	-	-	0.22
Drawings	1.80	2.00	2.50	3.00	3.70
TOTAL :	14.16	4.03	4.50	5.02	5.97
Opening Cash & Bank Balance	-	0.31	0.32	0.43	0.67
Add : Surplus	0.31	0.01	0.11	0.24	0.10
Closing Cash & Bank Balance	0.31	0.32	0.43	0.67	0.77

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	1.50	1.65	1.82	2.01	2.20
<u>Raw Material</u>					
(15 Days requirement)	1.17	1.31	1.44	1.59	1.73
Closing Stock	2.67	2.95	3.27	3.59	3.94

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.67		
Less:			
Sundry Creditors	1.17		
Paid Stock	1.50	0.15	1.35
Sundry Debtors	1.77	0.18	1.59
Working Capital Requirement			2.94
Margin			0.33
MPBF			2.94
Working Capital Demand			2.94

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	2.83	3.91	4.46	5.12	5.71
Interest on Term Loan	0.70	0.57	0.42	0.26	0.10
Total	3.53	4.48	4.88	5.37	5.80
<u>REPAYMENT</u>					
Repayment of Term Loan	0.72	1.44	1.44	1.44	1.44
Interest on Term Loan	0.70	0.57	0.42	0.26	0.10
Total	1.42	2.01	1.86	1.70	1.54
DEBT SERVICE COVERAGE RATIO	2.48	2.23	2.63	3.17	3.77
AVERAGE D.S.C.R.			2.82		

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	6.48	6.48	0.18	-	6.48
	Iind Quarter	6.48	-	6.48	0.18	-	6.48
	IIIrd Quarter	6.48	-	6.48	0.18	0.36	6.12
	Ivth Quarter	6.12	-	6.12	0.17	0.36	5.76
						0.70	0.72
II	Opening Balance						
	Ist Quarter	5.76	-	5.76	0.16	0.36	5.40
	Iind Quarter	5.40	-	5.40	0.15	0.36	5.04
	IIIrd Quarter	5.04	-	5.04	0.14	0.36	4.68
	Ivth Quarter	4.68		4.68	0.13	0.36	4.32
						0.57	1.44
III	Opening Balance						
	Ist Quarter	4.32	-	4.32	0.12	0.36	3.96
	Iind Quarter	3.96	-	3.96	0.11	0.36	3.60
	IIIrd Quarter	3.60	-	3.60	0.10	0.36	3.24
	Ivth Quarter	3.24		3.24	0.09	0.36	2.88
						0.42	1.44
IV	Opening Balance						
	Ist Quarter	2.88	-	2.88	0.08	0.36	2.52
	Iind Quarter	2.52	-	2.52	0.07	0.36	2.16
	IIIrd Quarter	2.16	-	2.16	0.06	0.36	1.80
	Ivth Quarter	1.80		1.80	0.05	0.36	1.44
						0.26	1.44
V	Opening Balance						
	Ist Quarter	1.44	-	1.44	0.04	0.36	1.08
	Iind Quarter	1.08	-	1.08	0.03	0.36	0.72
	IIIrd Quarter	0.72	-	0.72	0.02	0.36	0.36
	Ivth Quarter	0.36		0.36	0.01	0.36	- 0.00
						0.10	1.44

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

Assumptions:

1. Production Capacity of Flower Vase is 25 Pcs and Showpiece items is 40 Pcs per day. First year, Capacity has been taken @ 55%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 15 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 6 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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