

PROJECT REPORT

Of

BINDI MAKING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Bindi Making**

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 : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk/Block: XXXXX
- District : XXXXX State: XXXXX
- Pin: XXXXX
- E-Mail : XXXXX
- Mobile XXXXX
- 5 Product and By Product : Bindi
- 6 Name of the project / business activity proposed : Bindi Manufacturing
- 7 Cost of Project : Rs. 18.85 Lacs
- 8 Means of Finance
- Term Loan Rs. 11.48 Lacs
- KVIC Margin Money As per Project Eligibility
- Own Capital Rs. 1.89 Lacs
- Working Capital Rs. 5.49 Lacs
- 9 Debt Service Coverage Ratio : 2.23
- 10 Pay Back Period : 5 Years Years
- 11 Project Implementation Period : 6 Months Months
- 12 Break Even Point : 36%
- 13 Employment : 12
- 14 Power Requirement : 2 KVA
- 15 Major Raw materials : Velvet Cloth , Adhesives and Other Consumables
- 16 Estimated Annual Sales Turnover : Rs. 45.60 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work	6.00
Plant & Machinery	6.25
Furniture & Fixtures	0.50
Working Capital Requirement	5.18
Total	17.93

MEANS OF FINANCE

Particulars	Amount
Own Contribution 10%	1.79
Term Loan	11.48
Working capital	4.66
Total	17.93

		General	Special
KVIC Margin Monery	Urban	15%	25%
KVIC Margin Monery	Rural	25%	35%

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Bindi Cutting Machine	2.00	50,000.00	1,00,000.00
Dies	15 sets	20,000.00	3,00,000.00
Electric Motors	2.00	50,000.00	1,00,000.00
			5,00,000.00
Add: 20% Taxes, Freight etc			1,25,000.00
TOTAL			6,25,000.00

INTRODUCTION

Aside from the beautiful saris and gold jewelry that characterize much of the Indian subcontinent's culture, one of the most internationally-known body adornments worn by Hindu and Jain women is the bindi, a red dot applied between the eyebrows on the forehead.

The term "bindi" stems from the Sanskrit word *bindu*, which means drop or particle. Because of the many languages and dialects spoken throughout India, it is important to note that bindis are otherwise known by many other names, including kumkum, sindoor, teep, tikli and bottu.



Bindi making is a simple process with good marketing avenues and profitability. Women population have replaced traditional kumkum with the decorative designer bindi. Bindi is a small piece of velvet cloth with a suitable adhesive. ... Bindi is a consumable product and requires both rural and urban women.

MAKING PROCESS

➤ **RAW MATERIAL**

The main raw material required for bindi manufacturing is velvet cloth. Other raw materials required are decorative items like various stones, beads, adhesive, glue, and other consumables. We may fix the price of bindi according to the price of the raw material and efforts put to create them.

Additionally, we can make customized bindi. generally, people look for this type of bindi for special occasions like ring ceremony, marriage, etc. Generally, this type of bindi comes with semi-precious and precious stones. Moreover, we will need to arrange the raw material according to the specific types of bindi we want to produce.

➤ **PROCESS**

First of all, punch the decorative colored sheets. And then apply the adhesive through brush rolls. The adhesive is coated and passed through a hot air chamber for drying the adhesive. Then cut the sheet to form proper shapes of bindis by using punching machines. Finally, attach the punched bindis to release paper and then pack them in small printed folders.

MARKETING

A Commercial Bindi Making project demands proper marketing and sales promotion activities. We will have to create a dealer network and approach to cosmetics market for selling of product.

Online marketplaces are also very good options for selling bindi. There are plenty of dedicated marketplaces that sell handmade items. Also, we can promote different bindi designs on social media platforms like Facebook. Additionally, we can establish a **small online store** to sell the bindi.

Bindi Making Machine

Basically, a large-scale commercial bindi making unit requires two main types of machinery. These are bindi printing machine and bindi punching machine. Basically, these machines come with different prices depending on the operation mode and production output. And we have to select the machine very carefully for the bindi making business.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	1.79	1.79	1.79	1.79	1.79
Retained Profit	2.68	5.31	9.52	15.24	22.34
Term Loan	9.18	6.89	4.59	2.30	-
Cash Credit	4.66	4.66	4.66	4.66	4.66
Sundry Creditors	0.30	0.37	0.44	0.50	0.56
TOTAL :	18.61	19.03	21.01	24.49	29.37
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	12.75	12.75	12.75	12.75	12.75
Gross Dep.	1.56	2.95	4.15	5.20	6.12
Net Fixed Assets	11.19	9.80	8.60	7.55	6.63
Current Assets					
Sundry Debtors	2.85	3.57	4.17	4.77	5.37
Stock in Hand	2.63	3.23	3.77	4.31	4.85
Cash and Bank	1.94	2.43	4.48	7.87	12.52
TOTAL :	18.61	19.03	21.01	24.49	29.37

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PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	1.79	-			
Reserve & Surplus	2.68	3.51	5.62	7.61	9.48
Depriciation & Exp. W/off	1.56	1.38	1.21	1.05	0.92
Increase in Cash Credit	4.66	-	-	-	-
Increase In Term Loan	11.48	-	-	-	-
Increase in Creditors	0.30	0.08	0.06	0.06	0.06
TOTAL :	22.47	4.97	6.89	8.73	10.46
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	12.75	-	-	-	-
Increase in Stock	2.63	0.59	0.54	0.54	0.54
Increase in Debtors	2.85	0.72	0.60	0.60	0.60
Repayment of Term Loan	2.30	2.30	2.30	2.30	2.30
Taxation	-	0.88	1.41	1.90	2.37
TOTAL :	20.53	4.49	4.84	5.34	5.80
Opening Cash & Bank Balance	-	1.94	2.43	4.48	7.87
Add : Surplus	1.94	0.48	2.05	3.39	4.65
Closing Cash & Bank Balance	1.94	2.43	4.48	7.87	12.52

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Capacity Utilisation %					
<u>A) SALES</u>					
Gross Sale(Bindi)	28.50	35.70	41.70	47.70	53.70
Total (A)	28.50	35.70	41.70	47.70	53.70
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	12.83	16.07	18.77	21.47	24.17
Electricity Expenses	0.80	0.96	1.12	1.28	1.44
Repair & Maintenance	-	0.71	0.83	0.95	1.07
Labour & Wages	6.24	6.86	7.55	8.31	9.14
Depreciation	1.56	1.38	1.21	1.05	0.92
Cost of Production	21.43	25.99	29.48	33.06	36.73
Add: Opening Stock /WIP	-	1.35	1.62	1.89	2.16
Less: Closing Stock /WIP	1.35	1.62	1.89	2.16	2.43
Cost of Sales (B)	20.08	25.72	29.21	32.79	36.46
C) GROSS PROFIT (A-B)	8.42	9.98	12.49	14.91	17.24
	30%	28%	30%	31%	32%
D) Bank Interest (Term Loan)	1.17	0.92	0.66	0.41	0.16
Bank Interest (C.C. Limit)	0.51	0.51	0.51	0.51	0.51
E) Salary to Staff	2.64	2.90	3.19	3.51	3.87
F) Selling & Adm Expenses Exp.	1.43	2.14	2.50	2.86	3.22
TOTAL (D+E)	5.75	6.47	6.87	7.30	7.76
H) NET PROFIT	2.68	3.51	5.62	7.61	9.48
I) Taxation	-	0.88	1.41	1.90	2.37
J) PROFIT (After Tax)	2.68	2.63	4.22	5.71	7.11
K) DIVIDEND	-	-	-	-	-
L) RETAINED PROFIT	2.68	2.63	4.22	5.71	7.11

COMPUTATION OF MANUFACTURING OF BINDI

Items to be Manufactured Bindi

Manufacturing Capacity	Bindi	1,000	Packets Per Day
(Pkt of 10 * 12)		-	
No. of Working Hour		10	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum	Bindi	3.00	Lakhs per Annum
		-	
Year		Capacity Utilization	
		Bindi	
IST YEAR		50%	1.50
IIND YEAR		60%	1.80
IIIRD YEAR		70%	2.10
IVTH YEAR		80%	2.40
VTH YEAR		90%	2.70

COMPUTATION OF SALE

BINDI

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	0	0	0	0
Production	1.50	1.80	2.10	2.40	2.70
	1.50	1.88	2.19	2.51	2.82
Less : Closing Stock	0.08	0.09	0.11	0.12	0.14
Net Sale	1.43	1.79	2.09	2.39	2.69
Sale Price Per packet	20.00	20.00	20.00	20.00	20.00
Sale (in Lacs)	28.50	35.70	41.70	47.70	53.70

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR	
Finished Goods						
(15 Days requirement)	1.35	1.62	1.89	2.16	2.43	
Raw Material						
(30 Days requirement)	1.28	1.61	1.88	2.15	2.42	
Closing Stock	2.63	3.23	3.77	4.31	4.85	

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total	
	Amount	
Stock in Hand	2.63	25%
Sundry Debtors	2.85	25%
	5.48	
Sundry Creditors	0.30	
Working Capital Requirement	5.18	
Margin	0.52	
Working Capital Finance	4.66	

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		10,000.00	1	10,000.00
Unskilled Worker		6,000.00	2	12,000.00
Casual Labour		5,000.00	6	30,000.00
				52,000.00

Annual Cost (in lacs)

6.24

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		8,000.00	1	8,000.00
Marketing Executive		7,000.00	2	14,000.00
Total Salary Per Month				22,000.00

Annual Cost (in lacs)

2.64

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION			
Total Working Hour per day			10 Hrs
Electric Load Required			2 KVA
Load Factor			0.08
Electricity Charges			6.5 per unit
Total Working Days			300
Electricity Charges (10 Hrs Per day)			
=10*300 * 6.50 * 0.746 * 10			1,45,470.00
Add : Minimim Charges (@ 10%)			14,547.00
			1,60,017.00
Total cost of Power & Fuel at 100%			1.60
Year		Capacity	Amount
			(in Lacs)
IST YEAR		50%	0.80
IIND YEAR		60%	0.96
IIIRD YEAR		70%	1.12
IVTH YEAR		80%	1.28
VTH YEAR		90%	1.44

COMPUTATION OF DEPRECIATION

Description	Land	Building	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	6.00	6.25	0.50	12.75
	-	6.00	6.25	0.50	12.75
Less : Depreciation	-	0.60	0.94	0.03	1.56
WDV at end of Ist year	-	5.40	5.31	0.48	11.19
Additions During The Year	-	-	-	-	-
	-	5.40	5.31	0.48	11.19
Less : Depreciation	-	0.54	0.80	0.05	1.38
WDV at end of IInd Year	-	4.86	4.52	0.43	9.80
Additions During The Year	-	-	-	-	-
	-	4.86	4.52	0.43	9.80
Less : Depreciation	-	0.49	0.68	0.04	1.21
WDV at end of IIIrd year	-	4.37	3.84	0.38	8.60
Additions During The Year	-	-	-	-	-
	-	4.37	3.84	0.38	8.60
Less : Depreciation	-	0.44	0.58	0.04	1.05
WDV at end of IV year	-	3.94	3.26	0.35	7.55
Additions During The Year	-	-	-	-	-
	-	3.94	3.26	0.35	7.55
Less : Depreciation	-	0.39	0.49	0.03	0.92
WDV at end of Vth year	-	3.54	2.77	0.31	6.63

REPAYMENT SCHEDULE OF TERM LOAN

11%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	11.48	-	11.48	0.32	0.57	10.90
	Iind Quarter	10.90	-	10.90	0.30	0.57	10.33
	IIIrd Quarter	10.33	-	10.33	0.28	0.57	9.75
	Ivth Quarter	9.75	-	9.75	0.27	0.57	9.18
					1.17	2.30	
IIND YEAR	Opening Balance						
	Ist Quarter	9.18	-	9.18	0.25	0.57	8.61
	Iind Quarter	8.61	-	8.61	0.24	0.57	8.03
	IIIrd Quarter	8.03	-	8.03	0.22	0.57	7.46
	Ivth Quarter	7.46	-	7.46	0.21	0.57	6.89
					0.92	2.30	
IIIRD YEAR	Opening Balance						
	Ist Quarter	6.89	-	6.89	0.19	0.57	6.31
	Iind Quarter	6.31	-	6.31	0.17	0.57	5.74
	IIIrd Quarter	5.74	-	5.74	0.16	0.57	5.16
	Ivth Quarter	5.16	-	5.16	0.14	0.57	4.59
					0.66	2.30	
IVTH YEAR	Opening Balance						
	Ist Quarter	4.59	-	4.59	0.13	0.57	4.02
	Iind Quarter	4.02	-	4.02	0.11	0.57	3.44
	IIIrd Quarter	3.44	-	3.44	0.09	0.57	2.87
	Ivth Quarter	2.87	-	2.87	0.08	0.57	2.29
					0.41	2.30	
VTH YEAR	Opening Balance						
	Ist Quarter	2.29	-	2.29	0.06	0.57	1.72
	Iind Quarter	1.72	-	1.72	0.05	0.57	1.15
	IIIrd Quarter	1.15	-	1.15	0.03	0.57	0.57
	Ivth Quarter	0.57	-	0.57	0.02	0.57	0.00
					0.16	2.30	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
CASH ACCRUALS	4.24	4.02	5.42	6.76	8.03
Interest on Term Loan	1.17	0.92	0.66	0.41	0.16
Total	5.41	4.93	6.09	7.17	8.18
REPAYMENT					
Instalment of Term Loan	2.30	2.30	2.30	2.30	2.30
Interest on Term Loan	1.17	0.92	0.66	0.41	0.16
Total	3.46	3.21	2.96	2.71	2.45
DEBT SERVICE COVERAGE RATIO	1.56	1.54	2.06	2.65	3.34
AVERAGE D.S.C.R.			2.23		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	28.50	35.70	41.70	47.70	53.70
Less : Op. WIP Goods	-	1.35	1.62	1.89	2.16
Add : Cl. WIP Goods	1.35	1.62	1.89	2.16	2.43
Total Sales	29.85	35.97	41.97	47.97	53.97
Variable & Semi Variable Exp.					
Raw Material & Tax	12.83	16.07	18.77	21.47	24.17
Electricity Exp/Coal Consumption at 85%	0.68	0.82	0.95	1.09	1.22
Wages & Salary at 60%	5.33	5.86	6.45	7.09	7.80
Repair & Maintenance	-	0.71	0.83	0.95	1.07
Selling & administrative Expenses 80%	1.14	1.71	2.00	2.29	2.58
Intt. On Working Capital Loan	0.51	0.51	0.51	0.51	0.51
Total Variable & Semi Variable Exp	20.49	25.68	29.51	33.40	37.35
Contribution	9.36	10.29	12.46	14.57	16.62
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.12	0.14	0.17	0.19	0.22
Wages & Salary at 40%	3.55	3.91	4.30	4.73	5.20
Interest on Term Loan	1.17	0.92	0.66	0.41	0.16
Depreciation	1.56	1.38	1.21	1.05	0.92
Selling & administrative Expenses 20%	0.29	0.43	0.50	0.57	0.64
Total Fixed Expenses	6.69	6.78	6.84	6.95	7.14
Capacity Utilization	50%	60%	70%	80%	90%
OPERATING PROFIT	2.68	3.51	5.62	7.61	9.48
BREAK EVEN POINT	36%	40%	38%	38%	39%
BREAK EVEN SALES	21.32	23.70	23.03	22.90	23.18

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