PROJECT REPORT

Of

DHOLAK MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Dholak 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.]

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PROJECT AT A GLANCE

1	Name of the Entreprenuer		xxxxxxxxxx
2	Constitution (legal Status)	:	xxxxxxxxxx
3	Father / Spouse Name		xxxxxxxxxxx
4	Unit Address	:	xxxxxxxxxxxxxxxxxxxxxxx
			District : xxxxxxx
			Pin: xxxxxxx State: xxxxxxxxxx
			Mobile xxxxxxx
5	Product and By Product	:	**DHOLAK**
6	Name of the project / business activity proposed :		**DHOLAK MANUFACTURING UNIT**
7	Cost of Project	:	Rs.5.89 Lakhs
8	Means of Finance		
	Term Loan		Rs.3.6 Lakhs
	Own Capital		Rs.0.59 Lakhs
	Working Capital		Rs.1.7 Lakhs
9	Debt Service Coverage Ratio	:	4.09
10	Pay Back Period	:	5 Years
11	Project Implementation Period	:	5-6 Months
12	Break Even Point	:	36%
13	Employment	:	9 Persons
14	Power Requirement	:	5 KW
15	Major Raw materials	:	Barrel Shaped Wood, Metal Rings, Ropes , Socket , hooks etc
16	Estimated Annual Sales Turnover (Max Utilized Capacity)	:	35.32 Lakhs
17	Detailed Cost of Project & Means of Finance		

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land (4000-5000 sq ft)	Own/Rented
Building /Shed 2000 Sq ft	Own/Rented
Plant & Machinery	3.75
Other Miscellaneous Assets	0.25
Working Capital	1.89
Total	**5.89**

MEANS OF FINANCE

Particulars	Amount
Own Contribution	0.59
Term Loan	3.60
Working Capital	1.70
Total	**5.89**

2. INTRODUCTION:

The Dholak instrument gets associated with the beating group and is one of the important musical instruments of India. It is mostly seen in northern parts. It is a well-known folk drum which seems to be in barrel shape with simple skin covering on the right and left hand sides. It looks similar to that of Dhol but comes in a smaller size comparatively. The tool is broadly used at the Lavani – a traditional song and dance form of Maharashtra, Punjabi folkloric dance music called bhangra and other dance forms in India. The high pitch beat that is produced people experience an enthusiastic level and anyone and everybody would want to perform to the rhythm. In northern parts of India it turn out to be a must use instrument at occasions such as sangeet, traditional events and other singing competitions. The dholak is a simple assemble of a barrel shaped wood and leather sheets to the both sides of wood. Apart from India, other places such as Fiji Islands also use Dholak for Bhajans (sacred songs or hymns) and Kirtans (devotional songs), but the use of it is mostly seen in India.

Amroha is a small town is actually the hub of manufacturing Dholaks and Tablas. There are numerous small-scale manufacturing units that produce Dholaks and other drumming instruments. Around 300 small units producing wood based drum instrument (Dholak) in the district, which provide employment to over 1000 artisans. The Dholak is played with hands or using a stick. They are usually played with free hands but sometimes also with the help of sticks, mostly used to accompany folk songs. Owing to social development, the possibility of this unique musical instrument has extended. The dholak has a simple skin and a

membrane on the right-hand side. The left-hand membrane has a distinct coating on the inner surface. This coating is a mixture of tar, clay and sand which drops the pitch and provides a well-defined tone. Echoing, the body has two apertures of different size, one, small, that will generate high pitched sounds and another, wider, for low pitched sounds. The walls of the instrument are thick and give it stability in the low frequencies. These two skins are stretched together by iron clad.

3. MARKET POTENTIAL:

There are around 300 little units creating wood based drum instrument (Dholak) in the region, which give work to more than 1000 craftsmans. The Dholak is played utilizing a stick or with hands. Inferable from social turn of events, the extent of this novel instrument has extended.

4. PRODUCT DESCRIPTION:

4.1. Product Uses- Dholak is a twofold headed drum with the bass head on one side and the high pitch head on the other. A Dholak may have customary binding/turnbuckle tuning relying on whether it is a conventional one or an advanced adaptation. It has a straightforward film on the right-hand side. It is said that this instrument used to possess a place of extensive distinction. Today it is just consigned to cloudy and people music.

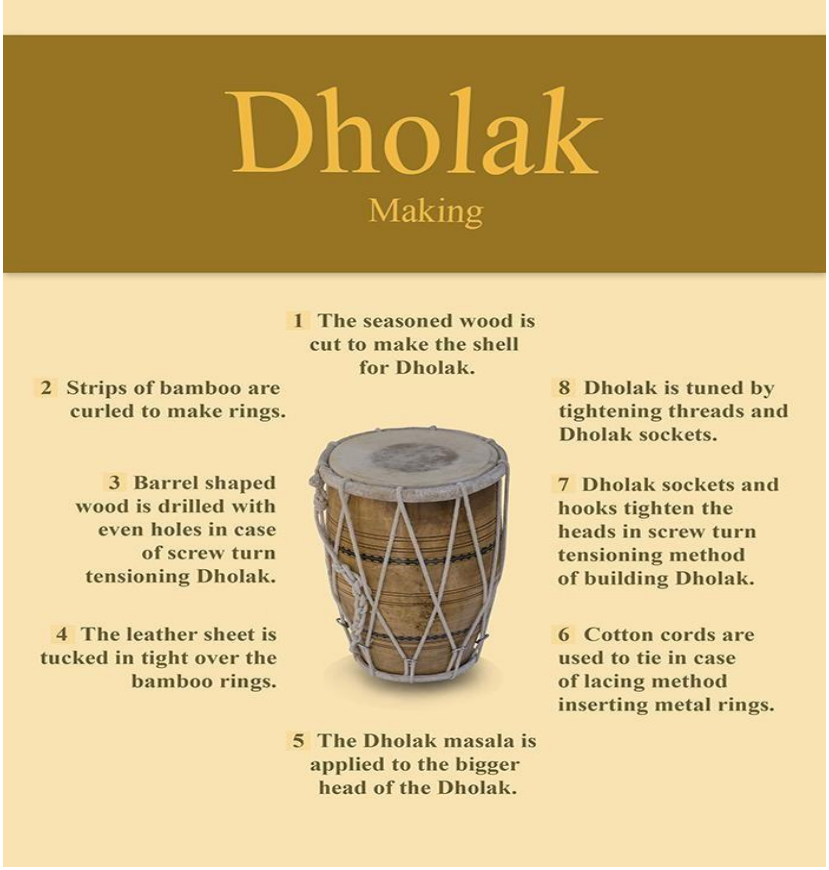
4.2. **Raw Material-** The tools and raw materials used in making Dholak are simple which are purchased from local markets. Leather sheets are used to produce the sound.

- **Barrel Shaped Wood (made of sheesham, mango or jackfruit tree):** The wood is shaped to a barrel to use it as the body part of the Dhol.
- Metal Rings: Metal Rings are attached to the dholak with the room, which assists with fixing the rope when required.
- Keys: Silver keys are utilized to tune the music.
- Ropes: Ropes are utilized to tie the cowhide sheets for tuning the music.
- Mixture of Shitharea (harika): Stone powder and Maida starch is blended in with motor oil, which is applied on the layer to create the sound from the instrument.
- Dholak Socket: It is used to insert Dholak hook and tighten the Dholak head.
- Dholak Hook: It is used to hold the Dholak head attached to the body of Dholak with help of sockets.
- Dholak Head: It is used to strike and produce rhythms.
- Bamboo Stick: It is curled to make a ring that helps to tuck the leather.
- Leather or plastic sheets: It is used to make the outer skin and membrane surface of the dholak.

4.3. MANUFACTURING PROCESS:

- The dholak is an instrument of barrel shape with straightforward plans of two-sided level surfaces, of which the greater distance across is chatti and more modest is called as base. The chatti side of the Dholak is generally played for the male voices and the base side for the female voice.
- At First the mango tree wood is cut into wooden squares and prepared for a very long time to make the Dholak external layer.

- These seasoned wooden blocks are transformed to barrel shaped dholaks using wooden lathe and hand tools.
- Different designs are crafted over the surface of wooden blocks.
- After this, the sides of the Dholak are covered with leather sheet cap which is known as membrane. The sheets are made from leather or plastic, which is attached to the Dholak to produce sound.
- After this, the external surface of the wood barrel is smoothened and finished. The calfskin sheet is cut into roundabout shapes according to required sizes and absorbed water for 30 minutes before it is joined to the bamboo ring.
- After this, Mixture of harika stone powder and Maida starch mixed with engine oil and applied at the center of the leather sheets. This mixture is applied to get the required sound from the instrument. Metal rings are arranged on the membrane to park the places from where the rope is inserted.
- Now, the thin strips of bamboos are cut and converted into bamboo rings. Bamboo ring is placed on the soaked leather sheet and the sides of the leather is curled in the bamboo ring.
- Once the marking is made, hole is made in the respected place using a pointed chisel.
- A Cotton rope of about 5 to 6 meters is passed through the holes and tied with the metal ring in zigzag manner from chatti to the base.
- After tying the rope is pulled and tightened to stretch the membrane. The finished article is tested by the artisan and sold in the market.



5. Project Components:

5.1. Land-The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and stitching and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc.

5.2. Civil Work-

- Workshop Area- This zone incorporates the apparatus arrangement and establishment space for all supplies, work floor region, and fundamental tooling, sewing and cleaning. Complete workshop region is approx. 1200-1500 Sqft.

- Inventory Area- This area includes the storage space for all the raw materials, tooling and die storage space and finished goods. Total inventory area is approx. 400 Sqft.
- Office Area – This space incorporates staff working locale. All out workshop territory is approx. 200 Sqft. This might be considered over the ground floor.
- Parking Space, Electricity Utensils Mounting Space, and Others. This could be approx. 200 Sqft.

Land and building requirement may vary depending on the size of project.

5.3. Tools & Machinery-

Name of Machine	Description	Image
Wooden Lathe	Used to perform machining procedure on the outside of the wooden square.	
Drill Machine	It is utilized to penetrate even openings on the two sides of the wood to fix the Dholak heads.	
Scissors	These are utilized to cut the cowhide in the necessary size of the bamboo rings.	

Pointed Chisel	Pointed Chisel used to pierce hole in the leather sheet.	
Hand Hacksaw	Used to perform cutting operation over wooden blocks.	
Hand Filers	These help to smooth the edges and tune for sound.	

5.4. Miscellaneous Assets-

- Electricity Installation and Auxiliaries (e.g. Generator set)
- Water Supply Arrangements
- Furniture
- Stationary

5.5. Power Requirement- The electrical power requirement for dholak manufacturing is 3 kW. The power consumption may vary with the machine capacity.

5.6. Man Power Requirement- A production line consisting of 5-8 skilled artisans can produce 15 to 20 Dholak in one day. The instruments are prepared by skillful and experienced artisans of Amroha.

6.

FINANCIAL ASPECTS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	1.03	1.50	2.69	3.39
Add: Additions	0.59	-	-	-	-
Add: Net Profit	1.19	2.23	3.19	4.20	5.25
Less: Drawings	0.75	1.75	2.00	3.50	4.50
Closing Balance	1.03	1.50	2.69	3.39	4.14
CC Limit	1.70	1.70	1.70	1.70	1.70
Term Loan	3.20	2.40	1.60	0.80	-
Sundry Creditors	0.20	0.22	0.25	0.28	0.31
TOTAL :	**6.12**	**5.83**	**6.24**	**6.17**	**6.15**
APPLICATION OF FUND					
Fixed Assets (Gross)	4.00	4.00	4.00	4.00	4.00
Gross Dep.	0.59	1.09	1.51	1.88	2.19
Net Fixed Assets	3.41	2.91	2.49	2.12	1.81
Current Assets					
Sundry Debtors	1.09	1.27	1.43	1.59	1.77
Stock in Hand	1.01	1.11	1.24	1.38	1.52
Cash and Bank	0.61	0.53	1.09	1.08	1.05
TOTAL :	**6.12**	**5.83**	**6.24**	**6.17**	**6.15**
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	21.75	25.42	28.54	31.86	35.32
Total (A)	**21.75**	**25.42**	**28.54**	**31.86**	**35.32**
B) COST OF SALES					
Raw Material Consumed	8.45	9.57	10.76	12.00	13.32
Electricity Expenses	0.75	0.83	0.90	0.98	1.05
Repair & Maintenance	0.11	0.13	0.14	0.16	0.18
Labour & Wages	7.39	8.13	8.94	9.84	10.82
Depreciation	0.59	0.50	0.43	0.36	0.31
Packaging Cost	0.44	0.51	0.57	0.64	0.71
Cost of Production	17.72	19.67	21.74	23.98	26.38
Add: Opening Stock /WIP	-	0.59	0.64	0.70	0.78
Less: Closing Stock /WIP	0.59	0.64	0.70	0.78	0.85
Cost of Sales (B)	17.13	19.62	21.67	23.91	26.31
C) GROSS PROFIT (A-B)	4.62	5.80	6.87	7.95	9.02
	21.23%	**22.80%**	**24.06%**	**24.96%**	**25.52%**
D) Bank Interest (Term Loan)	0.39	0.32	0.23	0.14	0.05
ii) Interest On Working Capital	0.19	0.19	0.19	0.19	0.19
E) Salary to Staff	2.31	2.43	2.55	2.67	2.81
F) Selling & Adm Expenses Exp.	0.54	0.64	0.71	0.75	0.72
TOTAL (D+E)	**3.43**	**3.57**	**3.68**	**3.75**	**3.77**
H) NET PROFIT	1.19	2.23	3.19	4.20	5.25
	5.5%	**8.8%**	**11.2%**	**13.2%**	**14.9%**
I) Taxation	-	-	-	-	-
J) PROFIT (After Tax)	1.19	2.23	3.19	4.20	5.25

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Own Contribution	0.59	-			
Net Profit	1.19	2.23	3.19	4.20	5.25
Depreciation & Exp. W/off	0.59	0.50	0.43	0.36	0.31
Increase In Cash Credit	1.70				
Increase In Term Loan	3.60	-	-	-	-
Increase in Creditors	0.20	0.03	0.03	0.03	0.03
TOTAL :	**7.86**	**2.76**	**3.64**	**4.59**	**5.59**
APPLICATION OF FUND					
Increase in Fixed Assets	4.00	-	-	-	-
Increase in Stock	1.01	0.10	0.13	0.13	0.14
Increase in Debtors	1.09	0.18	0.16	0.17	0.17
Repayment of Term Loan	0.40	0.80	0.80	0.80	0.80
Taxation	-	-	-	-	-
Drawings	0.75	1.75	2.00	3.50	4.50
TOTAL :	**7.25**	**2.83**	**3.08**	**4.60**	**5.62**
Opening Cash & Bank Balance	-	0.61	0.53	1.09	1.08
Add : Surplus	0.61	- 0.08	0.56	- 0.01	- 0.03
Closing Cash & Bank Balance	**0.61**	**0.53**	**1.09**	**1.08**	**1.05**

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	**I**	**II**	**III**	**IV**	**V**
Finished Goods					
(10 Days requirement)	0.59	0.64	0.70	0.78	0.85
Raw Material					
(15 Days requirement)	0.42	0.48	0.54	0.60	0.67
Closing Stock	**1.01**	**1.11**	**1.24**	**1.38**	**1.52**
COMPUTATION OF WORKING CAPITAL REQUIREMENT					
Particulars	**Amount**	**Margin(10%)**	**Net Amount**		
Stock in Hand	1.01				
Less:					
Sundry Creditors	0.20				
Paid Stock	**0.82**	**0.08**	**0.73**		
Sundry Debtors	1.09	0.11	0.98		
Working Capital Requirement			**1.71**		
Margin			0.19		
MPBF			**1.71**		
Working Capital Demand			**1.70**		

REPAYMENT SCHEDULE OF TERM LOAN 11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
I	Opening Balance						
	Ist Quarter	-	3.60	3.60	0.10	-	3.60
	Iind Quarter	3.60	-	3.60	0.10	-	3.60
	IIIrd Quarter	3.60	-	3.60	0.10	0.20	3.40
	Ivth Quarter	3.40	-	3.40	0.09	0.20	3.20
					0.39	0.40	
II	Opening Balance						
	Ist Quarter	3.20	-	3.20	0.09	0.20	3.00
	Iind Quarter	3.00	-	3.00	0.08	0.20	2.80
	IIIrd Quarter	2.80	-	2.80	0.08	0.20	2.60
	Ivth Quarter	2.60		2.60	0.07	0.20	2.40
					0.32	0.80	
III	Opening Balance						
	Ist Quarter	2.40	-	2.40	0.07	0.20	2.20
	Iind Quarter	2.20	-	2.20	0.06	0.20	2.00
	IIIrd Quarter	2.00	-	2.00	0.06	0.20	1.80
	Ivth Quarter	1.80		1.80	0.05	0.20	1.60
					0.23	0.80	
IV	Opening Balance						
	Ist Quarter	1.60	-	1.60	0.04	0.20	1.40
	Iind Quarter	1.40	-	1.40	0.04	0.20	1.20
	IIIrd Quarter	1.20	-	1.20	0.03	0.20	1.00
	Ivth Quarter	1.00		1.00	0.03	0.20	0.80
					0.14	0.80	
V	Opening Balance						
	Ist Quarter	0.80	-	0.80	0.02	0.20	0.60
	Iind Quarter	0.60	-	0.60	0.02	0.20	0.40
	IIIrd Quarter	0.40	-	0.40	0.01	0.20	0.20
	Ivth Quarter	0.20		0.20	0.01	0.20	- 0.00
					0.05	0.80	
	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**
CASH ACCRUALS	1.77	2.73	3.61	4.56	5.56
Interest on Term Loan	0.39	0.32	0.23	0.14	0.05
Total	2.16	3.05	3.85	4.71	5.61
REPAYMENT					
Repayment of Term Loan	0.40	0.80	0.80	0.80	0.80
Interest on Term Loan	0.39	0.32	0.23	0.14	0.05
Total	0.79	1.12	1.03	0.94	0.86
DEBT SERVICE COVERAGE RATIO	**2.74**	**2.72**	**3.73**	**4.99**	**6.56**
AVERAGE D.S.C.R.			**4.09**		

Assumptions:

1. Production Capacity of a Dholak making unit is taken at 30 Pieces per day. First year, Capacity has been taken @ 50%.

2. Working shift of 8 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 12 KW.

10. Selling Prices & Raw material costing has been increased by 3% & 3% respectively in the subsequent years.

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