



A starter's guide to
manufacturing of wire nails

Nail

YOUR SUCCESS



JAMMU & KASHMIR
ENTREPRENEURSHIP DEVELOPMENT
INSTITUTE

Introduction

Jammu and Kashmir, particularly the valley, is witnessing a construction boom particularly in suburban areas. This has hugely increased the demand for building materials, including wire nails, which is expected to keep up with the upward trajectory for many decades to come.

According to industry inputs, only four percent of the total demand is met by local production and for the rest, the state depends on outside produce for the unsatisfied demand.

There are about 300 designs of nails around the world but in our state square nails are in vogue.

They nails are made from coils of metal wire which is fed into a nail-making machine that produces up to 700 nails per minute. The nails are then further twisted or formed, cleaned, finished, and packaged.

Market snapshot for Kashmir

According to the industry, the Kashmir Valley, where people popularly use wood frames for door, windows and cupboards, alone consumes nails worth Rs.30 crore every year. Of this, the domestic production accounts for just Rs.1 crore. That leaves a huge gap for new players to foray into.

In the valley, there are industries barbed wire, chain link fencing, crate mesh and wire nails. There are thirty units across the Valley producing these items, out of which only few units manufacture wire nails.

Opportunities:

- There is a yawning gap between demand and supply
- Corrugated tin roofing in the valley has no alternative
- A huge wood work is prevalent
- Since construction in the valley is at a boom nails are also required for shuttering purposes

Challenges:

- Less availability of raw material
- It is a capital and labour intensive industry
- Management of scrap and waste material is difficult
- Dearth of highly technical people to run the unit
- Retention of technical people





Investment cost for setting up a of 32-ton per month capacity unit

Capital Cost	Rs.20.00 lakhs
a) Land	Leased/rented
b) Building	Rs.8.10 lakhs
c) Machinery/equipments	Rs.11.90 lakhs
Operational Cost	Rs.17.20 lakhs
Grand Total	Rs.37.20 lakhs

Sales per month

By sale of 30.4 ton @ Rs.75000/ton(with 2%-5% wastage) (current market rate)	Rs.22.80 lakhs
Total Returns/Earnings	Rs.22.80 lakhs

Relevant government departments to approach for

- Revenue department (Tehsildar, Local Body)
- District Industries Centre (DIC)
- State Industrial Development Corporation(SIDCO) for Land Allotment
- Small Scale Industrial Development Corporation Limited (SICOP)
- State Pollution Control Board
- Power Development Department (PDD)
- Public Health Engineering (PHE)

Checklist:

1. Land (pre-owned, leased or hired)

- Area: 1 kanal
- Nature: Industrial Estate is usually preferred.

2. Building (Civil engineering)

- | | |
|-----------------------|-----------|
| - Processing shed | 40X30 ft. |
| - Finished goods shed | 20X20 ft. |
| - Raw material shed | 20X20 ft. |
| - Washroom | 10X10 ft |

3. Machinery and Equipments

- | | |
|-----------------------|----|
| - Nail making machine | 5 |
| - Polishing drum | 1 |
| - Tools and dies | 10 |
| - Nail cutter grinder | 1 |

4. Finances

- Check various schemes at JKEDI

5. Suppliers

- Registered Dealers of
 - Equipments
 - Machinery
 - Raw Materials
 - Jute Bags

6. Buyers

- Dealers
- Retail hardware stores
- Contractors and suppliers

