

KHADI & VILLAGE INDUSTRIES COMMISSION **PROJECT PROFILE FOR GRAMODYOG ROJGAR YOJANA**

MANUFACTURE OF SAFETY PINS

The scheme is meant for Institutions/Co-op Societies and entrepreneurs. The products covered under this scheme are paper pins, U-Pins, Safety pins, stove pins, hair pins etc. and in course of time the unit can also diversify its production in the area of manufacturing various types of needles both for hand stitching and sewing machines. The demand for various types of pins are very high at the rural and Urban areas.

1	Name of the Product	:	Safety Pins
2	Project Cost	:	
	a Capital Expenditure		
	Land	:	Own
	Building Shed 1000 Sq.ft	:	Rs. 200000.00
	Equipment	:	Rs. 150000.00
	(Plating bath, Drawer, Bench grinder, Tools & Dies etc.)		
	Total Capital Expenditure	Rs.	350000.00
	b Working Capital	Rs.	181000.00
	TOTAL PROJECT COST	:	Rs. 531000.00

3 Estimated Annual Production of Safety Pins : (Value in '000)

Sr.No.	Particulars	Capacity	Rate	Total Value
1	Safety Pins	900000.00		908.00
	TOTAL	900000.00		908.00

4	Raw Material	:	Rs. 450000.00
5	Lables and Packing Material	:	Rs. 25000.00

6 Wages (Skilled & Unskilled)	:	Rs.	120000.00
7 Salaries	:	Rs.	100000.00
8 Administrative Expenses	:	Rs.	30000.00
9 Overheads	:	Rs.	100000.00
10 Miscellaneous Expenses	:	Rs.	10000.00
11 Depreciation	:	Rs.	25000.00
12 Insurance	:	Rs.	3500.00
13 Interest (As per the PLR)			
a. C.E.Loan		Rs.	45500.00
b. W.C.Loan		Rs.	23530.00
Total Interest		Rs.	69030.00
14 Working Capital Requirement	:		
Fixed Cost		Rs.	189000.00
Variable Cost		Rs.	718530.00
Requirement of WC per Cycle		Rs.	181506.00

15 Estimated Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	189.00	113.40	132.30	151.20
2	Variable Cost	719.00	431.40	503.30	575.20
3	Cost of Production	908.00	544.80	635.60	726.40
4	Projected Sales	1100.00	660.00	770.00	880.00
5	Gross Surplus	192.00	115.20	134.40	153.60
6	Expected Net Surplus	167.00	90.00	109.00	129.00

- Note :
1. All figures mentioned above are only indicative and may vary from place to place.
 2. If the investment on Building is replaced by Rental Premises
 - a. Total Cost of Project will be reduced.
 - b. Profitability will be increased.
 - c. Interest on C.E.will be reduced.