

PROJECT PROFILE ON SILVER ORNAMENTS MANUFACTURING UNIT

1. INTRODUCTION

Ornaments are one of the essential assets of the women as well as these are also wear by men. An ornament reflects the status of the person or the family. Silver ornaments have different varieties starting from Pajeb to Kardhoni.

2. MARKET DEMAND

In hindu religion most of the women wear some ornaments either of silver or gold. Due o this, requirement of the ornaments always exists and it will further increase with the increase of the status of the family. These ornaments break with the time, hence replacement demand also exists.

PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Different Silver Ornaments
Quantity (Kg)	1200
Value (Rs)	24600000

3. MANUFACTURING PROCESS

The process starts with the identification of product, size, its weight and other specification. After this, the cut pieces are assemble in the requisite shape and size. Finished product is clean before packaging.

4. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand.

5. LAND & BUILDING

1.	Covered area	Sq. Ft.	200
2.	Uncovered area	Sq. Ft.	300
3.	Total area	Sq. Ft.	500
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	1000

6. MACHINERY AND EQUIPMENT

S.N	Description	Qty.	Value (Rs.)
1.	Tar Patti Machine	1	50000
2.	Different Dies	L.S.	
3.	Thampa	L.S.	
4.	Hand Tools	L.S.	
5.	Sales Tax, Freight & Insurance etc.		5000
	Total		55000

7. RAW MATERIAL (PER MONTH)

S.N	Particulars	Quantity (Kg)	Value (Rs)
1.	Raw Silver	100	2000000
2.	Zinc & Other Consumables	L.S.	10000
3.	Packaging Material	L.S.	3000
		Total	213000

8. STAFF & LABOUR (PER MONTH)

S.N	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	2	2000	4000
	Sub-Total			12000
	Plus perquisites @ 30% of salaries			3600
	TOTAL			15600

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	1000
2.	Electricity Charges	250
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	1000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	250
8.	Stationery	250
9.	Repairs & Maintenance's	250
	Total	5000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material (Only 3 Days)	213000
2	Salaries & Wages	15600
3	Other Expenses	5000
	Total	233600

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	55000
Working capital for one month	233600
Total	288600

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	24403200
Depreciation on machinery & equipment	5000
Interest on total investment @ 10%	29000
Total	24437200

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Kg)	Value (Rs.)
1.	Silver Ornament	1200	24600000
	Total		24600000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	162800
2.	% of Profit on Sales	0.66%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	247200
3.2	Annual Sales	24600000
3.3	Annual Variable Cost	24156000
3.4	Break Even Point	55.68%

Break-Even Analysis

(% of Total Production envisaged)

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

15. Manufactures/ Suppliers of Machinery

1	Bombay Machinery & Tools Syndicate 79, Siyaganj, Indore -452 007. Ph.- 536431,542067.
2.	Jitendra Agencies 5, shivsadan, sardar patel marg, Indore.
3.	Indore machinery stores 40, siyaganj, main road, Indore 452 007 Ph. 534339
4.	Huma Traders Infront of shajanabad thana, Shajanabad, Satna(m.p.)
5.	Maruti Sales Corporation Badshah Chamber, 45, Jawahar Marg, Indore (M.P.) 452 004

16. Suppliers of Raw Materials

From Local sarafa market of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 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	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Households demand of the area.
11	If project is funded, term loan would be	60-80% 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