PROJECT PROFILE ON BARBED WIRE MANUFACTURING UNIT

1. INTRODUCTION

Barbed wire is a useful industrial product, mainly used for fencing purposes. Barbed wire fencing prevents the unwanted entrance and intrusion of animals and persons into the fenced area.

2. MARKET DEMAND

This is mainly used to safeguard houses, gardens, forests, nurseries and specified prohibited areas pertaining to defense establishment, aerodromes, railways, warehouses and other Govt. and Private properties. They are also used to make and safeguard international boundaries and are one of the cheapest materials to be used for these various purposes.

Looking to the specific but important use of the product, product has demand all over the countries to protect the field / property from various external elements.

3. PRODUCTION TARGETS

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

	Barbed Wire
Quantity (MT)	300
Value (Rs)	8400000

4. MANUFACTURING PROCESS

The barbed wires are made on an automatic machine. The barbed wire is made out of 12/14 SWG MS Galvanized wires. While two main line wires are fed into the machines through its axes another wire is fed into the machines through its axes another wire is fed across into the pair of line wires to form barbs at required intervals.

The line wire twine themselves automatically the point wire after forming the desired barbs strands with the line wires automatically at the desired distance thus forming the complete barbed wire. As the machine is automatic all its feeding and wire cutting mechanism is controlled by gear movements, which drive its power from the main electric motor attached to the machine. Once the machine is set up it goes on working automatically.

5. QUALITY CONTROL STANDARDS

Proposed concern would manufacture product according to the BIS specifications IS: 278-1978.

6. LAND & BUILDING

1.	Covered area	Sq. Ft.	1000
2.	Uncovered area	Sq. Ft.	500
3.	Total area	Sq. Ft.	1500
4.	Whether constructed or Rented		Constructed
5.	If constructed, constructed value	Rs	200000
6.	If Rented, Rental value (per month)	Rs	N. A.

7. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Automatic barbed wire making machine	1	350000
2.	Bench Grinder	1	
3.	Universal Tensile Testing Machine	1	
4.	Wrap Torsion Testing Machine	1	
5.	Testing Equipments	1	

6.	Other accessories like weighing balance etc.	L.S.	
7.	Wrap Torsion Testing Machine	1	
8.	Sales Tax, Freight & Insurance etc.		35000
	Total		385000

8. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Kg)	Value (Rs)
1.	G.I.Wire 12/14 SWG	25.5	586500
		Total	586500

9. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	2	2000	4000
(iii)	Sales Man	2	3000	6000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	2	2000	4000
	Sub-Total			20000
	Plus perquisites @ 30% of salaries			6000
	TOTAL			26000

10. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	-
2.	Electricity Charges	10000
3.	Fuel Exp.	-
4.	Advertisement & Travelling	2000
5.	Transport	5000
6.	Consumable & stores etc.	2000
7.	Potage expenses/ telephones	2000
8.	Stationery	2000
9.	Repairs & Maintenance's	1000
	Total	14000

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11. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	586500
2	Salaries & Wages	26000
3	Other Expenses	14000
	Total	626500

12. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	200000
Machinery & Equipment	385000
Working capital for one month	626500
Total	1211500

13. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	7518000
Depreciation on machinery & equipment	58000
Interest on total investment @ 10%	120000
Total	7696000

14. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (MT)	Value (Rs.)
1.	Barbed Wire	300	8400000
	Total		8400000

15. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	704000
2.	% of Profit on Sales	8.38%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	480000
3.2	Annual Sales	8400000
3.3	Annual Variable Cost	7038000
3.4	Break Even Point	35.24%

Break-Even Analysis

(% of Total Production envisaged)

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

16. Manufactures/ Suppliers of Machinery

1.	J.R.Industries 13-1, Gali No.1, Anand Parbat Industrial Estate New Rohtak Road, New Delhi-5
2.	Sctt. Industries 159, Netaji Subhash Road, Calcutta
3.	Huma traders Infront of Shajanabad Thana, Shajanabad, Bhopal(m.p.)
4.	Joshi & Co. Waghle Industrial Estate, Thane, Maharashtra

17. Suppliers of Raw Materials

From Local GI wire Shop of the area or wire drawing industries.

18. IMPLEMENTATION PERIOD

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

19. 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	Building Contractor 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