

PROJECT REPORT

Of

GLASS BANGLES MAKING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Glass Bangles Making 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 : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **GLASS BANGLES**
- 6 Name of the project / business activity proposed : **GLASS BANGLES UNIT**
- 7 Cost of Project : Rs.11.7 Lakhs
- 8 Means of Finance
- | | |
|-----------------|---------------|
| Term Loan | Rs.7.61 Lakhs |
| Own Capital | Rs.1.17 Lakhs |
| Working Capital | Rs.2.93 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 : 40%
- 13 Employment : 10 Persons
- 14 Power Requirement : 6.00 HP
- 15 Major Raw materials : Soda Lime silca glass, Lead glass, Zari, Hil
- 16 Estimated Annual Sales Turnover (Max Capacity) : 71.13 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Civil Work	6.00
Plant & Machinery	1.20
Furniture & Fixtures	1.25
Working Capital	3.25
Total	11.70

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.17
Working Capital(Finance)	2.93
Term Loan	7.61
Total	11.70

GLASS BANGLES UNIT

Introduction:

Glass is a unique material for the expression of art and craft. Amongst all material, it offers the highest degree of flexibility for shaping into a wide variety of products varying in design, forms, color and appearance. Bangle-making is a household business with traditional technique being passed on through generations. Glass Bangles are products made out of block glass of different shades of colors or directly from batch material. These are sound in shape with pleasing colors and having designs over the surface. It is a customary for ladies to design wear bangles from their childhood for ornamental decoration and also as a symbol of sanctity. Glass bangles in also a sign of marital a status for ladies in India, especially in Northern and Eastern region.



Uses & Market Potential:

Bangles are traditionally rigid bracelets, originating from the Indian subcontinent, which are usually made of metal, wood, glass or plastic. They are traditional ornaments worn mostly by women from the Indian subcontinent. Glass bangles are the items of mass consumption throughout the country. The demand for the glass bangles generally goes up during the festive seasons and special functions, marriage occasions etc. In spite of competition from plastic and other bangles, the demand for glass bangles is even increasing in view of established characterized customary and auspicious status gained by it in the society. Having very much fragile in nature, the glass bangles have very good

replacement demand. As these products have very good demand from ladies of lower- and middle-class families; there is good scope for setting up new units in this line of manufacture.

Product:

GLASS BANGLES

Raw Material:

1. Soda Lime Silica Glass (Soda Ash 33%, Silica Sand 66% and chemicals 1%) produced at around 1450 degree Celsius
2. Lead Glass (Soft Glass) in which around 24% Lead (Pb) is mixed as a raw material. Most of the products are manufactured using Soda Lime Glass
3. Zari: A glittering strip used to make patterns on the bangle.
4. Hil: Silver and gold polish on bangles.

Manufacturing Process:

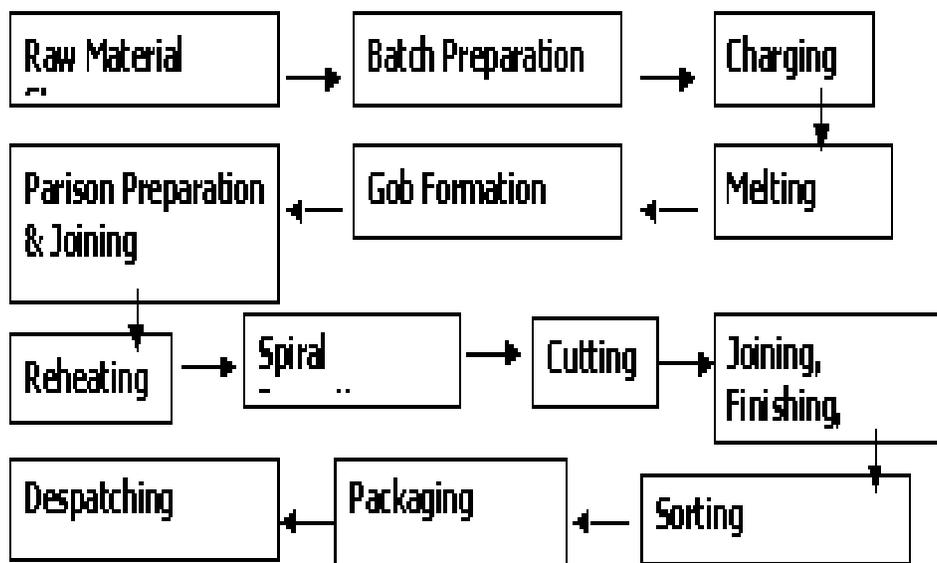


Fig. 1 - Process Flowchart

Area:

The required land for Glass Bangle making unit is estimated to be around 1500sqft.

Cost of Machines:

S No.	Machine	Price (INR)
1.	Tank Furnace	1,17,000/-
2.	Pakai Bhatti	1,000/-
3.	Belan/Spindle	2,000/-
	Total	1,20,000/-

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

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-3
- Helper- 4
- Machine Operator- 1
- Sales Personal and Accountant- 2

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.17	3.29	4.67	6.04
Add: Additions	1.17	-	-	-	-
Add: Net Profit	2.80	3.62	4.38	5.17	6.20
Less: Drawings	1.80	2.50	3.00	3.80	4.80
Closing Balance	2.17	3.29	4.67	6.04	7.45
CC Limit	2.93	2.93	2.93	2.93	2.93
Term Loan	6.76	5.07	3.38	1.69	-
Sundry Creditors	1.18	1.33	1.48	1.64	1.80
TOTAL :	13.04	12.61	12.46	12.30	12.17
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	8.45	8.45	8.45	8.45	8.45
Gross Dep.	0.91	1.71	2.43	3.07	3.64
Net Fixed Assets	7.55	6.74	6.02	5.38	4.81
Current Assets					
Sundry Debtors	2.16	2.53	2.86	3.20	3.56
Stock in Hand	2.28	2.58	2.90	3.23	3.58
Cash and Bank	1.06	0.76	0.68	0.48	0.23
TOTAL :	13.04	12.61	12.46	12.30	12.17
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	43.14	50.67	57.17	63.99	71.13
Total (A)	43.14	50.67	57.17	63.99	71.13
<u>B) COST OF SALES</u>					
Raw Material Consumed	23.63	26.57	29.61	32.76	36.02
Electricity Expenses	0.67	0.74	0.81	0.87	0.94
Repair & Maintenance	0.65	0.76	0.86	0.96	1.07
Labour & Wages	8.95	10.29	11.83	13.61	14.97
Depreciation	0.91	0.81	0.72	0.64	0.57
Cost of Production	34.79	39.16	43.82	48.84	53.56
Add: Opening Stock /WIP	-	1.49	1.69	1.91	2.14
Less: Closing Stock /WIP	1.49	1.69	1.91	2.14	2.38
Cost of Sales (B)	33.31	38.95	43.60	48.61	53.32
C) GROSS PROFIT (A-B)	9.83	11.72	13.57	15.38	17.81
	22.79%	23.12%	23.73%	24.04%	25.03%
D) Bank Interest i) (Term Loan)	0.82	0.67	0.49	0.30	0.12
ii) Interest On Working Capital	0.32	0.32	0.32	0.32	0.32
E) Salary to Staff	4.16	5.07	6.09	6.82	7.84
F) Selling & Adm Expenses Exp.	1.73	2.03	2.29	2.56	2.85
G) TOTAL (D+E+F)	7.03	8.10	9.18	10.00	11.12
H) NET PROFIT	2.80	3.62	4.38	5.38	6.68
	6.5%	7.1%	7.7%	8.4%	9.4%
I) Taxation	-	-	-	0.21	0.48
J) PROFIT (After Tax)	2.80	3.62	4.38	5.17	6.20

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.17	-			
Reserve & Surplus	2.80	3.62	4.38	5.38	6.68
Depriciation & Exp. W/off	0.91	0.81	0.72	0.64	0.57
Increase In Cash Credit	2.93				
Increase In Term Loan	7.61	-	-	-	-
Increase in Creditors	1.18	0.15	0.15	0.16	0.16
TOTAL :	16.59	4.57	5.25	6.18	7.41
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	8.45	-	-	-	-
Increase in Stock	2.28	0.30	0.32	0.33	0.35
Increase in Debtors	2.16	0.38	0.33	0.34	0.36
Repayment of Term Loan	0.85	1.69	1.69	1.69	1.69
Taxation	-	-	-	0.21	0.48
Drawings	1.80	2.50	3.00	3.80	4.80
TOTAL :	15.53	4.87	5.33	6.37	7.67
Opening Cash & Bank Balance	-	1.06	0.76	0.68	0.48
Add : Surplus	1.06	- 0.30	- 0.08	- 0.20	- 0.26
Closing Cash & Bank Balance	1.06	0.76	0.68	0.48	0.23

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.49	1.69	1.91	2.14	2.38
<u>Raw Material</u>					
(10 Days requirement)	0.79	0.89	0.99	1.09	1.20
Closing Stock	2.28	2.58	2.90	3.23	3.58

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.28		
Less:			
Sundry Creditors	1.18		
Paid Stock	1.09	0.11	0.98
Sundry Debtors	2.16	0.22	1.94
Working Capital Requirement			2.93
Margin			0.33
MPBF			2.93
Working Capital Demand			2.93

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	7.61	7.61	0.21	-	7.61
	Iind Quarter	7.61	-	7.61	0.21	-	7.61
	IIIrd Quarter	7.61	-	7.61	0.21	0.42	7.18
	Ivth Quarter	7.18	-	7.18	0.20	0.42	6.76
					0.82	0.85	
II	Opening Balance						
	Ist Quarter	6.76	-	6.76	0.19	0.42	6.34
	Iind Quarter	6.34	-	6.34	0.17	0.42	5.92
	IIIrd Quarter	5.92	-	5.92	0.16	0.42	5.49
	Ivth Quarter	5.49		5.49	0.15	0.42	5.07
					0.67	1.69	
III	Opening Balance						
	Ist Quarter	5.07	-	5.07	0.14	0.42	4.65
	Iind Quarter	4.65	-	4.65	0.13	0.42	4.23
	IIIrd Quarter	4.23	-	4.23	0.12	0.42	3.80
	Ivth Quarter	3.80		3.80	0.10	0.42	3.38
					0.49	1.69	
IV	Opening Balance						
	Ist Quarter	3.38	-	3.38	0.09	0.42	2.96
	Iind Quarter	2.96	-	2.96	0.08	0.42	2.54
	IIIrd Quarter	2.54	-	2.54	0.07	0.42	2.11
	Ivth Quarter	2.11		2.11	0.06	0.42	1.69
					0.30	1.69	
V	Opening Balance						
	Ist Quarter	1.69	-	1.69	0.05	0.42	1.27
	Iind Quarter	1.27	-	1.27	0.03	0.42	0.84
	IIIrd Quarter	0.84	-	0.84	0.02	0.42	0.42
	Ivth Quarter	0.42		0.42	0.01	0.42	- 0.00
					0.12	1.69	

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	3.71	4.43	5.10	5.81	6.77
Interest on Term Loan	0.82	0.67	0.49	0.30	0.12
Total	4.53	5.10	5.59	6.11	6.89
REPAYMENT					
Repayment of Term Loan	0.85	1.69	1.69	1.69	1.69
Interest on Term Loan	0.82	0.67	0.49	0.30	0.12
Total	1.67	2.36	2.18	1.99	1.81
DEBT SERVICE COVERAGE R	2.71	2.16	2.57	3.07	3.81
AVERAGE D.S.C.R.			2.82		

Assumptions:

- 1.** Production Capacity of Glass Bangle Box is 350 boxes per day. First year, Capacity has been taken @ 50%.
- 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 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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