

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 worshipping. 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 nd month
Selection of rented premises	3 rd month
Financial assistance	4 th month
Development of moulds and setting up of workshop	5 th month
Trial production	6 th month

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 @ Rs.10,000 p.m.	10,000
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2. Machinery & Equipment:

Wooden tables of 2x1.5 Mtr. Size with highly polished marble slab at the top	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	<u>2,55,000</u>

<u>3.Preoperative expenses:</u>		15,000
	Total	<u>2,60,000</u>

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%		<u>11,100</u>
	Total	<u>85,100</u>
	Or Say	85,000

ii.Raw materials (PM):

1. Plaster of paris @ Rs.3,500/MT-10		35,000
ii. Colours & Chemicals –LS		<u>15,000</u>
	Total	<u>45,000</u>

iii.Utilities(per month):

Power		1,000
Water		<u>1,000</u>
Total		<u>2,000</u>

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		<u>1,500</u>
Total		<u>25,000</u>

v.Total recurring expenditure (per month)

Staff & Labour		85,000
Raw materials		45,000
Utilities		2,000
Other expenses		<u>25,000</u>
		<u>1,57,000</u>

(vi) Working capital for 3 months **4,71,000**

5. Total capital investment:

Machinery & equipment	2,55,000
Working capital for 3 months	<u>4,71,000</u>
Total	<u>7,26,000</u>

6. Financial Analysis:

1. Cost of production (per annum):

i. Total recurring cost	18,84,000
ii. Depreciation on machinery moulds & furniture and tools @ 20%	51,000
iii. Interest on total capital investment @ 15%	<u>1,08,900</u>
Total cost of production	<u>20,43,900</u>
	Say Rs. 20,44,000

2. Turn over

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

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

4. Net profit ratio

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

5. Rate of return:

$$\frac{\text{Net profit per year} \times 100}{\text{Total investment}} = \frac{4,40,000 \times 100}{7,26,000} = 60.60\%$$

6. Break Even Point:

i. Fixed cost:

Depreciation on machinery & equipment, tools and furniture	51,000
40% of salaries and wages	4,08,000
40% of utilities	9,600
40% of other contingent expenses	1,20,000
Interest on total investment @ 15%	<u>1,08,900</u>
Total fixed cost	<u>6,97,500</u>

Net profit per year 2,91,500

$$\text{B.E.P.} = \frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Net profit}} = \frac{6,97,500 \times 100}{6,97,500 + 2,91,500} = 70.52\%$$

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.