



PROJECT PROFILE

| | |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product Name | STAPLE PINS (IS:4224:,1972) |
| NIC Code | 25991 |
| Production Capacity Per Annum | 648 Cartons (1 Carton=40 Boxes) (1 Box = 20 packets) 1 Packet=1000 pins) Of assorted sizes |
| Sales Per Annum in Rs | Rs, 47,95,200/- |
| Month & Year of Preparation | June-2020 |
| Prepared By | Sat Pal Assistant Director MSME-Development Institute, Plot No. 11-A, I.D.C. Karnal (Haryana) E – mail : dcdi- karnal@dcmsme.gov.in Website :www.msmedikarnal.gov.in |

INTRODUCTION:

Introduction: The project is to manufacture staple pins especially of galvanised iron wire type. These staples find wide application to staple sheets of paper, cheque, common known bills, album photos, sandwich bags and in financial institutions, offices, garment industry, leather industry, rubber industry and any shop delivering the materials in packets and so on.

Market Potential:

With the assistance of sales representative and a network of dealer’s organization, it is apparent that the staple pins can be sold easily in domestic market. The project also envisages entering exports especially since the staple pins can stand up to the rigours of the International quality standards.

Basis and Presumption:

1. Capacity utilization - 75% on single shift basis.
2. Time period (one year) - 180 days
3. Labour wages - Estimated on the minimum wages.
4. Rate of Interest - 10% per annum
5. Margin money -25% varying from State to State.
- 6 . Rental charges may vary from place to place.
7. Cost of machinery and equipment is approximate to that prevailing in the market.

Implementation Schedule:

| S.No. | Activity | Period |
|-------|--------------------------------------------------------------|---------|
| 1. | Selection of site | 2 weeks |
| 2. | Preparation of project report and Provisional registration | 4 weeks |
| 3. | Financial arrangement | 8 weeks |
| 4. | Procurement of machinery | 6 weeks |
| 5. | Installation, electrification and commissioning of machinery | 8 weeks |

Technical Aspects:

Process of Manufacture:

The process of making staple pins has been simplified with introduction of sophisticated fully Automatic Staple Pin Making Machines. The preformed round wire is fed to the machine which flattens it and produces the necessary staple pins in pre-determined lengths of 50 staple pins in each length. The formation of this length is assisted by the use of a special staple pin adhesive. The staple pin lengths are packed suitably with each packet containing 1000 pins. 20 of these packets are packed in a box and 40 of these boxes are packed in cardboard carton.

Quality Control and Standards:

The pins should be manufactured as per relevant Indian Standard specification

IS 4224: 1972.

Production Capacity : 648 cartons of staple pins

Motive Power : 10 HP

Pollution Control : Manufacturing of this product does not attract pollution control measures.

Energy Conservation: The unit is equipped with low powered machinery. The energy conservation efforts need in this unit are the creation of awareness among the workers.

Financial Aspects:

A) Fixed Capital:

Land and Building (Rented) 1200 sq. ft. L.S.
(Rs. 10000/-PM)

Machinery and Equipments:

| S. No. | Description | Qty. | Amount | Amount In Rs. |
|---------------|---------------------------------------------------------------------------------------------|-------------|---------------|----------------------|
| 1. | Multiwire Automatic staple pin making machine.(500 to 700 pieces per minute on per machine) | 12 Nos. | 2.5 lac | 30,00,000/- |

| | | | | |
|-------------------------------------------|--------------------------------------------|--------------|--------------|-------------------------|
| 2. | Double ended Bench grinder cap 8" wheel | 1 No. | 25,000/ - | 25,000/- |
| 3. | Common tools and measuring instruments | L.S. | - | 25,000/- |
| 4. | Spares and fixtures | L.S. | - | 15,000/- |
| Installation and electrification @ 10% | | | | 3,06,500/- |
| 5. | Office equipments, furniture etc. | | | 75,000/- |
| | | Total | | 34,46,500/ - |
| 6. | Pre-operative Expenses | | | 75,000/- |
| | | Total | | 35,21,500/ - |

B) Working Capital (per Month):

(i) Personnel Salary and Wages:

| S.No. | Designation | No. | Salary (Rs.) | Total (In Rs.) |
|-------|----------------------------|-----|-----------------|-------------------|
| 1. | Manager/Foreman | 1 | 15,000/- | 15,000/- |
| 2. | Accountant clerk/typist | 1 | 10,000/- | 10,000/- |
| 3. | Skilled worker | 2 | 8,000/- | 16,000/- |
| 4. | Semi-skilled worker | 1 | 7,000/- | 7,000/- |
| 5. | Helper | 2 | 6,000/- | 12,000/- |
| 6. | Watchman | 1 | 6,000/- | 6,000/- |
| | | | SubTotal | 66,000/- |
| | Labour | | | 13,200/- |
| | Benefits @ 20% | | | |
| | | | Total | 79,200/- |

**(ii) Raw Material (Indigenous) per month
(Rs.)**

| | | |
|----|----------------------------------------------------------------------|------------|
| 1. | Galvanized /S.S.coated M.S. round wire @ Rs.65 per kg. (100 kg.) | 65,000/- |
| 2. | Adhesive @ 250/- per litre (52 litre) | 13,000/- |
| 3. | Packing material/boxes L.S. | 30,000/- |
| | Total | 1,08,000/- |

**(iii) Utilities per month
(Rs.)**

| | |
|-------|----------|
| Water | 3,000/- |
| Power | 25,000/- |
| Total | 28,000/- |

**iv) Other Contingent Expenses per month
(Rs.)**

| | | |
|-----|-----------------------------|----------|
| 1. | Rent | 10,000/- |
| 2. | Postage and stationery | 3,000/- |
| 3. | Travelling and transport | 8,000/- |
| 4. | Repairs and maintenance | 3,000/- |
| 5. | Advertisement and publicity | 2,000/- |
| 6. | Insurance | 2500/- |
| 7. | Consumable stores | 3,000/- |
| 8. | Telephone stores | 1,000/- |
| 9. | Selling expenses | 10,000/- |
| 10. | Misc. expenditure | 5,000/- |
| | Total | 47,500/- |

(v) Total Recurring Expenditure (per month)

$$(i)+(ii)+(iii)+iv) = 79,200+1,08,000+28,000+47,500 = 2,62,700/-$$

vi) **Total Working Capital for 3 months:** $2,62,700 \times 3 = 7,88,100/-$

Total Capital Investment

| | | |
|-------|--------------------------------|--------------------|
| a) | Fixed Capital | 35,21,500/- |
| b) | Working Capital (for 3 months) | 7,88,100/- |
| Total | | 43,09,600/- |

Financial Analysis:

1. Cost of Production (per annum)

(Rs.)

| | | |
|--------------|-----------------------------------------------|--------------------|
| (i) | Total Recurring Cost | 31,52,400/- |
| (ii) | Depreciation on machinery and equipment @ 10% | 3,44,650/- |
| (iii) | Depreciation on office equipment @ 20% | 15,000/- |
| (iv) | Interest on total investment @ 10% | 4,30,960/- |
| Total | | 39,43,010/- |

2. Total Sales (per annum)

By sale of 648 cartons No.10 staple pins @ 7400 per carton =
47,95,200/-

3. Profit (per year)

$$\text{Total sale} - \text{cost of production} = 47,95,200 - 39,43,010 = 8,52,190/-$$

4. Net Profit Ratio = Net profit x 100 / Turnover

$$= 8,52,190 \times 100 / 39,43,010 = 21.61\%$$

5. Rate of Return = Net profit x 100 / Total Investment

$$= 8,52,190 \times 100 / 43,09,600 = \mathbf{19.77\%}$$

6. Break even Point

| Fixed cost | Amount (In Rs.) |
|------------------------------------------------------------------------------------------|------------------------|
| 1. Rent | 1,20,000/- |
| 2. Depreciation on machinery @ 10%. | 3,44,650/- |
| 3. Interest on capital investment | 4,30,960/- |
| 4. Insurance | 30,000/- |
| 5. 40% of salary and wages | 3,80,160/- |
| 6. 40% of other contingent expenses including utilities and excluding rent and insurance | 302400/- |
| Total | 16,08,170/- |

$$\text{Break Even Point: } \frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}} = \frac{1608170 \times 100}{1608170 + 8,52,190} = 65.36\%$$

Address of Machinery Suppliers:

M/s S.B. Machine Tools,
23/4, Lane No. 11, Anand Parbat Industrial Area,
New Rohtak Road,
New Delhi-110005. Ph.No.9811253128, 9810578929

M/s ABM Fastners India,
79-A, Pocket GG-1, Vikas Puri,
New Delhi-110018.

M/s ABM Fasteners
Plot No. 6, Block RZQ, Nihal Vihar, Gurudwara Road,
Near 500 Sq. yard Gurudwara,
Opp. Bharat Properties, Nangloi,
Delhi-110041.
Ph.No.9891027608, e-mail : info@abmfastners.com

Raw Material Suppliers:

M/s G.T.Steel Industries,
421/D, Urla Industrial Area, Raipur, Chhattisgarh.
Ph.No. 08037301725