

PROJECT REPORT

Of

GHUNGROO & GHANTI

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Ghungroo & Ghanti Manufacturing 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.]



Lucknow Office: Sidhivinayak Building ,
27/1/B, Gokhley Marg, Lucknow-226001

Delhi Office : Multi Disciplinary Training
Centre, Gandhi Darshan Rajghat,
New Delhi 110002

Email : info@udyami.org.in
Contact : +91 7526000333, 444, 555

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 : **GHUNGROO & GHANTI**
- 6 Name of the project / business activity proposed : **GHUNGROO & GHANTI MANUFACTURING UNIT**
- 7 Cost of Project : Rs.8.99 Lakhs
- 8 Means of Finance
- Term Loan Rs.5.4 Lakhs
- Own Capital Rs.0.9 Lakhs
- Working Capital Rs.2.69 Lakhs
- 9 Debt Service Coverage Ratio : 4.28
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 36%
- 13 Employment : 7 Persons
- 14 Power Requirement : 2.00 HP
- 15 Major Raw materials : Brass metal, Refined Sand, Bee wax, Charcoal, Clay, Water, Nitric Acid, Emery Paper etc.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 53.86 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	3.00
Civil Work	2.20
Furniture & Fixtures	0.80
Working Capital	2.99
Total	8.99

MEANS OF FINANCE

Particulars	Amount
Own Contribution	0.90
Working Capital(Finance)	2.69
Term Loan	5.40
Total	8.99

GHUNGROO & GHANTI MANUFACTURING

Introduction: The metal specialties of India show many-sided craftsmanship and artistic work in forming gold, silver, metal, copper into choice planned pictures, icons, gems, and utility things. Various classes of crafted works that go under metal product are metal product of Etah particularly Ghungroos and Ghantis. India is the biggest brassware maker in the world.

The Brassware Industry is an old standard industry of U.P. prominent wherever on the world for the clean and astonishing wonderfulness for its elaborate similarly as utility articles. Being work heightened in nature, the Brassware business has gigantic ensures not only for engaging huge number of un-used individuals in a work flood economy of India yet has in like manner immense opportunities for getting the genuinely fundamental new exchange benefit for the enlivened money related improvement of the country.

Indian conventional dance is tied in with making an amicable mix of visual feel, acoustics and development. Ghungroos have additionally propelled all the more ordinarily worn ethnic adornments, for example, payals. Instead of having endless supply of substantial ringers, payals are straightforward silver anklets hung with a couple of chimes. Hence a great deal of consideration is paid to everything about the outfit. In Kathak, ghungroos are generally matched up with lehenga cholis and anarkali salwar kameez, while in Bharatanatyam, they are matched up with novel saree outfits which comprise of numerous and vivid bits of fabric joined to resemble a saree.

The Brassware business was situated at Moradabad just, and steadily it began creating in different pieces of the state in Uttar Pradesh. There is no exact data with respect to the inception of the business, yet it is for the most part accepted to be a couple of extremely old. We run over various data about the beginning of this industry at Moradabad.



Uses & Market Potential:

The ghungroo is a type of musical anklet that is tied around the calves of dancers in India in order to intensify the rhythmic acoustics of the feet. The ringing of the bell produces what is regarded as an auspicious sound. Hindu temples generally have one metal bell hanging at the entrance and devotees ring the bell while entering the temple.

The Brassware business is primarily amassed in the North-Eastern piece of Uttar Pradesh and generally in Moradabad area and Etah which represents 80% creation and 75 percent export of the country.

Jalesar is the Producer of ghungroos, ghanties for Pooja, etc. which are sold clearly to Aligarh, Hathras, Agra, Mathura, Moradabad, Kanpur, Delhi, Calcutta, etc. which in turn supply them to various bits of the country. The merchants of these metropolitan networks have their contacts with the sellers of finished aftereffects of brassware. Jalesar itself has no degree for these things and isn't so consistently associated with rail and road transport as various focal points of Uttar Pradesh which produce metal articles.

The business has enrolled an enormous development throughout the years since autonomy. As to fares of brass wares, the business has been fruitful in making a sizable imprint in unfamiliar business sectors throughout the long term. The U.S.A., is the biggest market for U. P's. brass wares, trailed by Saudi Arabia", U.K., Canada, U.S.S.R., West Germany, France, Italy, Netherland and Kuwait and so forth Provincial patterns in fares of brass wares uncover that the American region

registered the highest share of our export consignment followed by the European region, Asian and Oceanic region and African region.

It is evident from the table under examination that Uttar Pradesh covers in excess of 90% of the absolute brassware creations in India and the portion of different states is very immaterial. Jalesar is well known for the assembling of ghungroos and ghantis. The absolute number of assembling units of brassware is around 200. All these units are cottage based.

Product:

GHUNGROOS AND GHANTIS

Raw Material:

1. Brass metal
2. Refined sand
3. Bee wax
4. Charcoal
5. Clay
6. Water
7. Gas propane and torch
8. Tamarind pulp
9. Wooden round stick
10. Sack
11. Nitric Acid
12. Emery Paper
13. Cloth

Manufacturing Process:

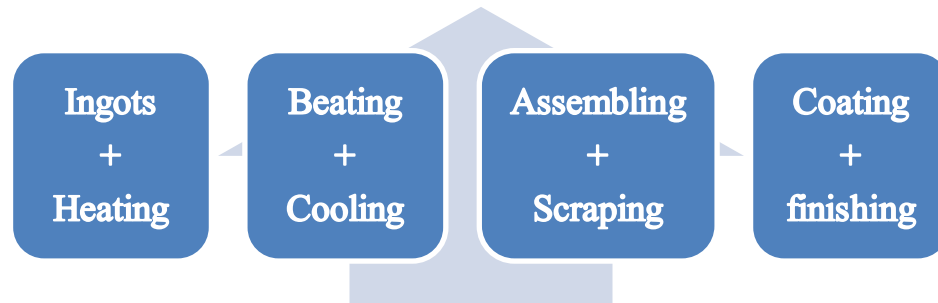


Fig. 1 – Process Flowchart

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 2000-2500Sqft

Cost of Machines:

S No.	Machine	Unit	Price
1.	Furnace	1	2,50,000/-
2.	Furnace Exhaust Motor	1	6,000/-
3.	Buffing Machine	1	4,000/-
4.	Other machines & equipments		40,000/-
	Total		3,00,000/-

Power Requirement- - The estimated Power requirement is taken at 2 HP

Manpower Requirement- Following manpower is required:

- Furnace operator-1
- Skilled/unskilled worker-2
- Helper-2
- Manager-1
- Accountant cum store keeper-1

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	0.66	1.66	2.71	3.90
Add: Additions	0.90	-	-	-	-
Add: Net Profit	3.06	4.40	5.15	6.09	6.81
Less: Drawings	3.30	3.40	4.10	4.90	5.60
Closing Balance	0.66	1.66	2.71	3.90	5.11
CC Limit	2.69	2.69	2.69	2.69	2.69
Term Loan	4.80	3.60	2.40	1.20	-
Sundry Creditors	1.03	1.14	1.25	1.36	1.49
TOTAL :	9.18	9.09	9.06	9.16	9.29
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	6.00	6.00	6.00	6.00	6.00
Gross Dep.	0.86	1.60	2.22	2.76	3.22
Net Fixed Assets	5.14	4.41	3.78	3.24	2.78
Current Assets					
Sundry Debtors	1.64	1.93	2.16	2.42	2.69
Stock in Hand	2.38	2.64	2.90	3.18	3.49
Cash and Bank	0.02	0.12	0.22	0.32	0.33
TOTAL :	9.18	9.09	9.06	9.16	9.29
	-	-	-	-	-

<u>PROJECTED PROFITABILITY STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale of Ghungroo	14.96	17.54	19.48	21.51	23.61
Gross Sale of Ghanti	17.78	21.13	23.77	26.91	30.24
Total (A)	32.75	38.68	43.25	48.42	53.86
<u>B) COST OF SALES</u>					
Raw Material Consumed	20.59	22.76	24.99	27.29	29.83
Electricity Expenses	0.27	0.29	0.31	0.34	0.36
Repair & Maintenance	0.33	0.39	0.43	0.48	0.54
Labour & Wages	5.04	5.80	6.67	7.67	8.81
Depreciation	0.86	0.74	0.63	0.54	0.46
Cost of Production	27.09	29.97	33.03	36.31	40.00
Add: Opening Stock /WIP	-	1.35	1.50	1.65	1.82
Less: Closing Stock /WIP	1.35	1.50	1.65	1.82	2.00
Cost of Sales (B)	25.73	29.82	32.88	36.15	39.82
C) GROSS PROFIT (A-B)	7.01	8.85	10.38	12.26	14.04
	21.42%	22.89%	23.99%	25.33%	26.06%
D) Bank Interest i) (Term Loan)	0.59	0.48	0.35	0.21	0.08
ii) Interest On Working Capital	0.30	0.30	0.30	0.30	0.30
E) Salary to Staff	2.77	3.33	3.99	4.79	5.75
F) Selling & Adm Expenses Exp.	0.30	0.35	0.39	0.43	0.47
G) TOTAL (D+E+F)	3.95	4.45	5.02	5.73	6.60
H) NET PROFIT	3.06	4.40	5.35	6.53	7.44
	9.3%	11.4%	12.4%	13.5%	13.8%
I) Taxation	-	-	0.20	0.44	0.63
J) PROFIT (After Tax)	3.06	4.40	5.15	6.09	6.81

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	0.90	-	-	-	-
Reserve & Surplus	3.06	4.40	5.35	6.53	7.44
Depriciation & Exp. W/off	0.86	0.74	0.63	0.54	0.46
Increase In Cash Credit	2.69	-	-	-	-
Increase In Term Loan	5.40	-	-	-	-
Increase in Creditors	1.03	0.11	0.11	0.12	0.13
TOTAL :	13.94	5.25	6.09	7.19	8.02
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	6.00	-	-	-	-
Increase in Stock	2.38	0.25	0.26	0.28	0.31
Increase in Debtors	1.64	0.30	0.23	0.26	0.27
Repayment of Term Loan	0.60	1.20	1.20	1.20	1.20
Taxation	-	-	0.20	0.44	0.63
Drawings	3.30	3.40	4.10	4.90	5.60
TOTAL :	13.92	5.15	5.99	7.08	8.02
Opening Cash & Bank Balance	-	0.02	0.12	0.22	0.32
Add : Surplus	0.02	0.10	0.10	0.10	0.01
Closing Cash & Bank Balance	0.02	0.12	0.22	0.32	0.33

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	1.35	1.50	1.65	1.82	2.00
<u>Raw Material</u>					
(15 Days requirement)	1.03	1.14	1.25	1.36	1.49
Closing Stock	2.38	2.64	2.90	3.18	3.49

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.38		
Less:			
Sundry Creditors	1.03		
Paid Stock	1.35	0.14	1.22
Sundry Debtors	1.64	0.16	1.47
Working Capital Requirement			2.69
Margin			0.30
MPBF			2.69
Working Capital Demand			2.69

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	5.40	5.40	0.15	-	5.40
	Iind Quarter	5.40	-	5.40	0.15	-	5.40
	IIIrd Quarter	5.40	-	5.40	0.15	0.30	5.10
	Ivth Quarter	5.10	-	5.10	0.14	0.30	4.80
					0.59	0.60	
II	Opening Balance						
	Ist Quarter	4.80	-	4.80	0.13	0.30	4.50
	Iind Quarter	4.50	-	4.50	0.12	0.30	4.20
	IIIrd Quarter	4.20	-	4.20	0.12	0.30	3.90
	Ivth Quarter	3.90		3.90	0.11	0.30	3.60
					0.48	1.20	
III	Opening Balance						
	Ist Quarter	3.60	-	3.60	0.10	0.30	3.30
	Iind Quarter	3.30	-	3.30	0.09	0.30	3.00
	IIIrd Quarter	3.00	-	3.00	0.08	0.30	2.70
	Ivth Quarter	2.70		2.70	0.07	0.30	2.40
					0.35	1.20	
IV	Opening Balance						
	Ist Quarter	2.40	-	2.40	0.07	0.30	2.10
	Iind Quarter	2.10	-	2.10	0.06	0.30	1.80
	IIIrd Quarter	1.80	-	1.80	0.05	0.30	1.50
	Ivth Quarter	1.50		1.50	0.04	0.30	1.20
					0.21	1.20	
V	Opening Balance						
	Ist Quarter	1.20	-	1.20	0.03	0.30	0.90
	Iind Quarter	0.90	-	0.90	0.02	0.30	0.60
	IIIrd Quarter	0.60	-	0.60	0.02	0.30	0.30
	Ivth Quarter	0.30		0.30	0.01	0.30	0.00
					0.08	1.20	

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

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	3.92	5.14	5.78	6.63	7.27
Interest on Term Loan	0.59	0.48	0.35	0.21	0.08
Total	4.51	5.62	6.13	6.84	7.35
<u>REPAYMENT</u>					
Repayment of Term Loan	0.60	1.20	1.20	1.20	1.20
Interest on Term Loan	0.59	0.48	0.35	0.21	0.08
Total	1.19	1.68	1.55	1.41	1.28
DEBT SERVICE COVERAGE RATIO	3.80	3.35	3.96	4.84	5.73
AVERAGE D.S.C.R.			4.28		

Assumptions:

1. Production Capacity of a Ghungroo & Ghanti unit is taken at 70 sets of Ghungroo and 160 pcs of Ghanti per day. First year, Capacity has been taken @ 60%.
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 2 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

DISCLAIMER

The views expressed in this Project Report are advisory in nature. SAMADHAN assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. SAMADHAN hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.