

PROJECT REPORT

Of

WHITE STALK CRAFT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding White Stalk Craft 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 : xxxxxxxxx

2 Constitution (legal Status) : xxxxxxxxx

3 Father / Spouse Name : xxxxxxxxx

4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx

District : xxxxxx

Pin: xxxxxx State: xxxxxxxxx

Mobile xxxxxx

5 Product and By Product : **DECORATIVE CALENDARS**

6 Name of the project / business activity proposed : **WHEAT STALK CRAFT UNIT**

7 Cost of Project : Rs.9.39 Lakhs

8 Means of Finance

Term Loan Rs.4.95 Lakhs

Own Capital Rs.0.94 Lakhs

Working Capital Rs.3.5 Lakhs

9 Debt Service Coverage Ratio : 2.97

10 Pay Back Period : 5 Years

11 Project Implementation Period : 5-6 Months

12 Break Even Point : 29%

13 Employment : 13 Persons

14 Power Requirement : 3.00 HP

15 Major Raw materials : Stalks of wheat, cloth, pencil, thread & adhesive

16 Estimated Annual Sales Turnover (Max Capacity) : 69.10 Lakhs

17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Building /Shed 1200 Sq ft	5.00
Furniture & Fixtures	0.50
Working Capital	3.89
Total	9.39

MEANS OF FINANCE

Particulars	Amount
Own Contribution	0.94
Working Capital(Finance)	3.50
Term Loan	4.95
Total	9.39

2. Introduction:

The Wheat Stalk Handicraft products made in district have gained immense popularity. Craftsmen in the region make unique artwork whose shape of the drawings is prepared on cloth frames using wheat-stalk. The brightness of these artifacts increases with time. Three craftsmen of Bahraich have been honored with the state award for this craft.



3. Market Potential:

Wheat Stalk has high ornamental value, and after charring, deposits and also do not fade in thousand. It is the desirable good merchantable brand that collection is decorated that its finished product is drawn, but because traditional manufacture craft all is to adopt manual finishing. It has restricted the speed of drawing a picture greatly, influenced the quality that finished product is drawn, especially the sanction material in the production process, broken stalk link, because the manual material of cutting out. The speed of

broken stalk is extremely slow, suitable again poor of accuracy, usually can therefore influence the product picture of the good picture of a width of cloth, and waste time and energy. When the wheat stalk picture of the same pattern of manufacturing batch is made, the same accuracy of its pattern is difficult to unify. What is actually difficult is to reach the demands. Party purchases the pictures as required. Add that picture is not coated with the cover environmental protection paint. They are attractive in appearance and preservation life-span that finished product is drawn is subjected to certain influence.

4. Product Description:

4.1. Product Uses- The variety of decorative items are made including vases, cloth charts and pictures of Hindu religious figures. This project explains making of Decorative Calendars (Size- 30cm*60cm) crafted manually.

4.2. Raw Material- Stalks of wheat, cloth, pencil, thread & adhesive.

Average raw material cost of Decorative Calendars per pc. will be Rs. 180-200 (Approx.)

4.3. Manufacturing Process: The preparation method of a wheat stalk picture starts with the stalk that is one of the byproducts of the wheat crop. After selecting materials, the stalk goes through rinsing, Medicine is used for anticorrosion and oven dried later. It is characterized in system painter preface then by adopting the laser machine, engraving machine, die-cutting machine, broken stalk machine, stamping instrument or cross cutting cutter are subsidized the manual system

painter preface used for finishing. The pictures are supposed to be coated with and covered with environment friendly corrosion protection lacquer, in pasting operation. Generally white glue with vinyl is used to paste wheat straw slice, but because the viscosity of white glue with vinyl is relatively poor, setting time needs longer, the stickup fastness is low, has therefore also restricted the speed of system picture, and influences the bonding fastness of picture body.

5. Project Components:

5.1. Land- The required land for woodcraft making is estimated to be around 1200sqft.

5.2. Civil Work-

- Workshop Area- This area includes the wheel set up and foundation space for all equipments, work floor area, and necessary cutting, logging and polishing. Total workshop area is approx. 700Sqft.
- Inventory Area- This area includes the storage space for all the raw materials, tooling and storage space and finished goods. Total inventory area is approx. 300Sqft.
- Office Area – This space includes staff working region. Total workshop area is approx 200Sqft.

Land and building requirement may vary depending on the size of project. Civil work cost will be Rs 5 Lac (Approx.).

5.3 . Stores & Spares: Wheat stalk craft is a labor intensive unit with no machines and only tools such as scissors, cutters, needles, etc. are

required. Average cost of Store & spares including material handling equipments(trolleys, bins, etc.) will be Rs. 25000-30000 (Approx.)

5.4. Miscellaneous Assets-

- ✓ Water Supply Arrangements
- ✓ Furniture
- ✓ Stationary

5.5. Power Requirement- The power requirement is estimated to be around 3 HP.

5.6. Man Power Requirement- Following manpower is required:

- Craftmen-3
- Skilled/Unskilled Worker-4
- Helper-3
- 3 Skilled personal including Accountant and 2 Sales personal.

6.

**FINANCIAL
ASPECTS**

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	2.11	3.61	5.06	6.47
Add: Additions	0.94	-	-	-	-
Add: Net Profit	1.27	2.30	3.05	4.20	4.70
Less: Drawings	0.10	0.80	1.60	2.80	3.20
Closing Balance	2.11	3.61	5.06	6.47	7.97
CC Limit	3.50	3.50	3.50	3.50	3.50
Term Loan	4.40	3.30	2.20	1.10	-
Sundry Creditors	1.30	1.44	1.58	1.73	1.88
TOTAL :	11.31	11.85	12.34	12.80	13.35
APPLICATION OF FUND					
Fixed Assets (Gross)	5.50	5.50	5.50	5.50	5.50
Gross Dep.	0.55	1.05	1.49	1.89	2.25
Net Fixed Assets	4.95	4.46	4.01	3.61	3.25
Current Assets					
Sundry Debtors	2.19	2.56	2.85	3.14	3.45
Stock in Hand	3.17	3.53	3.91	4.30	4.72
Cash and Bank	1.00	1.30	1.58	1.75	1.93
TOTAL :	11.31	11.85	12.34	12.80	13.35
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	43.78	51.28	56.92	62.79	69.10
Total (A)	43.78	51.28	56.92	62.79	69.10
<u>B) COST OF SALES</u>					
Raw Material Consumed	25.92	28.70	31.58	34.56	37.63
Electricity Expenses	0.40	0.44	0.47	0.50	0.54
Stores & Spares	0.25	0.28	0.29	0.30	0.32
Labour & Wages	10.84	11.92	13.35	14.55	15.86
Depreciation	0.55	0.50	0.45	0.40	0.36
Cost of Production	37.96	41.83	46.14	50.32	54.71
Add: Opening Stock /WIP	-	2.30	2.57	2.86	3.15
Less: Closing Stock /WIP	2.30	2.57	2.86	3.15	3.47
Cost of Sales (B)	35.65	41.56	45.86	50.03	54.39
<u>C) GROSS PROFIT (A-B)</u>	8.12	9.72	11.06	12.76	14.70
	18.55%	18.96%	19.43%	20.33%	21.28%
D) Bank Interest i) (Term Loan)	0.54	0.44	0.32	0.20	0.08
ii) Interest On Working Capital	0.39	0.39	0.39	0.39	0.39
E) Salary to Staff	4.79	5.31	6.11	6.72	7.40
F) Selling & Adm Expenses Exp.	1.14	1.28	1.20	1.26	1.31
TOTAL (D+F)	6.85	7.42	8.01	8.56	9.17
H) NET PROFIT	1.27	2.30	3.05	4.20	5.53
	2.9%	4.5%	5.4%	6.7%	8.0%
I) Taxation	-	-	-	-	0.83
J) PROFIT (After Tax)	1.27	2.30	3.05	4.20	4.70

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	0.94	-			
Reserve & Surplus	1.27	2.30	3.05	4.20	5.53
Depriciation & Exp. W/off	0.55	0.50	0.45	0.40	0.36
Increase In Cash Credit	3.50				
Increase In Term Loan	4.95	-	-	-	-
Increase in Creditors	1.30	0.14	0.14	0.15	0.15
TOTAL :	12.51	2.94	3.64	4.75	6.05
APPLICATION OF FUND					
Increase in Fixed Assets	5.50	-	-	-	-
Increase in Stock	3.17	0.36	0.38	0.39	0.42
Increase in Debtors	2.19	0.38	0.28	0.29	0.32
Repayment of Term Loan	0.55	1.10	1.10	1.10	1.10
Taxation	-	-	-	-	0.83
Drawings	0.10	0.80	1.60	2.80	3.20
TOTAL :	11.51	2.64	3.36	4.59	5.86
Opening Cash & Bank Balance	-	1.00	1.30	1.58	1.75
Add : Surplus	1.00	0.30	0.28	0.17	0.18
Closing Cash & Bank Balance	1.00	1.30	1.58	1.75	1.93

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	4.95	4.95	0.14	-	4.95
	IInd Quarter	4.95	-	4.95	0.14	-	4.95
	IIIrd Quarter	4.95	-	4.95	0.14	0.28	4.68
	Ivth Quarter	4.68	-	4.68	0.13	0.28	4.40
					0.54	0.55	
II	Opening Balance						
	Ist Quarter	4.40	-	4.40	0.12	0.28	4.13
	IInd Quarter	4.13	-	4.13	0.11	0.28	3.85
	IIIrd Quarter	3.85	-	3.85	0.11	0.28	3.58
	Ivth Quarter	3.58		3.58	0.10	0.28	3.30
					0.44	1.10	
III	Opening Balance						
	Ist Quarter	3.30	-	3.30	0.09	0.28	3.03
	IInd Quarter	3.03	-	3.03	0.08	0.28	2.75
	IIIrd Quarter	2.75	-	2.75	0.08	0.28	2.48
	Ivth Quarter	2.48		2.48	0.07	0.28	2.20
					0.32	1.10	
IV	Opening Balance						
	Ist Quarter	2.20	-	2.20	0.06	0.28	1.93
	IInd Quarter	1.93	-	1.93	0.05	0.28	1.65
	IIIrd Quarter	1.65	-	1.65	0.05	0.28	1.38
	Ivth Quarter	1.38		1.38	0.04	0.28	1.10
					0.20	1.10	
V	Opening Balance						
	Ist Quarter	1.10	-	1.10	0.03	0.28	0.83
	IInd Quarter	0.83	-	0.83	0.02	0.28	0.55
	IIIrd Quarter	0.55	-	0.55	0.02	0.28	0.28
	Ivth Quarter	0.28		0.28	0.01	0.28	-
					0.08	1.10	

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

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(15 Days requirement)	2.30	2.57	2.86	3.15	3.47
Raw Material					
(10 Days requirement)	0.86	0.96	1.05	1.15	1.25
Closing Stock	3.17	3.53	3.91	4.30	4.72

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.17		
Less:			
Sundry Creditors	1.30		
Paid Stock	1.87	0.19	1.68
Sundry Debtors	2.19	0.22	1.97
Working Capital Requirement			3.65
Margin			0.41
MPBF			3.65
Working Capital Demand			3.50

CALCULATION OF D.S.C.R					
PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	1.82	2.80	3.50	4.61	5.06
Interest on Term Loan	0.54	0.44	0.32	0.20	0.08
Total	2.36	3.24	3.81	4.80	5.14
REPAYMENT					
Repayment of Term Loan	0.55	1.10	1.10	1.10	1.10
Interest on Term Loan	0.54	0.44	0.32	0.20	0.08
Total	1.09	1.54	1.42	1.30	1.18
DEBT SERVICE COVERAGE RATIO	2.17	2.10	2.69	3.70	4.37
AVERAGE D.S.C.R.			2.97		

Assumptions:

1. Production Capacity of a White stalk craft unit is taken at 80 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 10-15 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 3 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 3% respectively in the subsequent years.

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