PROJECT PROFILE
ON
PANEL PINS & SHOE TACKS

1.	Product	: Panel Pins & Shoe Tacks
2.	NIC Code	: 28991
3.	Product Code	: 28999
4.	Production Capacity	: There is no specific quality Standard has been suggested by BIS for Shoe Tacks; however, IS-6738-1996 may be referred for Penal Pins & Lost Head Nails.
4.	Month & year of Preparation	: July 2021
	Prepared by	: MSME Development Institute, Ministry of MSME, Govt. of India 65/1 GST Road, Guindy, Chennai – 600032 Phone:044-22501011 / 12/13 Email id : dcdi-chennai@dcmsme.gov.in www.msmedi-chennai.gov.in

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PANEL PINS & SHOE TACKS

1. INTRODUCTION:

Panel Pins and Shoe Tacks are made up of steel wire and are used for making shoes, chapels' etc. and for fixing papers on panel. Shoe tacks are used for footwear repairing also.

2. MARKET:

Looking at the growth of population and standard of living, the requirement of shoe is ever increasing and so is the repairing of shoes, demand for shoe tacks are good. Similarly, demand for penal pins is also growing with the increase in institute education and school / colleges.

Basis & Presumption

1. The Project Profile has been prepared on the basis of single of 8 hrs. and 75 % efficiency.

2. The rental value of the Workshop shed has been taken at Rs. 25 per sq.meter.

3. The Cost of machinery and equipment as indicated in the profile refer to a particular make and the prices are approximate those ruling at the time of preparation of the report.

4. The provisions made in respect of raw materials, personnel, utilities and overheads etc., are at the prevailing rates and are approximate only.

5. The rate of interest has been taken on the basis of 11% per annum.

3. IMPLEMENTATION SCHEDULE

It is estimated to take 4 months from conception of implementation and commercial production including preparation of project report, financial arrangements, procurement of machinery, Raw Material, Staff &Labour etc.

4. TECHNICAL ASPECTS

1. **Production Process:** The shoe tack is having square cross section. It is flattened at one end and pointed at another end. The shoe tacks are made on automatic machines. In these machines half hard drawn bright mild steel wires are fed and complete shoe tack comes out of the machine. These nails are then put into polishing barrels to clean the surface of the nails and also to remove burrs from the nails. The nails are then put into the bluing furnace, for giving blue colour to the nails. The panel pins can also be manufactured by changing the dies on same machines. In case of panel pins the process of bluing is not done. In the project profile the manufacturing of shoe tacks has been taken.

2. **Quality Control and Standards:** There is no specification suggested for shoe tacks by BIS. However, IS: 6738-1972 on Panel Pins and Lost Head nails may be referred for quality control for panel pins and generally followed for shoe tacks.

3. **Production Capacity :** Quantity – 55tones per annum

   Value – Rs. 5500000/-

4. Approx Power Requirement : 10 HP

5. Pollution Control: As such unit do not need any specific measure, however, general care to be taken.

6. Energy Conservation: Nothing special is needed; however, general features of energy conservation may be taken care of.

5. FINANCIAL ASPECTS

1. Land & Building:

Covered area 100 sq.meter @ 25/- Rented per month. Rs. 10000/-

2. Plant & Machinery:

Sr. No.	Machinery	Qty.	Cost
1.	Automatic Shoe Tack Making Machine Capacity 10 to 25 mm length with Electricals	4	600000
2.	Annealing-cum-Bluing Furnace of 750 x 500 x 750mm electric single phase, 1 HP Motor, coal fired 500 0 C Temp.	1	250000
3.	Polishing Barrel 650 mm dia. 1000 mm long Double barrel with 3 HP motor	1	1000
4.	Double Ended Bench Grinder Machine suitable for grinding dies of shoe tacks.	1	40000
5.	Weighing Balance, Weight trays small pots.		25000
	Total		916000

1.	Erection and commissioning @ 10% of plant and machinery	101500
2.	Cost of spare cutters, dies, tools etc.	40000
3.	Cost of office furniture etc.	50000
4.	Preoperative expenses	25000
		216500
	Total Fixed Capital	**1132500**

3. Working Capital (per month)

I. Personnel (per month)

1.	Foreman	1	20000
2.	Skilled workers	2	14000
3.	Semi skilled workers	3	18000
4.	Helpers	2	10000
5.	Clerk-cum-Accountant	1	8000
		Total	**70000**

II. Raw Material (per month)

1.	M S (H B) Wire 15 to 16 SWG 6 Tons @ Rs. 40000	240000
2.	Polishing material	10000
3.	Coal	30000
4.	Packing Material	10000
	Total	**290000**

III. Utilities (per month)

Power 1500 kwh units @ 8.0	12000
Water	1000
Total	**13000**

IV. Other contingent expenditures (per month)

Rent	10000
Consumables	5000
Transport and conveyance	5000
Stationery and postage	5000
Repair and maintenance	4000
Telephone	1000
Misc. expenses	1000
Total	**31000**

V. Total Recurring Expenditure (per month)

Personnel	70000
Raw material	290000
Utilities	13000
Other contingent expenditure	31000
Total	**404000**

VI. Working Capital for 3 months

404000x3 = 1212000

Capital Investment

Fixed Capital	1231500
Working capital for 3 months	1212000
Total	**2443500**

Financial Analysis

I. Cost of production

Total Recurring Cost	4848000
Depreciation on Machinery	91600
Depreciation on Tools, Dies etc. @ 25%	10000
Depreciation on Office Equipments @ 20%	10000
Interest on Capital Investments @ 11%	268785
Total	**5228385**

II. Turnover (per annum)

Sl. No.	**Item**	**Qty.**	**Rate**	**Value**
1.	Shoe Tacks/Panel Pins	55 MT	100/ kg	5500000
2.	Scrap	5 MT	25/ kg	125000
			Total	**5625000**

III. Profit (before taxes)

5625000-5228385 = 396615

IV. % of profit on sales (net profit ration)

$$\frac{\text{Net profit X 100}}{\text{Turnover}} = \frac{396615 \times 100}{5625000} = 7.05\%$$

V. Rate of Return

$$\frac{\text{Net Profit} \times 100}{\text{Capital Investment}} = \frac{396615 \times 100}{2443500} = 16.23\%$$

VI. BEP

(a) Fixed Cost.

Total Rent	12000
Total Depreciation	111600
Total Interest	247830
40% of Salary	336000
40% of other expenses (excluding rent)	216000
Total	**923430**

(b) **Profit:** 396615

VII. BEP

$$\frac{FC \times 100}{FC + P} = \frac{923430}{923430 + 396615}$$

$$\frac{923430}{1320045} = \mathbf{69.9\%}$$

7. ADDRESS OF MACHINERIES & EQUIPMENT SUPPLIERS

1.	M/s.K B Machine Factory, Sultan Wind Road, Amritsar
2.	M/s. Jaymus Engg. Works, Birhana Road, Kanpur
3.	M/s.Universal Screw Factory P Ltd., Chherata, Armitsar.
4.	M/s. Burma Indl.Corpn., G T Road, Putlighar, Amritsar.
5.	M/s. D R Kapoor & Sons, GhumarMandi, Ludhiana

8. ADDRESS OF RAW MATERIAL SUPPLIERS:

Local Iron Merchants / Wire drawing units.

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