

# PROJECT PROFILE

## PART – I

PRODUCT NAME : WIRE ADJUSTING SCREWS  
[STAY RODS]

PRODUCT CODE : 71376

PRODUCITON CAPACITY : 115 MT

QUALITY AND STANDARD : IS : 10019-1981 [MILD STEEL]  
IS : 2141 – 1979 [GALVANIZED]

MONTH AND YEAR OF  
PREPARATION : SEP, 2011

PREPARED BY : Mechanical Division  
Micro Small & Medium Enterprises –  
Development Institute  
Govt. of India, Ministry of MSME  
10-Pologround Indl. Estate,  
Indore – 15 [M P]  
Phone : 0731-2421540/659  
Fax : 0731-2420723

## PART – II

### A. INTRODUCTION

Wire adjusting screw is a screw having nuts, at both the ends, with crown of round rod bent in U shape on each nut. The main function of this screw is to provide proper tightening of stay wires. Wire adjusting screw is also known as stay rods. They are mainly used in post & Telegraph department, Electricity department and Railway department.

### B. MARKET POTENTIAL :

Market inquiries have indicated that wire adjusting screws are being procured directly by the user from the manufacturers. There is a very good demand for this item in the country and large quantity of the same is being purchased by the various govt. departments like Post & Telegraph, Electricity and Railways. A small scale entrepreneur can choose this item as prospective project.

### C. BASIS AND PRESUMPTION :

1. The Project Profile has been prepared on the basis of single shift basis of 8 working hours and 25 working days in a month and at 75 % efficiency.
2. The time period for achieving the full capacity utilization is three years – 70 % in 1<sup>st</sup> year, 80% in 2<sup>nd</sup> year and 100 % in 3<sup>rd</sup> year.
3. Labour rate : Labour rate is as per the rates existing in the locality.
4. Interest rate : 10 % for fixed and working capital.
5. Margin Money : 30 % of the total capital investment.
6. Pay back period : After the initial gestation period of one and half year, it will require 5 years to pay back the loan.
7. The rental value of the work shed and other built up / covered area has been taken as per the prevailing market rate. However, this may vary from place to place.
8. The rates quoted in respect of machine – equipments and raw materials are those prevailing at the time of preparation of project profile and are likely to vary from supplier to supplier and place to place. When a tailor made project profile is prepared necessary charges are to be made.

#### D. IMPLEMENTAION SCHEDULE :

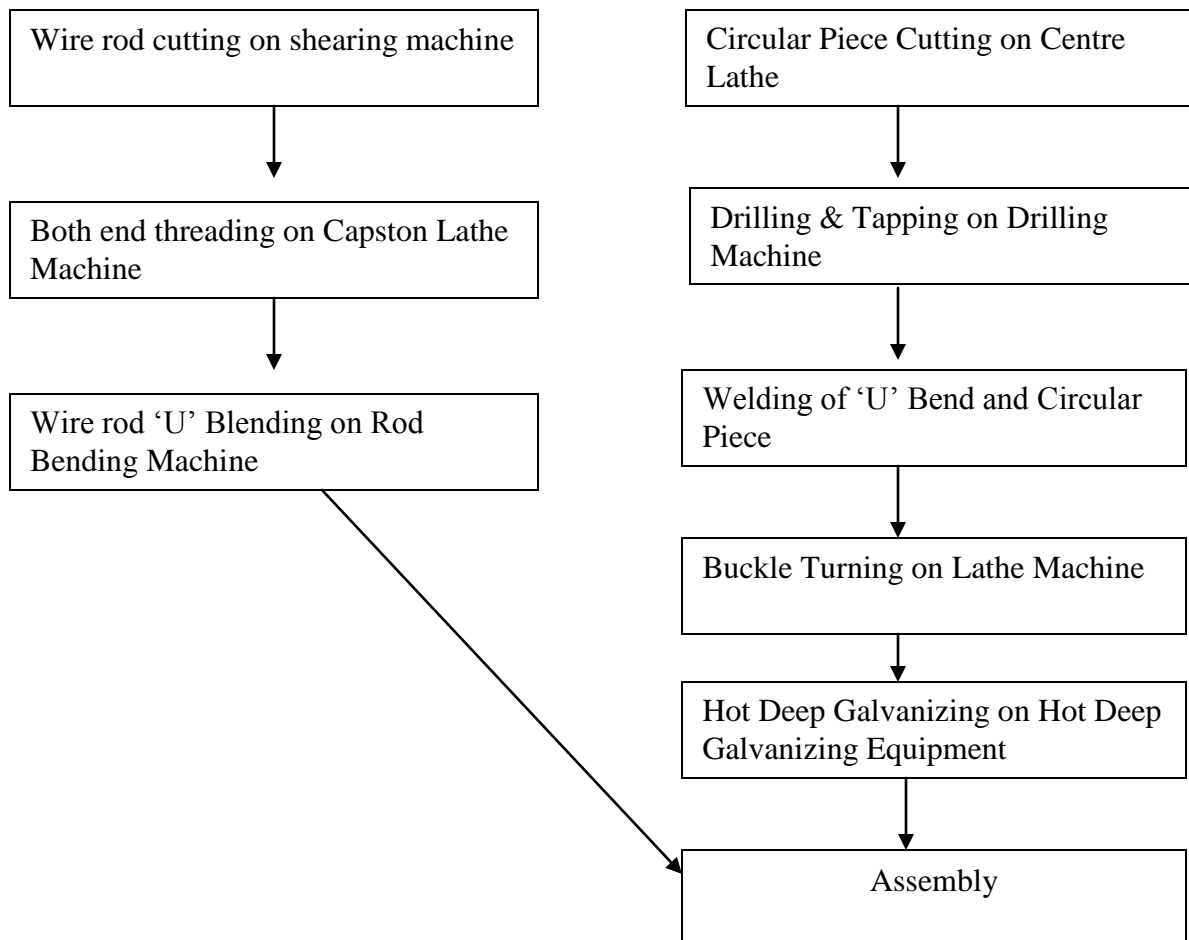
i.	Selection of the product and site	2 weeks
ii.	SSI registration and other formalities	3 weeks
iii.	Project report preparation	3 weeks
iv.	Financial arrangements	3 months
v.	Purchase and procurement of machinery	2 months
vi.	Installation of machine	1 month
vii.	Electrification	1 month
viii.	Procurement of raw material	2 weeks
ix.	Recruitment of manpower	1 month

#### E. TECHNICAL ASPECTS :

##### I. Manufacturing Process :

Stay Rods are easy to manufacture and do not require high skill. MS rod is bent to U shape and it is welded to drilled and threaded circular piece. True buckle is made and threaded on both sides with L. H. and R. H. threaded. These are hot dig galvanized and them assembled.

## F. PROCESS FLOW CHART



**G. PRODUCTION CAPACITY [PER ANNUM]**

- a. Quantity : 115 MT  
 b. Value : Rs. 74,75,000/-

H. MOTIVE POWER : 10 K. W.

**I. POLLUTION CONTROL :**

Stay rods making is not a pollution creating industry. As such no special type of pollution control equipments need to be installed.

**J. ENERGY CONSERVATION :**

Fixed Capital :

[1] Land & Building : Amount [Rs.]  
 Built up / Covered area 200 sq. mtrs. [rental] 5,000/-

[2] Machinery & Equipments :

S. No.	Description	Ind. Imp.	Qty [Nos.]	HP	Amount [Rs.]
01	Central Lathe [Medium duty ] 1.5 mts. Bed with accessories.		1 no.	3	1,80,000.00
02	Drill machine 20 mm capacity		1 no.	2	25,000.00
03	Hard sharing machine		1 no.	-	15,000.00
04	Rod bending machine		1 no.	-	60,000.00
05	Capstan lathe with die head		1 no.	3	1,10,000.00
06	Arc welding transformer 300 A with shield etc.		1 no.		20,000.00
07	Hot dig galvanizing equipment with pickling tank pot etc.		1 no.		50,000.00
08	Double ended grinder 200 mm.		1 no.		25,000.00

	wheel dia.				
09	Open herth, brower and other misc. tools etc.		1 set		30,000.00
	<b>Total</b>				<b>5,15,000.00</b>
	Testing equipments				25,000.00
	Electrification and installation charges @ 10 %				51,500.00
	Office equipments and furniture				50,000.00
	<b>Total</b>				<b>6,41,500.00</b>

#### L. WORKING CAPITAL [PER MONTH]

##### [i] Personnel [per month]

S. No.	Description	No.	Salary [Rs.]	Amount [Rs]
1	Manager	1	10000	10000
2	Skilled worker	4	3000	12000
3	Welder	1	3000	3000
4	Semi skilled worker	4	2500	10000
5	Helper	3	2000	6000
6	Clerk / typist	1	3000	3000
7	Peon / watchman	2	1500	3000
	Total			47000
	Add : Perquisites @ 15 % of salaries			7050
	<b>Grand total</b>			<b>54050</b>

##### [ii] Raw materials [including packing material ] / per month

S. No.	Description	Qty.	Rate [Rs.]	Amount [Rs]
1	Mild steel rounds of different dia, hexabar etc.	10.5 MT	25000	262500
2	Zinc.	1.5 MT	72000	108000
3	Salt, fluxes coke etc.			20000
	<b>Total</b>			<b>390500</b>

## [iii] Utilities [per month]

Power : 10 KW x 25x8x4

8000/-

Water

200/-

Total

8200/-

## [iv.] Other contingent expenses [per month]

A	Rent	5000
B	Postage and stationery	2000
C	Telephone	2000
D	Consumable stores	3000
E	Repair and maintenance	4000
F	Transport charges	5000
G	Advertisement and publicity	5000
H	Insurance	300
I	Taxes	300
J	Sales and other expenses	5000
	Total	31600

## [iv] Working capital [per month]

Amount [Rs.]

A	Personnel	54000
B	Raw material	390500
C	Utilities	8200
D	Other contingent expenses	31600
	Total	484300

Working capital for 3 months

1452900/-

## [v] Total Capital investment :

A	Fixed cost	641500
B	Working capital for 3 months	1452900
	Total	2094400

## FINANCIAL ANALYSIS :

## [1] Cost of production [per annum]

A	Total recurring cost per annum	5811600
B	Depreciation of machinery and equipment @ 10 %	51500
C	Depreciation on office equipments @ 20 %	10000
D	Interest on total capital investment @ 16 %	335104
	Total	6208204

## [2] Turn Over [Per annum]

By sale of 115 MT finished stay rods  
@ Rs. 65000/- per MT [115 x 65000]

Rs. 7475000/-

## [3] Net Profit per year

Total turn over - cost of production  
7475000 – 6208204 = 1266796/-

## [4] Net profit ratio [%]

Net profit per year

$$\frac{\text{Turn over}}{7475000} \times 100 = 16.95 \%$$

## [5] Rate of return :

Net profit

$$\frac{\text{Net profit}}{\text{Total investment}} \times 100$$



1266796

$$\frac{1266796}{2094400} \times 100 = 60.48 \%$$

[6] Break even point [B E P]

i. Fixed cost per annum

A	Rent	60000
B	Depreciation of machinery and equipments and office equipments	61500
C	Interest on total investment @ 16 % per annum	335104
D	40 % of salary	259200
	40 % of utilities and other contingent expenses [excluding rent ]	167040
	Total	882844

iii. B. E. P.

Fixed cost x 100

---

Fixed cost + Profit

882844 x 100

---

 = 41 %

882844 + 1266796

MACHINERY UTILIZATION :

It is assumed that machinery will be utilized at 75 % efficiency.