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**Khadi and Village Industries Commission Mumbai**

**Model Project Profile on Ball Pen Refills (PCBI)**

**Introduction**

Ball pens are presently popular in use. For this reason itself quality refills are on high demand. The production process of is very simple. It is to fill up ink in the tube and connect with nozzle, after removing air from the refills with the help of centrifuging machine.

**Market Potential: :**

Ball point pens are popular among all the groups and finds widespread usage irrespective of geographical location or divides. The

**1 Name of the Product : Ball Pen Refills**

**2 Project Cost :**

a Capital Expenditure

Land

Workshed in sq.mts 200  Rs. **Own** 100,000.00

Equipment : Rs. 50,000.00

Punching machine, Ink filling maching, Nozzle fixing machine, centrifuging machine, Hot stamping michine.

Total Capital Expenditure Rs. 150,000.00

b Working Capital Rs. 74,071.00

**TOTAL PROJECT COST : Rs. 224,071.00**

**3 Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in lakhs	Rate(Rs)	Total Value
1	Ball Pen Refills	215.00	1.00	215.00
<b>TOTAL</b>		<b>215.00</b>	<b>1.00</b>	<b>215.00</b>

**4 Raw Material : Rs. 250,000.00**

**5 Labels and Packing Material : Rs. 6,000.00**

**6 Wages (Skilled & Unskilled) : Rs. 40,000.00**

**7 Salaries Rs. 40,000.00**

8	Administrative Expenses	:	Rs.	7,000.00
9	Overheads	:	Rs.	15,000.00
10	Miscellaneous Expenses	:	Rs.	5,000.00
11	Depreciation	:	Rs.	10,000.00
12	Insurance	:	Rs.	1,500.00
13	Interest (As per the PLR)			
	a. C.E.Loan		Rs.	19,500.00
	b. W.C.Loan		Rs.	9,629.00
	Total Interest		Rs.	29,129.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	73,000.00
	Variable Cost		Rs.	320,629.00
	Requirement of WC per Cycle		Rs.	65,605.00

#### 15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	73.00	43.80	51.10	58.40
2	Variable Cost	321.00	192.60	224.70	256.80
3	Cost of Production	394.00	236.40	275.80	283.10
4	Projected Sales	430.00	258.00	301.00	344.00
5	Gross Surplus	36.00	21.60	25.20	28.80
6	Expected Net Surplus	26.00	12.00	15.00	19.00

- Note :
- All figures mentioned above are only indicative.
  - If the investment on Building is replaced by Rent then
    - Total Cost of Project will be reduced.
    - Profitability will be increased.
    - Interest on C.E.will be reduced.