

PROJECT REPORT

Of

TARKASHI HANDICRAFT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Tarkashi 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 : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **TARKASHI WOODEN HANDICRAFT**
- 6 Name of the project / business activity proposed : **TARKASHI HANDICRAFT UNIT**
- 7 Cost of Project : Rs.11.16 Lakhs
- 8 Means of Finance
- Term Loan Rs.6.75 Lakhs
- Own Capital Rs.1.12 Lakhs
- Working Capital Rs.3.29 Lakhs
- 9 Debt Service Coverage Ratio : 3.80
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 40%
- 13 Employment : 9 Persons
- 14 Power Requirement : 5.00 HP
- 15 Major Raw materials : Sheesham wood, Metal sheets, Adhesive, Polishin wax, Sand and stone etc.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 64.60 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	4.00
Furniture & Fixtures	0.50
Working Capital	3.66
Total	11.16

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.12
Working Capital(Finance)	3.29
Term Loan	6.75
Total	11.16

TARKASHI HANDICRAFT UNIT

Introduction:

India, a country with enormous art and literature is rich in various cultures, designs, ethnicity, scriptures, architect and many more. In the North western territories of India, the rich and the well off, exhausted of the contemporary use of needing on wood wanted their entryways and capacity sandooks to be fancy with the sparkle of silver and gold sparkling in them, elephant tusk/Ivory taking a mainstream position among them. The Northern territories have consistently had abundance talented experts who could work with their mastery to make wonders in wood and this arrived at another degree of account and complexity with Moguls coming in.

The craftsmen of 'Taarkashi', who moved to the city from Mainpuri, Uttar Pradesh made wonderfully cut and improved with silver and later with metal wires boxes to entryway boards, to three pointers and lights, to sandook (chest), brightening elephants, tables, vases and so on The craftsmen of Taarkashi have extended the sorcery of their silver through ages. Taar implies wire, procedure of trimming fine smoothed wire of metal, copper or silver in wood is called Taarkashi. The examples inlayed are generally mathematical structures or botanical from Mughal expressions. Metal decorate is a careful and profoundly talented cycle. The craftsman moves a plan from a piece of paper onto a square of wood. He at that point cuts profound, flimsy depressions along the follow. Tarkashi is a procedure of decorating metal, copper or silver wires in wood. It is likewise utilized for designing adornments boxes, name plaque and other comparative things. Alongside this, the astounding craft of Tarkashi can be found in entryway boards, plate and lights, sandook (chest), enriching pieces, tables, vases and so on for the most part, Sheesham wood is utilized for this craftsmanship in Mainpuri. The way toward decorating metal into wood carvings is an arduous and profoundly gifted work. The cycle includes cutting of the plan from a piece of paper onto a hard square of wood as profound and slight sections. At that point the wires are set in the scores and thumped into the situation by a mallet. Fine wires of metal are set in the depressions and pounded into position. The decorated wire sits flush with the outside of the wood. Completing is finished by polishing, care being taken not to warm the item, as that would unstick the wires.



Uses & Market Potential:

Tarkashi Handicrafts are meticulously inlaid metal in wood with incredible accuracy and detail. Other than sitting imperially on the Tarkashi tables, this art can likewise be utilized to make boxes for encasing your valuable gems richly. Tarkashi wooden workmanship comprises of different things, for example, wooden gems box, wooden edges, and so forth.

Tarkashi Inlay is a profoundly talented fine art that is over 500 years of age. Mainpuri Through workmanship craftsmanship, the hands are dropping the mass of the Muflassi. Presently Tarkashi workmanship laborers are progressively getting work in the locale. As of now, groups of around 700 individuals are being taken care of from Tarkashi in the region. Simultaneously, the public authority is likewise encouraging them for this craftsmanship workmanship.

The District Industries Center is additionally putting forth attempts to support Tarkashi. A year ago, where 39 individuals were offered advances to begin Tarkashi work, 53 records have been shipped off banks this time as well. This is empowering Tarkashi. 'Ek Janpad Ek Products' sold for 1.20 lakhs. A work of art of Tarkashi at Surajkund reasonable was sold for Rs 1.20 lakh. Simultaneously, Tarkashi manifestations are likewise selling great in Shilpgram of Lucknow. To advance Tarkashi, District Industries Center will give preparing soon. All out 200 individuals

will be given ten days free preparing. All arrangements for this have been finished. All conceivable assistance is being furnished to the craftsmen related with Tarkashi. Simultaneously, youth are additionally being added to advance Tarkashi.

Product:

TARKASHI WOODEN HANDICRAFT

Raw Material:

1. Sheesham wood
2. Metal Sheets
3. Adhesive
4. Polishing Wax
5. Sand Stone

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 1000-1200Sqft

Cost of Machines:

S No.	Machine	Unit	Price (INR)
1.	Wood Cutting Machine	1	2,50,000/-
2.	Buffing Machine	1	20,000/-
3.	Other Tools & Equipments		30,000/-
	Total		3,00,000/-

Power Requirement- - The estimated Power requirement is taken at 5 HP

Manpower Requirement- Following manpower is required:

- Machine operator-1
- Skilled/unskilled worker-4
- Helpers-2
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	0.96	2.04	3.18	4.53
Add: Additions	1.12	-	-	-	-
Add: Net Profit	4.04	4.89	5.53	6.26	6.83
Less: Drawings	4.20	3.80	4.40	4.90	5.40
Closing Balance	0.96	2.04	3.18	4.53	5.96
CC Limit	3.29	3.29	3.29	3.29	3.29
Term Loan	6.00	4.50	3.00	1.50	-
Sundry Creditors	1.13	1.25	1.37	1.50	1.63
TOTAL :	11.38	11.09	10.84	10.82	10.88
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	7.50	7.50	7.50	7.50	7.50
Gross Dep.	1.10	2.04	2.84	3.52	4.10
Net Fixed Assets	6.40	5.46	4.66	3.98	3.40
Current Assets					
Sundry Debtors	2.05	2.40	2.66	2.94	3.23
Stock in Hand	2.74	3.02	3.31	3.60	3.91
Cash and Bank	0.19	0.20	0.21	0.30	0.34
TOTAL :	11.38	11.09	10.84	10.82	10.88
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	41.04	48.02	53.23	58.80	64.60
Total (A)	41.04	48.02	53.23	58.80	64.60
<u>B) COST OF SALES</u>					
Raw Material Consumed	22.68	25.04	27.47	29.97	32.54
Electricity Expenses	0.67	0.73	0.78	0.84	0.90
Repair & Maintenance	0.62	0.96	1.06	1.18	1.29
Labour & Wages	7.06	7.76	8.54	9.39	10.33
Depreciation	1.10	0.94	0.80	0.68	0.58
Cost of Production	32.12	35.42	38.65	42.06	45.64
Add: Opening Stock /WIP	-	1.61	1.77	1.93	2.10
Less: Closing Stock /WIP	1.61	1.77	1.93	2.10	2.28
Cost of Sales (B)	30.52	35.26	38.49	41.89	45.46
C) GROSS PROFIT (A-B)	10.52	12.76	14.74	16.91	19.13
	25.64%	26.57%	27.69%	28.76%	29.62%
D) Bank Interest i) (Term Loan)	0.73	0.60	0.43	0.27	0.10
ii) Interest On Working Capital	0.36	0.36	0.36	0.36	0.36
E) Salary to Staff	4.16	4.99	5.99	7.19	8.62
F) Selling & Adm Expenses Exp.	1.23	1.92	2.13	2.35	2.58
G) TOTAL (D+E+F)	6.48	7.87	8.91	10.17	11.67
H) NET PROFIT	4.04	4.89	5.83	6.74	7.46
	9.8%	10.2%	11.0%	11.5%	11.6%
I) Taxation	-	-	0.30	0.49	0.64
J) PROFIT (After Tax)	4.04	4.89	5.53	6.26	6.83

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.12	-	-	-	-
Reserve & Surplus	4.04	4.89	5.83	6.74	7.46
Depriciation & Exp. W/off	1.10	0.94	0.80	0.68	0.58
Increase In Cash Credit	3.29	-	-	-	-
Increase In Term Loan	6.75	-	-	-	-
Increase in Creditors	1.13	0.12	0.12	0.13	0.13
TOTAL :	17.43	5.94	6.75	7.55	8.17
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.50	-	-	-	-
Increase in Stock	2.74	0.28	0.28	0.30	0.31
Increase in Debtors	2.05	0.35	0.26	0.28	0.29
Repayment of Term Loan	0.75	1.50	1.50	1.50	1.50
Taxation	-	-	0.30	0.49	0.64
Drawings	4.20	3.80	4.40	4.90	5.40
TOTAL :	17.24	5.93	6.74	7.46	8.14
Opening Cash & Bank Balance	-	0.19	0.20	0.21	0.30
Add : Surplus	0.19	0.01	0.01	0.09	0.04
Closing Cash & Bank Balance	0.19	0.20	0.21	0.30	0.34

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	1.61	1.77	1.93	2.10	2.28
<u>Raw Material</u>					
(15 Days requirement)	1.13	1.25	1.37	1.50	1.63
Closing Stock	2.74	3.02	3.31	3.60	3.91

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.74		
Less:			
Sundry Creditors	1.13		
Paid Stock	1.61	0.16	1.45
Sundry Debtors	2.05	0.21	1.85
Working Capital Requirement			3.29
Margin			0.37
MPBF			3.29
Working Capital Demand			3.29

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	6.75	6.75	0.19	-	6.75
	Iind Quarter	6.75	-	6.75	0.19	-	6.75
	IIIrd Quarter	6.75	-	6.75	0.19	0.38	6.38
	Ivth Quarter	6.38	-	6.38	0.18	0.38	6.00
					0.73	0.75	
II	Opening Balance						
	Ist Quarter	6.00	-	6.00	0.17	0.38	5.63
	Iind Quarter	5.63	-	5.63	0.15	0.38	5.25
	IIIrd Quarter	5.25	-	5.25	0.14	0.38	4.88
	Ivth Quarter	4.88		4.88	0.13	0.38	4.50
					0.60	1.50	
III	Opening Balance						
	Ist Quarter	4.50	-	4.50	0.12	0.38	4.13
	Iind Quarter	4.13	-	4.13	0.11	0.38	3.75
	IIIrd Quarter	3.75	-	3.75	0.10	0.38	3.38
	Ivth Quarter	3.38		3.38	0.09	0.38	3.00
					0.43	1.50	
IV	Opening Balance						
	Ist Quarter	3.00	-	3.00	0.08	0.38	2.63
	Iind Quarter	2.63	-	2.63	0.07	0.38	2.25
	IIIrd Quarter	2.25	-	2.25	0.06	0.38	1.88
	Ivth Quarter	1.88		1.88	0.05	0.38	1.50
					0.27	1.50	
V	Opening Balance						
	Ist Quarter	1.50	-	1.50	0.04	0.38	1.13
	Iind Quarter	1.13	-	1.13	0.03	0.38	0.75
	IIIrd Quarter	0.75	-	0.75	0.02	0.38	0.38
	Ivth Quarter	0.38		0.38	0.01	0.38	-
					0.10	1.50	

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

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	5.14	5.83	6.33	6.94	7.41
Interest on Term Loan	0.73	0.60	0.43	0.27	0.10
Total	5.87	6.42	6.76	7.21	7.51
<u>REPAYMENT</u>					
Repayment of Term Loan	0.75	1.50	1.50	1.50	1.50
Interest on Term Loan	0.73	0.60	0.43	0.27	0.10
Total	1.48	2.10	1.93	1.77	1.60
DEBT SERVICE COVERAGE RATIO	3.96	3.06	3.50	4.08	4.68
AVERAGE D.S.C.R.			3.80		

Assumptions:

1. Production Capacity of Tarkashi Wooden Handicraft unit is taken at 60 Pcs 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 5 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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