PLASTER OF PARIS TOYS AND SMALL STATUES

PRODUCT : Plaster of Paris toys and small statues

PRODUCT CODE : Nil

QUALITY AND STANDARD : As per consumers demand and market requirement

PRODUCTION CAPACITY : 1,08,000 decorated pieces (per annum)

MONTH & YEAR OF PREPARATION : November, 2012

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INTRODUCTION:

The artistic statues, toys and dolls made out of plaster of paris and properly painted with various colours mostly find place in the households and business establishments etc, as decorative pieces and for worshiping. Reproduction of replica out of plaster of paris is easy and economical. This type of industry can be started by women entrepreneurs and entrepreneurs with artistic skill.

MARKET POTENTIAL:

As the toys and statues of plaster of paris are within the reach of one and all irrespective of one’s economic status by virtue of its low cost and aesthetic value the demand for the product is quite good. These days replicas made out of plaster are very much liked by the people. During festivals like Diwali, Ganesh Chaturthy,X'Mas etc. the demand of such items increases.

BASIS AND PRESUMPTIONS:

1. It has been taken into consideration that the unit will work on single shift basis for 300 working days in a year.
2. The unit will take one year for achieving full envisaged capacity utilization.
3. The labour will be arranged on regular basis.
4. The interest rate on capital investment is considered @ 15%.
IMPLEMENTATION SCHEDULE

Market study and preparation of project document 0 to 1 month
Registration 2
Selection of rented premises 3
Financial assistance 4
Development of moulds and setting up of workshop 5
Trial production 6

TECHNICAL ASPECTS

1. Production details and process of manufacture:
   The toys/dolls and statues are made by casting method utilising either rubber or plaster moulds. In the first instance the moulds are properly cleaned and lubricated. Plaster of paris is thoroughly mixed with desired quantity of water to make into slurry. Moulds are then filled with slurry of plaster of paris and allowed to set for about 15 to 20 minutes. The excess material deposited on the mould is removed with the help of a knife. Soon after the material is poured into the mould it is hardened, the mould is opened and the article is taken out and subjected to further drying for a period 2 to 3 days in order to remove the moisture completely. Then the statues, toys of replica are decorated with hand painting or spraying with different colours. The products are suitably packed before marketing.

2. Quality control and standards:
   There is no specification available for the quality control. The toys and statues are manufactured/produced as per the requirement of customers/market demand.

3. Production Target (per year):
   It is envisaged that the unit will product 1,08,000 pieces of toys and statues valued at Rs.17,28,000 per year.

4. Pollution control:
   The process of manufacture does not emit/create any pollution. Masks can be used by the workers while spraying colours on articles.

FINANCIAL ASPECTS

Fixed Capital
1. Land & Building
   Land : 500 sq.mt. with covered area 220 sq.mt. on rental basis @ 10,000 Rs.10,000 p.m.

2. Machinery & Equipment:
   Wooden tables of 2x1.5 Mtr. Size with highly polished marble slab 80,000
   Rubber moulds of different sizes 50,000
   Air Compressor with spary gun etc 30,000
   Misc. tools and equipment 20000
Water tanks etc. 25,000
Office furniture & equipment 50,000
Total 2,55,000

3. Preoperative expenses: 15,000
Total 2,60,000

Working Capital (per month):

i. Personnel:
Manager/Supervisor 1 10,000
Sales officer 1 8,000
Clerk/Typist 1 6,000
Skilled worker 2 16,000
Semi skilled worker 2 12,000
Modeller/Moulder 1 8,000
Unskilled worker 2 7,000
Peon/watchman 2 7,000
Prequisite @ 15% 11,100
Total 85,100
Or Say 85,000

ii. Raw materials (PM):
1. Plaster of paris @ Rs.3,500/MT-10 35,000
ii. Colours & Chemicals –LS 15,000
Total 45,000

iii. Utilities (per month):
Power 1,000
Water 1,000
Total 2,000

iv. Other contingent expenses (per month):
Rent 10,000
Postage and stationery 500
Transport charges 2,000
Repairs & replacement 1,000
Packing material 5,500
Consumables stores 2,000
Sales expenses 2,000
Insurance 500
Advertisement/publicity 1,500
Total 25,000

v. Total recurring expenditure (per month):
Staff & Labour 85,000
Raw materials 45,000
Utilities 2,000
Other expenses 25,000
1,57,000
(vi) Working capital for 3 months 4,71,000

5. Total capital investment:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery &amp; equipment</td>
<td>2,55,000</td>
</tr>
<tr>
<td>Working capital for 3 months</td>
<td>4,71,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,26,000</strong></td>
</tr>
</tbody>
</table>

6. Financial Analysis:

1. Cost of production (per annum):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Total recurring cost</td>
<td>18,84,000</td>
</tr>
<tr>
<td>ii. Depreciation on machinery moulds &amp; furniture and tools @ 20%</td>
<td>51,000</td>
</tr>
<tr>
<td>iii. Interest on total capital investment @ 15%</td>
<td>1,08,900</td>
</tr>
<tr>
<td><strong>Total cost of production</strong></td>
<td><strong>20,43,900</strong></td>
</tr>
<tr>
<td>Say Rs.</td>
<td><strong>20,44,000</strong></td>
</tr>
</tbody>
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2. Turnover

Turnover (per annum)
1,08,000 nos. of decorative statues and toys of plaster of paris 24,84,000
at an average rate of Rs.23/- per piece

3. Net profit per year: 4,40,000

4. Net profit ratio

\[
\text{Net profit per year x 100} = \frac{4,40,000 \times 100}{24,84,000} = 17.71\%
\]

5. Rate of return:

\[
\text{Net profit per year x 100} = \frac{4,40,000 \times 100}{7,26,000} = 60.60\%
\]

6. Break Even Point:

i. Fixed cost:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation on machinery &amp; equipment, tools and furniture</td>
<td>51,000</td>
</tr>
<tr>
<td>40% of salaries and wages</td>
<td>4,08,000</td>
</tr>
<tr>
<td>40% of utilities</td>
<td>9,600</td>
</tr>
<tr>
<td>40% of other contingent expenses</td>
<td>1,20,000</td>
</tr>
<tr>
<td>Interest on total investment @ 15%</td>
<td>1,08,900</td>
</tr>
<tr>
<td><strong>Total fixed cost</strong></td>
<td><strong>6,97,500</strong></td>
</tr>
</tbody>
</table>

Net profit per year 2,91,500

\[
\text{B.E.P.} = \frac{\text{Fixed cost x 100}}{\text{Fixed cost + Net profit}} = \frac{6,97,500 \times 100}{6,97,500 + 4,40,000} = 61.32\%\]
Addresses of Machinery & Equipment suppliers:

1. M/s. International Machine Tools Corporation  
   5, Bank Street  
   Post Box No.799  
   Behind State Bank  
   Fort; Mumbai-400023

2. M/s. Engineering Tools & Equipments  
   Post Box No.1972  
   SB Single Road  
   Fort; Mumbai - 400023

3. M/s. Marketing Corporation  
   Post Box No.1491  
   GPO  
   Mumbai – 400001

4. M/s. Technical Service and Suppliers  
   Mainal Mansion, 7  
   Arthur Bunder Road  
   Colaba, Mumbai – 400005.

Addresses of Raw material suppliers:

All the materials are locally available.