

PROJECT PROFILE

ON

BARBED WIRE

PRODUCT CODE: N A

QUALITY AND STANDARD: IS: 278 (2009)

PRODUCTION CAPACITY : 150 MT

VALUE: Rs. 92,25,000

MONTH & YEAR : September - 2020

PREPARED BY :

MSME-DEVELOPMENT INSTITUTE,

(Min. of MSME, Govt. of India)

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JAIPUR-302006

PROJECT PROFILE OF BARBED WIRE

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

B. MARKET POTENTIAL: Barbed wire 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, it has demand all over the country to protect the field / property from various external elements.

C. BASIS AND PRESUMPTION:

The profile is drawn on the basis of the following presumptions:

- (1) Working hours/shift : 8 hr. per day
- (2) No. of Shifts per day : One
- (3) No. of working day/year : 300
- (4) Total no. of working hours : 2400 hrs.
- (5) Working efficiency : 75%
- (6) Time period for achieving : 3 years from maximum capacity the date on utilization which production will be started
- (7) Labor charges : As per minimum wages Act.
- (8) Rate of Bank Interest : 11% per annum

The value of machinery and equipment is estimated on the basis of prevailing market rates. It is expected that it may take about 5 to 6 months to complete all activities of the project, till commercial production is achieved. If the project is available with the promoter, a period of 8/9 months will be needed for site selec-

tion Building construction, selection and purchase of plant and machinery, Loan sanction from financial Institution, Erection and commissioning of Project for trial run etc.

D. QUALITY CONTROL AND STANDARD:

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

E. PRODUCTION CAPACITY (Per Year):

Basis of Estimation: 300 working days in a year single shift basis, 8 hours per shift.

Description	Barbed Wire
Quantity (MT)	150
Value (Rs)	92,25,000

F. TECHNICAL ASPECTS

(i) Manufacturing Process:

Barbed wire is made out of 12/14 SWG MS Galvanized wires on an automatic machine. While two main line wires are fed into the machines through its axes another wire is fed into the machines through another wire is fed across into the 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.

G. FINANCIAL ASPECTS

(i) Fixed Capital:

(a) Land and Building (Rented) - 2000 sq. ft.
Rent payable per month Rs. 20,000

(b) Machinery and Equipments

S.No.	Name of Machinery & Equipments	Qty.	Amount (Rs.)
1.	Automatic Barbed Wire Making Machine	1	3,00, 000
2.	Bench Grinder, Wheel Dia 150 mm	1	14,000
3.	Universal Tensile Testing Machine	1	3,75,000
4.	Wrap Torsion Testing Machine	1	1,75,000

5.	Weighing Balance, cap-3 kg.	1	11000
6.	Hand Tools	L.S.	12,500
7.	Office Furniture	L.S.	50,000
		Total Rs.	9,37,500

H. RAW MATERIAL (PER MONTH)

S.No.	Particulars	Qty. (MT)	Rate/MT	Amount (Rs.)
1.	G.I. Wire 12/14 SWG	25.5	58,000	14,79,000

I. STAFF & LABOUR (PER MONTH)

S. No.	Particulars	Qty.	Rate	Valuen (Rs.)
1.	Manager / Supervisor	1	15,000	15,000
2.	Skilled Worker	1	12,000	12,000
3.	Semiskilled	1	10,000	10,000
4.	Unskilled	1	8,000	8,000
	Sub-Total			45,000
	Plus perquisites @ 30% of salaries			13,500
	TOTAL			58,500

J. UTILITIES (PER MONTH)

1.	Power	L S	5,000
2	Water	L S	2,000
	TOTAL		7,000

K. OTHER CONTINGENT EXPENSES

1.	Rent		20,000
2.	Postage & Stationery		1,000
3	Telephone		1,000
4.	Consumable Store		2,000
5.	Repair & Maintenance		5,000
6.	Transport Charges		5,000
7.	Advertisement and Publicity		2,000
8.	Insurance		2,000
9.	Miscellaneous Expenses		5,000
	TOTAL		43,000

L. WORKING CAPITAL

1. Raw Material	14,79,000
2. Salary & Wages	58,500
3. Utilities	7,000
4. Other Contingent Expenses	43,000
Total Rs.	15,87,500
Working Capital for 4 months	Rs. 63,50,000

M TOTAL CAPITAL INVESTMENT

1. Fixed Capital	Rs. 9,37,500
2. Working Capital	Rs. 63,50,000
Total	Rs. 72,87,500

N FINANCIAL ANALYSIS

(1) Cost of Production (Per Year)

(i) Total Recurring Cost	72,87,500
(ii) Depreciation on Machinery and Equipment @ 15%	1,33,125
(iii) Depreciation on office Furniture @ 10%	5000
(iv) Interest on Total Capital Investment @ 11%	8,01,625
Total	82,27,250

(2) Turnover (Per Year)

S. No.	Name of Items	Qty.	Rate (In Rs.)	Amount (In Rs.)
1.	Barbed Wire	150 MT	61,000	91,50,000
2.	Scrap Wire @ 2%	3 MT	25,000	75,000
	Total			92,25,000

(3) Net Profit (Per Year)

Turn Over – Cost of Production

$$92,25,000 - 82,27,250 = \text{Rs. } 9,97,750$$

(4) Net Profit Ratio

$$\frac{\text{Net Profit per year} \times 100}{\text{Turnover}} = \frac{9,97,750 \times 100}{92,25,000} = 10.81 \%$$

(5) Rate of Return

$$\frac{\text{Net Profit per year} \times 100}{\text{Total Investment}} = \frac{9,97,750 \times 100}{72,87,500} = 13.69 \%$$

(6) Break-even Point :

Fixed Cost

(a) Total Depreciation	1,38,125
(b) Interest on capital Investment	8,01,625
(c) Insurance	24,000
(d) 40% of salary and wages	2,80,800
(e) 40% of other contingent expenses (excluding Insurance)	1,96,800
Total	14,41,350

$$\text{B. E. P.} = \frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Profit}} = \frac{14,41,350 \times 100}{14,41,350 + 9,97,750} = 59.09 \%$$

Address of Machinery and Equipment Suppliers

- 1.) M/s J. R. Industries, 13-1, Gali No. 1,
Anand Parbat Industrial Estate,
New Rohtak Road, New Delhi – 5
- 2.) M/s C. S. Wire Pvt. Ltd.
90-B, IDA, Jeedi Matha,
Hyderabad
- 3.) M/s Huma Traders, Infront of Shajanabad Thana,
Shajanabad, Bhopal (M.P.)
- 4.) M/s Joshi & Co.
Waghle Industrial Estate,
Thane, Maharashtra
- 5.) M/s Associated Machinery Mfg. Pvt. Ltd.
Bulandshahar Road, Industrial Area,
Ghaziabad.

Address of Raw Material Suppliers:

Raw Material is available in local market

- 1.) M/s Krishna Industries,
G-12, RIICO Industrial Area (Ext.)
Bhilwara (Raj.) -311001
Phone: 01482-240892, 9414210852
Email: vikaski@yahoo.com
- 2.) M/s Juneja wires Pvt. Ltd.
G-1017-1018, Phase-III, Sitapura, Jaipur, Rajasthan
- 3.) M/s Balaji Wires Pvt. Ltd.
Plot no. 139, 142, Anand Industrial Estate, Mohan Nagar,
Ghaziabad, Uttar Pradesh 201007

Products

- Chain Link Fencing
- Barbed Wire
- Galvanized Iron Wire
- MS Wire

Contact Us

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