

Hair Brushes

PRODUCT CODE	: 389102008/ 303835001
QUALITY AND STANDARDS	: IS 4584:1968 (Reaffirmed with amendment Nos. 2 :1999.)
PRODUCTION CAPACITY	: Qty. : 81000 Nos. (per annum) Value : Rs. 17.55 Lakhs
MONTH AND YEAR OF PREPARATION	: April, 2003
PREPARED BY	: Small Industries Service Institute Masat Indl. Estate, Silvassa-396230 U.T. of Dadra and Nagar Haveli. Phone Nos.: 0260- 2640933, 2643103

INTRODUCTION

The brushes used in polishing of Shoes, dusting of Woolen Clothes, Carpets and for dressing up of ladies hair etc, fall in the category of hair brushes. They are useful household products and are available in different sizes and shapes.

MARKET POTENTIAL

The products being of daily use have vast scope for production and sale in big cities, towns and in villages as well. As the standard of living is going up, the demand of hair brushes is also increasing throughout the country. The products also have good scope for exports.

BASIS AND PRESUMPTIONS

1. Unit is assumed to work 8 hours per day on single shift

basis for 300 working days in a year.

2. It is expected to achieve 75% efficiency of full capacity utilization.
3. Wages for workers have been taken as those prevailing at the time of preparation of Project Profile.
4. Interest Rate for the Fixed and Working Capital of the project has been taken at an average rate of 16% per annum.
5. The unit can work in rented premises. The rate for rented premises is taken at Rs. 50 per square meter.
6. The Cost of Machinery and Equipment has been taken as per the prices prevailing in the local markets.

IMPLEMENTATION SCHEDULE

Sl.No.	Activity	Period in Weeks
1.	Preparation of Project Report	2
2.	Selection of Site	2
3.	Provisional Registration as Small Scale Unit	1
4.	Availability of Loan/Finance	4
5.	Procurement of Machinery and Equipment	2
6.	Erection of Machinery and Equipment	1
7.	Recruitment of Staff and Labour	2
8.	Procurement of Raw Material	2
9.	Trial Production	2

The overall time required to commission the project may be 4 to 5 months.

TECHNICAL ASPECTS

Process of Manufacture

- i) Manufacturing and Painting of wooden frames and handles.
- ii) Preparation of hairs and cutting to size.
- iii) Bunching of hairs and fixing in frames.
- iv) Fixing up of frames and handles with adhesive glue.
- v) Dressing up and packing up of brushes.

Quality Control and Standards

BIS has laid down IS Specification No. IS: 4585:68, Reaffirmed - 1999 for Shoe Brushes which may be followed for producing quality goods. Other products may be manufactured as per customers' requirements.

Production Capacity (per annum)

i. Shoe Brushes	60,000 Nos.
ii. Wooden Cloth and Carpet Brushes	12,000 Nos.
iii. Ladies Hair Brushes	9,000 Nos.
Total	Rs. 17.55 lakhs

Motive Power

5 H.P.

Pollution Control

The process of manufacture is non polluting and hence no pollution control measures are necessary.

Energy Conservation

The power consumption in this unit is not of high order where special energy conservation needs may have to be looked into. However, judicious use of energy may be always advisable for which proper maintenance of machines may be undertaken periodically and idle running of machine avoided.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building	(Rs.)
Rented : 100 SQ Mtr. Area (Workshop, Office and Store) (per month)	5,000

(ii) Machinery and Equipments

Sl. No.	Description	Qty. Nos.	Amount (In Rs.)
1.	Wood Working Circular Saw 8" dia complete with 1 HP motor, Pulley, belt and starter	1	5,250
2.	Wood Working Jig Saw Machine having 20" depth 12" x 12" Table complete with 1 HP Motor, Pulley, Belt and Starter	1	10,750
3.	Wood Trimming Lathe 4' with 1/2 HP motor	1	9,450
4.	Belt and Disc Sander complete with motor 1/2 HP and Pulley and Belt	1	5,350
5.	Motorised Bench type drilling machine with 1/2 HP Motor, Capacity-13 mm	1	3,650
6.	Buffing and Polishing Machine with 1/2 HP Motor with stand	1	5,700
	Total		40,150

Sl. No.	Description	Qty. Nos.	Amount (In Rs.)
	<i>Installation and Electrification charges @ 10%</i>		4,015
	<i>Cost of Dies, Tools and Fixtures, and Measuring equipments</i>		3,000
	<i>Cost of Office Equipment/ Working Table etc.</i>		10,000
	Total		57,165
(iii)	Pre-Operative Expenses		10,000
	Fixed Capital (i+ii+iii)		67,165
	Say		67,000

B. Working Capital (per month)

(1) Staff and Labour

Sl. No.	Designation	No.	Salary (Rs.)	Total (In Rs.)
1.	Manager	1	7,000	7,000
2.	Clerk/Accountant	1	4,000	4,000
3.	Supervisor	1	5,000	5,000
4.	Skilled Workers	3	3,000	9,000
5.	Semi-skilled Workers	3	2,000	6,000
6.	Helpers	3	1,500	4,500
7.	Peon/Watchman	2	1,500	3,000
	Total			38,500
	<i>Perquisites @ 15% of Salary</i>			5,800
	Total			44,300
	Say			44,000

(ii) Raw Material Including Packing Materials

Sl. No.	Particulars	Rate (Rs.)	Qty.	Total (In Rs.)
1.	Natural Hair Assorted type	250/Kg.	120 kg.	30,000
2.	Sawn Wood/Timer of soft grain	200/C.f.t.	50 C.f.t.	10,000
3.	Resin/Glue	80/kg.	100 Kg.	8,000
4.	Paint/Varnish and Nylon Thread	L.S		2,000
5.	Packing Material	L.S		5,000
	Total			55,000

(iii) Utilities		(Rs.)
Average consumption 1000 KWH Unit @ Rs. 4/ unit		4,000

(iv) Other Contingent Expenses		(In Rs.)
i.	Rent	5,000
ii.	Repair and Maintenance	1,000
iii.	Postage and Stationery	1,000
iv.	Telephone Charges	1,000
v.	Transportation and Freight	2,000
vi.	Insurance	1,000
vii.	Sales Expenses	1,000
viii.	Miscellaneous Expenses	1,000
	Total	13,000

(v) Total Working Capital (per month)		(Rs.)
1.	Raw Material	55,000
2.	Salary and Wages	44,000
3.	Utilities	4,000
4.	Other Contingent Expenses	13,000
	Total	1,16,000

(vi) Working Capital for 3 Months = Rs. 1,16,000 × 3
= Rs. 3,48,000

C. Total Capital Investment

(1) Fixed Capital	67,000
(2) Working Capital for 3 Months	3,48,000
Total	4,15,000

MACHINERY UTILIZATION

Bunching of hairs and fixing is bottleneck operation, hence by applying more workers production can be increased.

FINANCIAL ANALYSIS

(1) Cost of Production (per annum)		(In Rs.)
1.	Total Recurring Expenditure	13,92,000
2.	Depreciation on Plant and Machinery and Equipment @ 10%	4,015
3.	Depreciation of Office Equipment/ Furniture @ 20%	2,000
4.	Depreciation on Moulds and Fixtures @ 25%	750
5.	Interest on Total Capital Inv. @ 16%	66,400
	Total	14,65,165
	Say	14,65,000

(2) Turnover (per annum)

Sl. Particulars No.	Qty. Nos.	Rate (Rs.)	Total (In Rs.)
1. Shoe Brushes	60000	20	12,00,000
2. Woollen Clothes and Carpet Brushes	12000	30	3,60,000
3. Ladies Hair Brushes	9000	35	3,15,000
	Total		18,75,000

(3) Profit

Sales - Cost of Production
Rs. 18,75,000 - 14,65,000 = Rs. 4,10,000

(4) Percentage Profit on Sales 22%

(5) Rate of Return on Total Capital Investment 98.8%

(6) Break-even Point

Fixed Cost (per annum)	(In Rs.)
1. Total Depreciation	6,765
2. Rent of Building	60,000
3. Insurance	12,000
4. Interest on Total Capital Investment	66,400
5. 40% of Salary and Wages	2,11,200

6. 40% of Other Contingent Expenses Excluding rent and insurance	33,600
Total	3,89,965
Say	3,90,000

B.E.P = $\frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}}$

Where, F.C. = Rs. 3,90,000

P. = Rs. 4,10,000

= $\frac{390000 \times 100}{390000 + 410000}$

= 48.75%

Addresses of Machine /Equipment and Raw Material Suppliers

1. M/s. Essential Machine Tools Pvt. Ltd.
5, Nyay Murthi G.N. Vaidya Marg,
Bank Street, P.O. Box No. 2,
Behind State Bank of India,
Fort, Mumbai - 400 001
2. M/s. Perfect Machine Tools Co.
Pvt. Ltd.
Sir P.M. Road, Mumbai.

Raw Material Suppliers

Locally available.