PROJECT PROFILE ON EARTHEN POTTERY UNIT

1. INTRODUCTION

The clay is blunged and lavigated through setting method to remove coarse grit, etc. The slurry is de-watered and made into plastic mass. It is thrown over traditional/improved potter's wheel for shaping various articles. The articles are coated with specially prepared engobe, polished and fired in an improved up draught kiln.

2. MARKET DEMAND

The demand for polished and fired pottery products is expanding in urban and rural market both. This is a product, which requires to all category of society from poor to rich, therefore the demand of product is huge. Product has replacement demand as well.

PRODUCTION TARGETS

Basis of estimation: 200 Working Days in a Year
Single Shift basis
8 hours per shift

	Kulhad
Quantity (Thousand Nos)	1000
Value (Rs)	500000

3. MANUFACTURING PROCESS

Clay is first cleaned and converted into dough in such a way that the clay dough is in plastic stage and ready to convert in any shape with the help of improved pottery wheel. These products are drying under sun light and kept for firing in kiln. . Fully dry products are burnt and converted into pottery. In this method many product can be manufactured according to the local demand. After burning, product are polished with geru or other colour as per requirement.

4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	100
2.	Uncovered area	Sq. Ft.	5000
3.	Total area	Sq. Ft.	5100
4.	Whether constructed or Rented		Own
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	-

6. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Improved Pottery Wheels	2	40000
2.	Hand Tools for clay digging and mixing	L.S.	
3.	Hand Trolley	2	
4.	Different Size Sieve	L.S.	
5.	Sales Tax, Freight & Insurance etc.		4000
	Total		44000

7. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Kg)	Value (Rs)
1.	Clay		-
2.	Different Colours	L.S.	2000
		Total	2000

8. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager			
(ii)	Peon/ Chowkidar			
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	2	3000	6000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			14000
	Plus perquisites @ 30% of salaries			4200
	TOTAL			18200

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	0
2.	Electricity Charges	250
3.	Fuel Exp.	3000
4.	Advertisement & Travelling	1000
5.	Transport	3000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	250
8.	Stationery	250
9.	Repairs & Maintenance's	250
	Total	9000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	2000
2	Salaries & Wages	18200
3	Other Expenses	9000
	Total	29200

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	44000
Working capital for one month	29200
Total	73200

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	350400
Depreciation on machinery & equipment	4000
Interest on total investment @ 10%	7000
Total	361400

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Thousand Nos)	Value (Rs.)
1.	Different Earthen Products like Kulhad etc.	1000	500000
	Total		500000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	138600
2.	% of Profit on Sales	27.72%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	326400
3.2	Annual Sales	500000
3.3	Annual Variable Cost	24000
3.4	Break Even Point	68.57%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales – Annual variable costs}} = \quad \%$$

15. Manufactures/ Suppliers of Machinery

1	Huma Traders Near Shajanabad Thana, Bhopal
2	Small traders of plant & equipments in the district.

16. Suppliers of Raw Materials & Consumables

From Local mandi for consumables & Digging and carrying soil from area where good soil is available for earthen pottery in the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 2-3 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	200 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	Not Applicable (Own Building)
10	Potential Area of Marketing the products	Households & traders of the area.
11	If project is funded, term loan would be	80-100% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP