PROJECT REPORT

Of
SOLDERING WIRE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding 'Soldering Wire'.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

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SAMADHAN
Nurturing Dreams - Innovative Solutions

PROJECT REPORT
ON
SOLDERING WIRE

INTRODUCTION:-

Soldering wire is used in Electrical, Electronics and telephone industries for soldering ratio, transistor, TV. Circuit and computer circuits too as well as electrical connection. The industry can be taken up small scale basis with good profitability.

MARKET POTENTIAL:-

The product is having very good demand in indigenous market as well as in foreign countries. There is a great Export potential for this item in Middle East countries. Its price varies depending upon the ratio of tin, lead and other alloy.

BASIS & PRESUMPTION:-

1. The project file has been prepared on the basis of single shift of 8-hrs. a day and 25-working days in a month at 60% efficiency.
2. It is presumed that Ist year, the capacity utilization will be 60% followed by 70% in the next year and 100% in the fifth year.
3. The rates quoted in respect of salaries and wages for skilled worker and others are on the basis of minimum rates in the state
4. Interest rate for the fixed and working capital has been @ 11.50% on an average

5. whether financed by the bankers or financial institutional.
6. The rate quoted in of machinery, equipments and raw material are those prevailing at the time of preparation of the project profile and are likely to vary from place to place and suppliers to suppliers. When a tailor made project profile is prepared, necessary changes are to be made.
7. The payback period may be 5-years after the initial gestation period.
8. The gestation period in implementation of the project may to be the tune of 6to 9 months which includes making all arrangements, completion of all formalities, market surveys and tie-ups etc. once all the arrangements are made and quality/standards achieved the 100% project capacity may be achieved at the end of three years. However, a detailed PERT/CPM/chart with implantation period has been given in the report.

IMPLEMENTATION SCHEDULES:-

The implementation of the project includes various jobs/exercise such as procurement of technical know how, transfer of technology, market surveys and tie- ups, preparation of project report, selection of site, registration, financing of project, procurement of machinery and raw material etc. recruitment of staff, erection/commissioning of machines, trial production and commercial productions etc. In order to efficiently and successfully implement the project in the shortest period , According to which a minimum period of 8 monhs is involved in family starting the project on commercial basis.

MANUFACTURING PROCESS:

The process consists of following operations:-

1. Melting as per requirements.
2. Pouring in metal Moulds.
3. Filling the flax.
4. Bar Rolling.
5. Wire Rolling.
6. Coiling
7. Packaging.

The recommended percentage of thin, lead, antimony is to be melted first and then poured in Metal Moulds keeping the provision of central hole longitudinally for subsequent pouring of rosin mixture and then it is allowed for cooling. The bars are rolled plant and further it is reduced to thinner gauges in wire rolling machine according to the requirement. Finally, the material is packed and kept ready for marketing. The solder Wires of different compositions of tin and lead mentioned below may be manufactured with the help of some machinery and equipments. However the sale price will vary and the rates will be lowered with presences of more percentage of lead.

A	B	C	D	E	F	G
Tin 60	50	40	30	20	10	5
Lead 40	50	60	70	80	90	95

PRODUCTION (TARGET & VALUE):-

QUANTITY : 30 M.T. Rs119lac

QUALITY CONTROL & STANDARDS:-

Soldering Wire will be produced as per IS - 1921/1961

POWER REQUIREMENT: -10 K.W.

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POLLUTION CONTROL:-

1. This industry involves pollution to some extent for which state Pollution control Board has to be approached.

2. Minimum height of shed will be maintained with exhaust fans should be installed for removing decongestion proper ventilation, removal of cook's fumes etc.

FINANCIAL ASPECTS:-

PROJECT AT A GLANCE

Product and By Product	:	**Soldering wire**	
Name of the project / business activity proposed :		**Soldering wire**	
Cost of Project	:	Rs.14.3 Lacs	
Means of Finance			
Term Loan		Rs.2.32 Lacs	
KVIC Margin Money	-	As per Project Eligibility	
Own Capital		Rs.1.43 Lacs	
Working Capital		Rs.10.54 Lacs	

Debt Service Coverage Ratio	:	9.91	
Pay Back Period	:	5	Years
Project Implementation Period	:	6	Months
Break Even Point	:	29%	
Employment	:	12	Persons
Power Requirement	:	10.00	HP
Major Raw materials	:	Tin ,Lead Antimony	
Estimated Annual Sales Turnover	:	68.40	Lacs

COST OF PROJECT (Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work (3000 Sq Ft)	
Plant & Machinery	1.78
Furniture & Fixtures	0.50
Pre-operative Expenses	0.30
Working Capital Requirement	11.72
Total	**14.30**

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	1.43
Term Loan	2.32
Workign Capital Finance	10.54
Total	**14.30**

Beneficiary's Margin Monery (% of Project Cost)

General **10%**

Special **5%**

PLANT & MACHINERY

	PARTICULARS	QTY.	RATE	AMOUNT IN RS.
1	Coke fire pit furnace with 1 hp motor and other accessories	2		20,000.00
2	Bar Rolling plants for rolling bar/rod with 2 HP motor	2		32,000.00
3	Rolling Machine for rolling the bar to inner section	2		16,000.00
4	Wire rolling machine with 1 HP motor	4		20,000.00
5	Wire cutting Machine with 1 HP motor	2		10,000.00
6	Wire Winding Machine with 1 HP motor	2		8,000.00
7	Chemical Testing Equipments	**LS**		15,000.00
8	Weight balances	2.00		7,000.00
9	Tools jigs Dies			50,000.00
	Total			1,78,000.00

COMPUTATION OF MANUFACTURING OF SOLDERING WIRE

Manufacturing Capacity per day	100.00	Kg
No. of Working Hour	8	
No of Working Days per month	25	
No. of Working Day per annum	300	
Total Production per Annum	30,000.00	Kg
Year	Capacity	Kg
	Utilisation	
IST YEAR	60%	18,000
IIND YEAR	70%	21,000
IIIRD YEAR	80%	24,000
IVTH YEAR	90%	27,000
VTH YEAR	100%	30,000

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of	Recovery	Unit Rate of	Total Cost
		Raw Material		/	Per Annum (100%)
Tin (30%) imported	Kg	15,000.00		377.00	56,55,000.00
Lead (49.5%) ind.	Kg	15,000.00		40.00	6,00,000.00
Antinomy (.5%)imported	Kg	900.00		280.00	2,52,000.00
Rosin, glycerin		LS			1,20,000.00
Head Coke	Ton	4.00		6,000.00	24,000.00
			Total		66,51,000.00
Annual Consumption cost		(In Lacs)			66.51

Raw Material Consumed	Capacity		Amount (Rs.)
	Utilisation		
IST YEAR	60%		39.91
IIND YEAR	70%		46.56
IIIRD YEAR	80%		53.21
IVTH YEAR	90%		59.86
VTH YEAR	100%		66.51

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	2.88	3.36	3.84	4.32	4.80
Raw Material					
(30 Days requirement)	3.99	4.66	5.32	5.99	6.65
Closing Stock	**6.87**	**8.02**	**9.16**	**10.31**	**11.45**

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars		Total
		Amount
Stock in Hand		6.87
Sundry Debtors		6.84
	Total	13.71
Sundry Creditors		2.00
Working Capital Requirement		**11.72**
Margin		1.17
Working Capital Finance	roundoff	**10.50**

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	900	1,050	1,200	1,350
Production	18,000	21,000	24,000	27,000	30,000
	18,000	21,900	25,050	28,200	31,350
Less : Closing Stock	900	1,050	1,200	1,350	1,500
Net Sale	17,100	20,850	23,850	26,850	29,850
Sale Price per Kg	400.00	400.00	400.00	400.00	400.00
Sale (in Lacs)	**68.40**	**83.40**	**95.40**	**107.40**	**119.40**

HUMAN RESOURCES

Works Manager	1
Skilled Worker	4
Unskilled Worker	4
Accountant	1
Sales Agent	2

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	68.40	83.40	95.40	107.40	119.40
Total (A)	**68.40**	**83.40**	**95.40**	**107.40**	**119.40**
B) COST OF SALES					
Raw Mateiral Consumed	39.91	46.56	53.21	59.86	66.51
Electricity Expenses	0.86	1.00	1.15	1.29	1.43
Repair & Maintenance	-	0.83	0.95	1.07	1.19
Labour & Wages	8.18	9.00	9.90	10.89	11.98
Depriciation	0.29	0.27	0.24	0.20	0.17
Consumables and Other Expenses	3.42	4.17	4.77	5.37	5.97
Cost of Production	52.66	61.84	70.22	78.69	87.26
Add: Opening Stock /WIP	-	2.88	3.36	3.84	4.32
Less: Closing Stock /WIP	2.88	3.36	3.84	4.32	4.80
Cost of Sales (B)	49.78	61.36	69.74	78.21	86.78
C) GROSS PROFIT (A-B)	18.62	22.04	25.66	29.19	32.62
	27%	**26%**	**27%**	**27%**	**27%**
D) Bank Interest (Term Loan)	0.20	0.24	0.18	0.11	0.03
Bank Interest (C.C. Limit)	1.05	1.05	1.05	1.05	1.05
E) Salary to Staff	3.70	4.07	4.47	4.92	5.41
F) Rental Expenses	3.60	3.60	3.60	3.60	3.60
G) Selling & Adm Expenses Exp.	3.42	4.17	4.77	5.37	5.97
TOTAL (D+E)	**11.97**	**13.13**	**14.07**	**15.05**	**16.06**
H) NET PROFIT	6.65	8.91	11.60	14.14	16.56
I) Taxation	-	0.89	2.32	2.83	3.31
J) PROFIT (After Tax)	6.65	8.02	9.28	11.32	13.24

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