

ALL INDIA STATUS REPORT ON SAFETY RAZOR BLADES INDUSTRY



Prepared under Action Plan 2003-04

by



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FOREWORD

Small Industries Service Institute, Chennai, has great pleasure in bringing out the **“All India Status Report on Safety Razor Blades Industry”**. This report has been prepared by Shri K. Sampathkumar, Deputy Director (Met.), SISI, Chennai, vide Action Plan 2003-04, using his experience and knowledge of the industry.

The Status Report primarily brings out the fact that there exists a vast potential to set up new units in the small scale sector by the concept of mini plants to meet the demand-supply gap both locally as well as internationally. The fact that there are only a couple of multinational companies in the large scale sector manufacturing safety razor blades, is ample evidence for new units to be set up and an ample opportunity for new entrepreneurs to foray into the safety razor blades manufacturing industry.

I am sure that the efforts put in bringing out this report will not only prove amply rewarding to all the entrepreneurs but also to other promotional and developmental agencies who are engaged in the industrialisation of the State of Tamil Nadu in particular and the country as a whole.

I am extremely happy to record my profound appreciation for the sincere and dedicated efforts of Shri K. Sampathkumar and his team in bringing out the report.

V.S. KARUNAKARAN
DIRECTOR

Date: 24th November 2003

Place: SISI, Chennai

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INTRODUCTION

Vide Action Plan 2003-04, preparation of an All India Status Report on Safety Razor Blade Industry was undertaken by K. Sampathkumar, Deputy Director (Met.), SISI, Chennai. The assignment was commenced and questionnaires were circulated to all SIDO offices for data collection on the number of industries in the small scale sector manufacturing the above item in their respective jurisdictions. Replies regarding no industry manufacturing the above item from most of the SIDO offices were received and from the rest it is given to understand that there is no industry manufacturing the above item in the SSI sector in their jurisdictions. (See annexures attached) Besides this, meetings and discussions were held with various government officials and industry associations on the same.

The methodology adopted for preparation of this status report apart from the questionnaires circulated and discussions held has been by collection of information and data from various sources on a desktop level. The contents include

1. Background history of the industry
2. Industry concentrations, number of units, production, exports in each concentration;
3. Product
4. Technology
5. Raw materials
6. Machinery and equipment
7. Management techniques
8. Organisational structure of the industry
9. Credit facilities
10. Marketing
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13. Details of indirect inputs like seminars, modernization funds, workshops, modernization clinics, etc.
14. Modernization needs of the industry
15. Conclusion

The author is extremely grateful to Shri V.S. Karunakaran, Director, SISI, Chennai for reposing confidence, giving guidance, cooperation and assistance for the preparation of this Status Report.

CHAPTER - I

BACKGROUND HISTORY OF THE INDUSTRY

Early History

For thousands of years man has been fighting the unending battle with his stubborn facial hair. His face has about 25,000 whiskers, which are as hard and tough as a piece of copper wire of the same thickness, and grow at a rate of five to six inches (125 to 150mm) per year. An average man will spend in excess of 3,000 hours of his life in the act of shaving.

The ancient Egyptians are known to have shaved their beards and heads, a custom later adopted by the Greeks and Romans around 330 B.C. during the reign of Alexander the Great. This practice was encouraged as a defensive measure for soldiers, preventing the enemy from grasping their hair in hand-to-hand combat. As the practice of shaving spread through most of the world, men of unshaven societies became known as "barbarians", meaning the "unbarbered". The practice of women shaving legs and underarms developed much later.

In early times man scraped the hair away with crude weapons such as stone, flint, clam shells and oilier sharpened materials. Later, he experimented with bronze, copper and iron razors. In more recent centuries he used the steel straight razor (aptly called the "cut-throat" for obvious reasons). For hundreds of years razors maintained a knife-like design and needed to be sharpened by the owner or a barber with the aid of a honing stone or leather strop. These "weapons" required considerable skill by the user to avoid cutting himself badly.

A Brief History of Shaving

Since the first man arrived on the earth, a decision has had to be made – whether to allow a beard to grown or to remove it. Cave paintings have shown that contrary to popular opinion, early man went about his work clean shaven, making good use of pieces of sharpened flint. With the Bronze Age and primitive metal working came razors made from iron, bronze and even gold. The civilizations of Rome and Greece

used iron blades with a long handle and developed the shape of the 'open' or 'cut-throat' razor which was the only practical razor until the 19th century. With improvements in steel manufacture came blades that were really sharp and capable of resharpening.

Advances in razor technology changed shaving habits in the 20th century. In 1900 most men were either shaved by the local barber (your trusted confidante, wielding a cut-throat razor) or periodically at home when required rather than regularly. The barber's better-off customers would have personal sets of seven razors, labelled "Sunday to Saturday". Today, nearly all men shave everyday in their own homes, using a wide variety of equipment.

Development of the Safety Razor

The first safety razor, a razor where the skin is protected from all but the very edge of the blade was invented by a Frenchman, Jean-Jacques Perret, who was inspired by the joiner's plane. An expert on the subject, he also wrote a book called 'Pogonotomy or the Art of Learning to Shave Oneself'. In the late 1820s a similar razor was made in the Sheffield and from the 1870s a single-edge blade, mounted on a hoe-shaped handle was available in Britain and Germany.

The Safety Razor

During the late nineteenth century a significant change occurred with the invention of the first safety razors. The new T-shaped instruments incorporated a guarded blade to prevent severe skin cutting and used either re-stroppable or disposable blades made of carbon steel. The introduction of disposable blades dispensed with the need for the user to acquire stropping skills. These more civilized tools made the struggle between man and beard a bit easier to win and were much more merciful to the face. They provided the stepping stone for greater developments in the technology of shaving during the 20th Century.

The Science Of Shaving

The Beard

Two types of hair fibre are found in the beard area. Very fine and poorly pigmented vellus hairs are found distributed among the coarser hairs in the beard and have diameters in the region of 0.01 mm. The coarser hair shafts have diameters in the region of 0.1 mm and have a hard scaly outer layer (the cuticle) surrounding a softer pigmented cortex. In the center of the cortex is the medulla or central core. Vellus hair shafts are similar to the coarse fibres except they have no medulla.

The beard area of adult males contains between 6,000 and 25,000 coarse, oval or circular hair fibres. Beard hair grows at a rate that varies widely from one person to the next, but is in the order of 0.4 mm over a twenty-four hour period. In addition, the growth rate can vary from place to place on the face.

The distribution of hairs is not homogeneous over the beard area, and tends to be lowest over the lower cheek (18-36 per cm squared) and highest over the upper lip (75 -110 per cm squared). Generally, hairs emerge from the skin surface at an angle of 30-60 degrees. Most hairs are associated with sebaceous glands which cover them with an oily secretion. One important property of hair is that it will soften in water. The tensile strength of saturated hair is half to a third that of dry hair - a factor that contributes to longer razor blade life and a more comfortable shave. Thus, preparation is an important part of shaving, and properly carried out will remove the oils from the surface of the hair and allow penetration of water to soften the hair.

The Skin

The skin on a man's face is far from smooth and has varying degrees of suppleness in different areas. Skin consists of two main layers -the thin, outer epidermis and the thick dermis underneath where the hair roots are located. The epidermis is divided into several layers. The outermost layer, or stratum corneum, consists of dead cells that are constantly falling off. These dead cells are removed very effectively during wet shaving and analysis of shaving debris shows almost as much skin as hair. New

cells are generated lower down the epidermis and migrate to the surface in about 10 to 20 days. Thus, the skin we see is rarely more than 20 days old.

The idea of use-once disposable blade (which didn't need resharpening) came from an American, King Camp Gillette in 1895. It was suggested to him that the ideal way to make money was to sell a product, part of which would need replacing at frequent intervals, an early example of built-in obsolescence. However, producing a paper-thin piece of steel with a sharpened edge strong enough to remove a beard was a near technical impossibility at that time. Although patents were filed in 1901, it was not until 1903 that Gillette could go into business. With the assistance of his technical adviser, William Nickerson, and the necessary financial backing he produced a grand total of 51 razors and 168 blades in that year. To generate interest, many razors were given away to his friends.

By 1905, the year the Gillette razor came to Britain, 90,000 razors and 2.5 million blades were produced, rising to 0.3 million razors and 14 million blades in 1908. In 1920 the Gillette razor was introduced as a standard issue to the British Army, replacing the old cut-throat. Gillette's early models had a separate handle and clamp unit for the blade, but in the 1930s he introduced a single-piece version which had opening wings in the top for inserting the blade. Other razor manufacturers such as Wilkinson, Every-ready and Valet produced similar safety razors but with resharpenable blades. These used a new version of the old leather strop or a stropping machine which through the blade was passed. Tiny safety razors for women, using the Gillette system appeared in the 1920s.

The Manufacture Of Modern Razors

Making The Modern Blade Edge

The first straight razors were individually handcrafted by expert blade makers in small workshops. In contrast, the production of modern blades is an extremely complex and highly technical process occurring at high rates of speed. In the early days of the safety razor carbon steel was used to make blades. This type of steel tended to corrode easily and lasted only a short time in the humid environment of the bathroom. In the mid

1950s stainless steel was first used by Wilkinson Sword to produce razor blades, thereby significantly increasing the life of the blade edge.

The increasing popularity of the rival electric razor prompted further technical development in the late 1950s and 1960s onwards: long-life stainless steel blades were introduced by Wilkinson Sword in 1956 and twin-blade safety razors came in the 1960s along with the completely disposable, one-piece plastic razor introduced by Bic.

SHAVING TECHNOLOGY MOVES AHEAD

Improvements to razors and blades were continually being made simultaneously by the Shaving Products Group. Several developments are worthy of mention. After the advent of twin blades and pivoting cartridges in the 1970s many improvements have been made to shaving products. Some of these noteworthy accomplishments include the development of a one-push cleaning feature to aid in removing debris from between blades, and improvements to the blade edge itself. In more recent years three major technological advancements have been made by the Shaving Products Group and have set new standards in the world of shaving.

Comfort Strips

Many razor systems produced by the Shaving Products Group have a comfort or lubricating strip located on the cap above the blades. Warner-Lambert was the first company in the world to patent this novel improvement to the daily shave. These strips, some of which contain Aloe, are made from a water soluble polymer called polyethylene oxide. When activated by water they provide lubrication that makes the shave more comfortable. Another approach to the same end is used on many products, in which an EAZYGLIDE strip (polyvinyl pyrrolidone, or PVP) is positioned on the cartridge cap. When wet, the strip becomes extremely slippery and reduces friction between skin and blade. These innovative materials are both safe to the consumer and effective in improving shaving comfort. Many Schick shaving systems use this technology to enhance their performance.

Wire Wraps

In an effort to develop an extremely safe shaving system the twin blades in some products are wrapped with very thin wire. Patented Microfine Wire Wraps help guide the blades evenly over the skin, protecting it from nicks, cuts and irritation while providing the close-ness the shaver needs. This significant step forward in safety has proven to be a successful advancement in the science of shaving.

Flexibility

Another major development in the shaving arena is the flexible cartridge. A convoluted design and special materials allow the blades to flex to the contours of the area being shaved. After many years in development this unique system has been demonstrated to provide a close shave with significant improvement to comfort and safety. The innovative flexing action of the twin blade cartridge shaves like no other system and conforms to the unique shape of every face.

The First Electric Razors

The concept of a powered razor was unknown until the 1930s. There were some early experiments with clockwork and friction motors, but these coincided with the increasing availability of electricity and the invention of the electrically-powered razor, both battery and main, eclipsed both of these.

The technology of the first electric razors was not new: the innovation was in the housing of tiny electrical components safely inside a smooth, hand-held casing. The electric razor was invented by a Canadian, Jacob Schick in the 1920s. Schick was obsessed by shaving and believed that a man could extend his years to 120 by correct, everyday shaving. He had already invented a system of injecting blades automatically into razor without having to touch them. His first patent electric razor of 1923 consisted of a large, hand-held, universal motor driving a remote cutting head via a flexible shaft. This was clearly unmarketable without further development and, like Gillette waiting for the perfection of his wafer-thin disposable razor blade twenty years earlier, Schick had to wait until an electric motor had been developed that was small enough to fit into a hand-held device, yet powerful enough to cut through a beard.

In 1931, he sold his first electric razor in New York for \$25 and managed to sell another 3000 that year. This greatly refined product consisted of an oscillating induction motor (the most powerful in the world at that time for its size) driving a sliding cutter inside a slotted shearing head. The motor had to be kick-started into life with an exposed turnwheel. All the components were housed in a sleek, black bakelite shell that could be held comfortably in one hand. Schick's gadget caught the public's imagination and by 1937, 1.5 million were in use and the market for the new 'dry razor' was worth \$20 million. Many competitors joined the field and a 'gold-rush' mentality quickly developed with many patent infringements and lawsuits. Even the well-established Gillette was forced to develop his own electric razor as it was argued that the amount a man spent on blades, creams and lotions in a lifetime, more than outweighed the initial high cost of the electric razor.

The Remington 'Close Shaver' and the Sunbeam 'Shavemaster' were launched in 1937, the latter using a larger universal brush motor with a foil shearing head, rather than the Schick's induction motor and slotted cutter. The Phillips razor or "Phillishave", launched in 1939 in the Netherlands used an alternative method of a rotating blade behind a circular shearing head. The cutting area of these early electric razors was very small, typically only one quarter of the size of those on modern razors. The pioneer Schick razor came to Britain in the mid-1930s followed closely by similar British-made examples. These included the Rolls-Razor "Viceroy" (of which there was also a non-electric, hand cranked version), the "Clipshave", the "Kwik-Shave" the "Smoothmaster", the "Minute Man", the "Zenith" and the "Aristocrat". These names conjure up the notion that in the late 1930s, an electric razor was the most up-to-the-minute gadget that the smart modern man could equip himself with. However, it was not until the arrival of American Servicemen during the war that the electric razor became a more familiar item, although even then their use was not permitted in British army quarters.

The Advantages of Shaving with Electricity

Although the claim of many manufacturers, that their model provided a closer shave than the safety razor, was doubtful, the obvious advantage of this new product was that the high-speed cutting action dispensed with the need for water and cream, allowing shaving to be cleaner, safer and not restricted to the wash basin. As a result of

this versatility, the electric razor became as much associated with travel as with domestic use: the early 110 Volt models imported from the USA came with resistance coils for a variety of worldwide voltages, including Britain's 240 Volt system. Electric razor points were to be seen in hotels, trains, ocean liners and aero planes by the late 1930s.

Battery-operated Electric Razors

Cordless, battery-powered razors arrived in the late 1940s having a separate power unit. These became totally self-contained in the early 1950s with the perfection of a powerful motor that could be run from a large D-size 1.5 volt battery included in the casing. Later, the development of smaller A-size batteries allowed for a greater diversity in battery razor design. The first cordless, rechargeable electric razor was produced by Remington in 1960, followed by a model two years later that could be run either cordless or from the mains.

Electric Razor Development after 1950

After 1950 the progress of plastics technology allowed more stylized shapes and brighter colours although the simplicity and neatness of the pioneer razors was replaced by bulkier casings and more features to increase sales. More powerful motors enabled razors to have larger or multiple cutting heads. Another change was in the way that electric razors were sold: pre-war models had been sold on the benefits to the user of speed safety and convenience, with the new appliance clearly shown. By the late-1950s however the public were familiar with the electric razor and the common image of a smoothly shaven man with his adoring woman (and not a razor in sight) spoke for itself. Throughout the 1950s, the razor continued to be identified as a gadget for the modern man – top Hollywood actors used them in big 1950s films such as *The Long Walk* (**Anthony Quinn**), *Rear Window* (**James Stewart**) and *Sabrina Fair* (**Humphrey Bogart**).

Electric Razors for Women

Electric razors specifically designed for women did not appear as a separate product until the late 1940s although the earliest razors were illustrated being used by women in their accompanying leaflets. In 1947 Remington remarketed their original 1937 model as the "Lady Shaver", taking advantage of the fact that their new, late 1940

models were bigger, heavier and more 'masculine'. This started the trend whereby colour and styling was used to differentiate men's razors from women's: by the late-1950s Remington were offering the "Princes" in pink plastic and Sunbeam sold the 'Lady Sunbeam Shavemaster', a circular design resembling a compact in jade seen with gold trim.

Example of early cut-throat with hollow ground steel blade and ivory handle. Packaged in slim dark grey box. Handles were also made from bone and, later, phenol plastic.

CHAPTER II

INDUSTRY CONCENTRATIONS, NUMBER OF UNITS, PRODUCTION, EXPORTS IN EACH CONCENTRATION

It is interesting to note that in this vast country with the population of more than 1,025,251,059 (as per latest census of 1991) the number of males above 18 years is 273,480,712 and females is about 494,828,64, the number of units/industries manufacturing safety razor blade is only 2 nos. and that too in the large scale sector. The small scale sector has no such unit manufacturing this item of mass consumption and daily usage, in spite of the investment limits being raised to Rupees one crore. The large scale units are M/s. Indian Shaving Products Ltd. With manufacturing plants at Mysore (Karnataka State), Bhiwadi Rajasthan State and New Delhi while the other unit is M/s. Vidyut Metallica Limited, Thana, Maharashtra State. Both the units have foreign collaboration, the former having collaboration with M/s. Gillette Inc. of USA and the latter with M/s. Specialty Blades Inc., USA. The brands being manufactured and marketed widely are Gillette, 7 O' clock, Topaz, etc. and Super Max brand, Wilkinson Sword etc.

I. About Gillette

Introduction

Founded in 1901, Boston based Gillette has grown over the years into one of the most global companies in the world. In 1999, Gillette recorded a sales turnover of \$9.9 billion and a net income of \$1.3 billion. Gillette has 51 facilities in 20 countries and sells its products in some 200 countries. Nearly 75% of the company's 39,000 employees are located outside the US. Gillette's product range includes personal grooming products for men (blades, razors and shaving creams), personal grooming products for women (wet shaving products and hair epilation devices), alkaline batteries, writing instruments, toothbrushes and oral care products. Over the years, Gillette has established a formidable reputation for combining sophisticated technology and savvy advertising to launch premium products. Two of Gillette's most successful new product launches have been Sensor and Mach-3.

In 1999, Gillette's profitability was affected badly following the Asian currency crisis. Some analysts felt that the decline in Gillette's earnings could only be partly attributed to the currency turmoil. They argued that the company had to address serious structural issues. According to Fortune*, "The real damage Asia inflicted on Gillette was to expose the company's underlying weaknesses: a culture plagued by inertia, inefficiency and nostalgia; mismanaged inventories and receivables, a Goldbergian corporate structure cobbled together over years of acquisitions and most important, three decades old divisions that have consistently and badly under performed."

Table I

Gillette: Major Brands

Alkaline Batteries	Duracell
Blades & Razors	Gillette, Mach 3, Sensor, Atra, Trac, Custom plus, Good News, Agility .
Oral Care	Oral-B
Small appliances	Braun
Stationery Products	Parker, Paper Mate, Watermen, Liquid Paper, Dryline.
Toiletries	Gillette, Right Guard, Soft & Dri, Dry Idea, Satin Care.

Background Note

Early History

King-C. Gillette established The Gillette Company (Gillette) in 1901 in Boston. King had a multifaceted personality. He was not only an amateur inventor but also a part time social reformer. In 1903, Gillette produced its first razor. A year later, it obtained a patent on the razor. Gillette showed its strong commitment to international expansion by establishing a sales office in London and a manufacturing site in Paris, as early as in 1905.

World War I came as a boon to Gillette which supplied 3.5 million safety razors and 36 million blades to the US armed forces. Besides the immediate boom in sales, Gillette stood to gain from the fact that the war forced American soldiers to shave themselves, where earlier they had depended on others to do this for them. When American soldiers returned home after the war, Gillette used clever advertisements to make sure that they did not give up the habit. The advertisements also projected Gillette's brand image and created a strong association between Gillette and shaving.

During the 1920s and 1930s, Gillette continued its efforts to expand market share both at home and abroad. It also expanded its product line, introducing the Brushless Shaving Cream in 1936 and the Kumpakt electric razor in 1938. These products were, however, not very successful. Gillette strengthened its brand building efforts through a sports advertising programme in 1939.

When America became involved in World War II, Gillette's blade and razor production, both at Boston and overseas factories, was affected. In some countries, Gillette's facilities were confiscated by German and Japanese forces. Gillette's plants in London and Boston began to make weaponry such as fuel control units for carburettors on military aircraft. In 1942, the War Production Board ordered Gillette to dedicate its entire razor production and most of the blade production to the defence forces. Gillette found itself in a comfortable situation where demand outstripped supply. By the end of the war, servicemen had been issued 12.5 million razors and more than 1.5 billion blades.

Only in late 1944, were restrictions on civilian output lifted. If World War I had made American soldiers shave themselves, World War II taught them the importance of shaving everyday. Gillette sprang into action to meet the rising demand for shaving products. It took urgent measures to add production capacity and modernize its plants in the US, England, Canada, Brazil and Argentina. Gillette also established manufacturing facilities in Switzerland and Mexico.

In the following years, Gillette embarked on a path of growth by acquisitions. In 1948, Gillette acquired Toni Company which supplied personal grooming kits for women. In 1950, Gillette began television advertising in a big way. The company introduced a

foamy shaving cream in 1953. Two years later, Gillette moved into another new business, acquiring the Papermate Pen Company.

In 1960, Gillette introduced its Right Guard Aerosol deodorant. 1963 was an important year for Gillette, which patented its coated stainless steel blade. In 1967, Gillette again diversified, acquiring Braun AG, a German manufacturer of small electrical appliances.

In the 1970s, Gillette developed many innovative products. The company introduced Trac II, the world's first twin-blade system in 1971. It launched a twin blade disposable razor in 1976. A year later, the company introduced an automatic adjusting twin blade razor with a pivoting needle.

Gillette made an important move in 1984, when it acquired Oral B laboratories, a leading toothbrush manufacturer in the US. Gillette used its global reach to put Oral B in markets where entry was difficult on its own. By using the same sales persons for both blades and toothbrushes, Gillette generated substantial synergies. Gillette also revamped its accounting systems to encourage sales persons from each of the divisions to sell products of other divisions.

By the mid 1980s, Gillette was operating five major businesses - blades and razors, toiletries and cosmetics, stationery products, Braun appliances and Oral-B dental products. During the 1980s, blades and razors generated about 60% of the profits, even though they accounted for only one third of the sales.

Table II**Gillette: Business Segment Information** (\$ million)

	Sales in 1999	Profits in 1999	Sales Growth rate (1994 - 99)
Blades & Razors	3,167	1,206	6.1%
Toiletries	1,062	85	1.8%
Stationery	743	18	1.6%
Braun	1,583	154	3.3%
Oral – B	616	77	8.9%
Duracell	2,726	606	7.9%

Starting from the mid 1980s, Gillette saw shrinking profits in its flagship business. As Gillette's stock languished, it faced takeover attempts from various quarters, including Revlon and Coniston Partners, a New York based investment firm. Gillette came under pressure not only to improve its performance but also to bring new products to the market faster. CEO Coleman Mockler reorganized the company around products, instead of territories, divested a number of unrelated businesses and trimmed the workforce.

The introduction of the Sensor shaving system in 1990 was a major boost for Gillette. The Sensor became a big success. Its image as a technologically superior product helped Gillette to command a premium in the market. In the process, Gillette was greatly successful in reversing the trend of commoditisation, set in motion by the growing popularity of cheap disposable razors.

Recent Developments

Al Zein, who became Gillette's Chairman in 1991 summarised* Gillette's long term strategy in a newly formulated mission and values statement: "Our mission is to achieve or enhance clear leadership, worldwide in the existing, or new core consumer product categories in which we choose to compete..... We will not become involved in any way whatsoever in a core business in which we are neither the worldwide leader nor have a plan in place to become the worldwide leader." Zein spent his first few months as CEO, personally promoting the new mission statement. Gillette also came up with a new corporate logo to replace the old logo that had been used since 1970.

In 1993, Gillette strengthened its position in the writing instruments business by acquiring the Parker Pen Company (Parker). The acquisition of Parker was the result of the personal initiative of Joel. P. Davis, head of Gillette's Stationery Products Group who met Zein with the new mission statement in hand to persuade the CEO to support the acquisition. Davis felt that Britain based Parker, being the largest manufacturer of high quality pens would be a major source of high-end writing products for Gillette. He argued that after spending nearly forty years in the stationery business, trying to catch up with other players, Gillette could achieve a clear worldwide leadership position in one of the company's existing consumer product categories.

In 1996, Gillette diversified yet again, acquiring Duracell International, the world's leading manufacturer of alkaline batteries. The acquisition of Duracell was prompted by Gillette's growing conviction that shaving was essentially a static market in terms of volumes. As Zein pointed out*: "Its basic limitation is that we really can't get very many people to shave more than once a day." With longer blade lives offsetting gains from increased world population, Zein felt that the way out for Gillette was to expand its non blade businesses faster than the blade business. Consequently, he instructed his executives to look out for a new business which was global, technology based and had strong synergies with Gillette's existing businesses. In August 1995, Gillette appointed JP Morgan and Merrill Lynch as investment bankers. From a long list of 7500 consumer product companies, the bankers, selected Duracell International, the world's leading producer of alkaline batteries.

Table III

GILLETTE : MISSION & VALUES

The Gillette Company is a globally focused consumer products company that seeks competitive advantage in quality, value added personal care and personal use products. We compete in three large worldwide businesses: personal grooming products, stationery products and small electric appliances.

As a company, we share skills and resources among business units and optimize performance. We are committed to a plan of sustained sales and profit growth that recognizes and balances both short and long-term objectives.

In pursuing our mission, we will live by the following values:

People: We will attract, motivate and retain high-performing people in all areas of our business. We are committed to competitive, performance based compensation, benefits, training and personal growth based on equal career opportunity and merit. We expect integrity, civility, openness, support for others and commitment to the highest standards of achievement. We recognize and value the benefits in the diversity of people, ideas and cultures.

Customer Focus: We will invest in and master the key technologies vital to category success. We will offer consumers products of the highest levels of performance for value. We will provide quality service to our customers, both internal and external, by treating them as partners, by listening, understanding their needs, responding fairly and living up to our commitments. We will be a valued customer to our suppliers, treating them fairly and with respect. We will provide these quality values consistent with improving our productivity.

Good Citizenship: We will comply with applicable laws and regulations at all government levels wherever we do business. We will contribute to the communities in which we operate and address social issues responsibly. Our products will be safe to make and to use. We will conserve natural resources and we will continue to invest in a better environment.

The \$9 billion global battery market in 1995 was roughly split into alkalines (\$4 billion), Zinc carbons (\$3 billion) and rechargables (\$2 billion). Gillette expected the alkalines segment to grow at 20% annually. At the time of the acquisition, 87% of the sales in the US were from alkaline batteries, with Duracell having a 48% market share

against competitor Ralston Purina's 36%. In 1998, Gillette launched the Duracell Ultra line of alkaline batteries. Soon after finalising the deal, Gillette moved fast to integrate Duracell into its global operations. The acquired company's operations were divided into two parts. The North Atlantic division was headed by Ed de Graan, who had been earlier with the Sensor project. Outside Europe and North America, Gillette integrated Duracell's operations into its existing international operations to maximise synergies.

In September 1998, Gillette announced a major reorganization that resulted in a third quarter charge of \$535 million. Gillette explained that the reorganization would "enhance the global focus on new product development and manufacturing, achieve more effective leveraging of global resources, respond to changing worldwide business conditions and improve the company's ability to rapidly expand product offerings to consumers through worldwide trade channels." The company identified rationalisation opportunities for 14 factories and 12 warehouses.

In the late 1990s, Gillette's profitability has been under pressure. Due to the Asian currency crisis, dollar profits in many overseas markets have shrunk considerably. The company's heavy investment of around \$1 billion in the triple blade Mach-3 has also had its impact. During 1998 and 1999, Gillette missed most of its quarterly sales and profit targets. Some analysts feel that Gillette will be better off retaining only the better performing businesses like razors & blades, alkaline batteries and oral care products and divesting the other relatively weak businesses. They have criticised Gillette for not being aggressive enough in cutting costs and dealing with the underperforming units. A report in Business Week², has been quite cynical: "Hawley has a detailed turnaround plan, which includes more marketing at Duracell, cutting over \$1 billion in costs by 2002 and lots of new products. The question is whether that will simply mean more promises or finally some results."

Table IV**Gillette: Summarised Profit & Loss Statement (\$ million)**

	1999	1998
Net Sales	9,897	10,056
Profit from Operations	2,105	2,324
Net Income	1,260	1,428

GLOBALIZATION**Evolution of a Global Corporation**

Gillette expanded overseas very early with the establishment of its London office in 1905. Manufacturing facilities in France, Germany and Canada soon followed. Sales operations in Mexico began in 1906. After World War I, Gillette opened factories in Italy, Belgium, Switzerland, Spain and Denmark. Before World War II, Gillette plants had been set up in Holland, Sweden, South Africa and Brazil. During the war, a manufacturing facility was set up in Argentina. After the war, Australia, Colombia and Hong Kong became part of the company's worldwide operations. In the 1930s, Gillette was operating 44 branch offices stretching across London, Baghdad, Manila and Buenos Aires. Chairman J.R. Aldred emphasised* that Gillette's main strength was its cadre of global managers: "The Gillette company has been fortunate in being able to bring home to its operations the experience and opinion of men who have gone out to all parts of the world and brought home to Boston, the lessons they have learned."

In the 1960s as Gillette entered new markets, it found that imported blades could not compete with local products, because of the high tariffs. At the same time, many markets were too small to absorb the output of a typical Gillette blade plant in western countries. George Culter, head of Gillette's international operations, came up with the idea of mini plants. Culter sourced cheaper blade equipment from Germany and modified them by adding sharpening components. The resulting equipment was less

sophisticated and slow, compared to typical Gillette plants, but could still deliver high quality blades. The small plants were more labour intensive, but this was not a critical factor in developing countries where cheap labour was easily available. The mini plant concept succeeded in Malaysia and was later replicated in the Philippines, Indonesia, Morocco, Egypt, Thailand and several other countries, which had protectionist policies. Each of these plants also gave useful international exposure to Gillette's managers.

In the 1980s and 1990s, Gillette entered India, China and Russia, with a combination of exported products and double edge blades locally manufactured, with second hand equipment imported from western countries. The mini plant concept began to die in the late 1980s as tariffs came down and regional trading blocs emerged. Under these circumstances, exports again became viable and Gillette closed many of its mini plants to consolidate production in larger plants.

Europe

Gillette rationalised its European operations under the leadership of John Symons in the late 1970s and early 1980s. Symons found that in the absence of central coordination, small subsidiaries were going their own way. He centralised advertising activities, replacing 35 agencies by just one agency. Gillette's advertising agency, BBDO, created television films for the entire group, with the local subsidiary's role limited to providing the appropriate language translation. In 1983, Symons was given the top job in Europe. His efforts at cost cutting, consolidation of manufacturing facilities and focus on sales of high margin systems paid off, as profits in Europe moved up from \$77 million in 1983 to about \$96 million in 1985. Gillette appreciated Symons' efforts and moved him to its headquarters.

Gillette had entered Turkey in 1919 with a sales office, but withdrew due to the local government's protectionist policies. In 1989, Gillette re-established its sales office with the main objective of selling Sensor and other premium products. In 1991, Gillette acquired the domestic blade maker, Permatik Calik Sanagi A.S. to increase its market share to 85%. Gillette upgraded the plant to make it capable of producing more than 250 million blades and razors annually.

Gillette has identified Eastern Europe as a region with great potential. The company moved into Poland, by acquiring Wizamet, the lone (state owned) blade maker

in 1992. Wizamet was in poor shape at the time of the takeover, having lost access to guaranteed markets such as the erstwhile Soviet Union. Gillette upgraded the crumbling plant with retooled and refitted equipment. An American executive, with extensive international experience was made in charge of the Polish operations. Gillette reduced manpower count gradually, through retirement packages. The company started with double edge blades and disposables and simultaneously began efforts to persuade shavers to upgrade to Atra and Sensor, its premium products. By the mid 1990s, Gillette's sales in Poland had exceeded \$60 million and Poland had found a place among the company's 20 largest markets in the world.

Latin America

Gillette moved early into Latin America to establish its presence in the three important markets - Mexico, Brazil and Argentina. It started selling blades in Mexico in 1906. Shortly after World War I, Gillette established an office in Argentina to coordinate imports and distribution throughout the country. Blade manufacturing started in Brazil in 1931. In the early post war years, Gillette continued to spread its distribution network across remote villages and towns in Brazil. In the early 1940s, Gillette's Argentinian subsidiary built a new blade plant. Even under the protectionist Juan Peron regime, Gillette Argentina continued to flourish, thanks to this plant. Gillette built a plant in Mexico in 1949.

In 1978, Gillette strengthened its Latin American operations, setting up a plant in Manaus, Brazil in the Amazon forests. The plant imported injection molding equipment from Germany, duty free, in accordance with government guidelines. It also imported strip steel from Europe, again at almost zero duty. While Gillette's plant in Rio sharpened the blades, Manaus was responsible for finishing operations. In 1988, the factory was expanded with the addition of a plastic components facility. In 1995, Gillette decided to invest \$120 million in further expanding the factory, making it one of the most sophisticated plants in the company's worldwide system. Along with South Boston and Berlin, Manaus became only the third Gillette plant with the capability to make Gillette's highly sophisticated range of Sensor products.

In the 1980s and early 1990s, the major concern for Gillette in Latin America was hyperinflation. Gillette designed an Erosion Protection plan in Brazil to deal with the

situation. Receivables were collected in cash as early as possible and payables delayed as much as possible. Inventory levels were kept low and all out efforts made to help distributors sell quickly and generate cash. Cash discounts were liberally given to accelerate collections of outstanding amounts. As a result of all these measures, the Brazilian subsidiary continued to increase its profits in dollar terms. Gillette replicated this successful method of handling hyperinflation in Argentina.

Asia

In the 1980s, Gillette began to make rapid inroads into Asian markets. By 1982, Gillette had set up subsidiaries in Japan, New Zealand and the Philippines. In addition, the company had established small marketing operations in Hong Kong, Singapore and Taiwan. A joint venture became operational in China in 1983. Gillette expanded its base in India and also started operations in Thailand and Egypt.

Gillette's experience in India indicates the type of challenges that the company faces in emerging markets. India is the largest blade market in the world in volume, though not in value terms. The Indian company, Harbans Lal Malhotra & Sons (Malhotra), is the second largest blade maker in the world after Gillette. For long, this company has enjoyed a monopoly and indeed been accused of many restrictive trade practices.

Gillette entered India in 1984, with a 24% stake in Indian Shaving Products Ltd (ISPL), a company it promoted jointly with the local Poddar Group. Later, it increased its stake to 51%. The company has two arms in India, ISPL and Wilkinson Sword, which it acquired in 1995. Gillette has set up a manufacturing facility at Bhiwandi in Rajasthan. Recently¹, the company has indicated that it will increase the capacity of its double edge blade unit to 700 million blades from the current 340 million blades and disposable blades from 105 million to 140 million. Gillette's distribution network currently controls 2000 distributors and 400,000 outlets all over India.

The Indian blade market consists of four broad segments - flat blades, disposables, twin blades and three blades. In the flat blade segment, which is also the cheapest, Malhotra dominates the market. In the mid and high-end segments, Gillette has been the clear leader in terms of new product introduction and branding. The Gillette brand has a high recall and is associated with quality, precision and technology.

From time to time there have been rumours about the possibility of Gillette buying out the Malhotras.

Gillette has some major concerns to address in India. Some of its products are priced, beyond the reach of the average Indian customer, and look unlikely to build volumes. (Mach - 3, a three blade system cost Rs 295 while the Sensor Excel system was priced at Rs. 125 in early 2000). Another issue which Gillette has to immediately address is penetrating the huge barbers' market, which consists predominantly of flat blades. Gillette's new launches in the flat blades segment, like Gillette Diamond and Gillette Platinum have been priced four to five times higher than the offerings of competitors. Zubair Ahmed, CEO of ISPL, maintains that the company will focus only on the premium segment²: "While most of the blade sales are in the rural markets, these constitute low cost flat blades. That's not a game that Gillette would like to get involved in since our gameplan is to increase value."

Ahmed explains that the company will continue with brand building campaigns to encourage those who use cheaper blades to upgrade to twin edge blades. Gillette is also taking full advantage of India's liberalised import regulations to import premium products such as Mach-3 and Sensor. The import trading business makes sense for Gillette till volumes pick up, and is apparently quite lucrative. The company currently imports shaving systems and cartridges at an average price¹ of Rs 15.57 per unit and sells them at Rs 31.90 per unit. Gillette also feels that imports can be used to reduce the time gap between global and Indian launches. The Mach 3, for instance, was available in India, just 18 months after its global launch.

Table V
Gillette: Overseas Manufacturing Sites

Argentina	Garin
Belgium	Aarschot
Brazil	Manaus-GDA
China	Dongguan, Minhang, Shenyang, Shanghai
Colombia	Cali
Czech Republic	Jevicko
France	La Farlede, Saint Herblain
Germany	Berlin, Kronberg, Marktheidenfeld, Walldurn,

India	Bangalore, Bhiwadi, Haryana, Mysore, New Delhi
Indonesia	Jakarta
Ireland	Carlow, Newbridge
Mexico	Mexico City, Naucalli.
Poland	Lodz
Russia	St Petersburg
South Africa	Port Elizabeth
Spain	Barcelona
Thailand	Bangkok
UK	Hemel Hempstead, Isleworth, Newhaven, Reading, Wrexham
Vietnam	Ho Chi Minh City

Gillette entered Pakistan after taking several years to get approval. It started with a 49% joint venture in 1989 and later increased its stake to 51%. In 1994, Gillette raised its stake to 75% and renamed its subsidiary Gillette Pakistan Ltd. Gillette has upgraded the plant to make disposables and systems as well as double edge blades under the 7 O'clock Ejtek brand. Gillette has also introduced Sensor razors and Oral B products.

Financial Management

As Gillette's global presence expanded, the corporate treasurer's office began to play an important role in Gillette's international financial decisions. A separate International Finance Department within the Treasurer's office was assigned this role. Within the International Finance Department, Gillette created two separate functional units: Subsidiary financial planning and Exposure management.

Table VI
Gillette: Worldwide R&D Facilities

Czech Republic	Jevicko
France	Saint Herblain
Germany	Kronberg
Spain	Barcelona
UK	Reading
USA	Santa Monica, Bethel, Waterbury, Andover, Boston, Needham, Gaithersburg

Subsidiary Financial Planning

The level of corporate investment in a given foreign subsidiary was determined by Gillette's International Division. Each subsidiary manager prepared an annual budget with a detailed balance sheet, cash flow statement and profit / loss account. Each subsidiary manager also developed a capital budget. Budgets were first submitted to regional group headquarters for review. After necessary modifications, in consultation with the country manager, the group consolidated all country budgets under its jurisdiction and submitted a combined budget to the International Division.

Based on the budgets, the Treasurer's Office managed international capital flows. Although levels of capital flows were established in the International Division, the form of such flows was determined by the Treasurer's Office. The treasurer moved funds across borders, primarily through the use of transfer pricing, dividend and royalty payments, new equity investment and intracompany loans. The overall capital structure of individual subsidiaries determined the manner in which funds were transferred.

The treasurer applied several guidelines while finalising a subsidiary's capital structure. The level of equity investment in a country was kept equivalent to the level of fixed assets within the subsidiary. Net working capital was financed by debt. Subsidiary managers could raise debt only in local currency. The general objective was to offset any asset exposure in a given currency by an equivalent amount of local debt.

Subsidiary managers were evaluated both on operating profits – that is, on dollar results before interest charges and foreign exchange losses/gains and legal entity results after taking into account interest expense and translation losses/gains. Consequently, local managers became well aware of the impact of currency movements.

Rapidly growing subsidiaries needed more working capital. In many of these markets, however, it was difficult and expensive to finance working capital through local long-term debt. Hence, many of Gillette's subsidiaries financed working capital needs with new equity, retained earnings and credit from the parent system. The international division also favoured high-growth subsidiaries in its capital allocation process.

Exposure Management

Gillette subsidiaries were evaluated on how they managed foreign exchange exposure. The exposure management unit was closely related to subsidiary financial planning. Every month, the Treasurer's Office received a monthly exposure statement from the subsidiaries. These exposure sheets summarized the current assets and liabilities of each subsidiary in local currency. Gillette's reporting system took into account intrasystem payables and receivables and dollar or other currency-denominated assets or liabilities. Gillette netted out receivables and payables to arrive at the exposure position. The senior assistant treasurer and staff, along with the financial staff of the international division, evaluated the exposure statements.

If Gillette had a net asset position in a currency, the first step was to cover part of the exposure using futures* markets. The bulk of Gillette's exposure was, however, in currencies for which there were no futures markets. For such currencies, Gillette's treasurer considered other alternatives. One technique was to repatriate the maximum amount of retained earnings permissible under local laws. The second was to make the subsidiaries pay royalties or fees to the parent or other subsidiaries. The third was adjustment through transactions between the subsidiary and the rest of Gillette's worldwide system. Another alternative was the use of swap arrangements. When there was no other option, the subsidiary converted liquid assets into inventory.

Cash Management

Gillette's worldwide cash management system, which became fully operational in 1993, is described as one of the most sophisticated of its type among TNCs the world over. Only a few developing regions are outside the ambit of the system. Due to favourable Swiss tax laws, Gillette decided to locate its treasury operations at Zurich rather than Boston. Each night, cash accumulated in Gillette bank accounts across the world is transferred to Zurich, in what Gillette refers to as the "midnight sweep." This way, Gillette avoids the fee that banks charge for holding and moving cash. The Swiss Treasury Centre dispenses cash each morning to different Gillette offices in dozens of currencies. Any cash left with Zurich by mid afternoon is transferred to Boston. Zurich and Boston also discuss on a daily basis, currency, interest rate and political trends. In 1996, Gillette's cash management system saved approximately \$5 million, due to reduced foreign exchange transaction costs, interest payments and bank fees.

Global Coordination

Gillette has modified its organisation structure from time to time. In 1952, Gillette reorganized itself into three divisions-Gillette Safety Razor Company, Toni Company and Eastern Hemisphere. In the mid 1980s, Gillette changed its organizational structure, replacing its geographic divisions by product divisions. Gillette North America and Gillette Europe were combined into Gillette North Atlantic. John Symons, who had been in charge of European operations since 1983, began to head the North Atlantic blade and razor group. Gillette North Atlantic took care of blades and razors, personal care and stationery products in North America and Western Europe. Gillette International was given responsibility for these product lines in the rest of the world. It was also given worldwide responsibility for product lines such as Braun and Oral B.

Under the leadership of Al Zein, who later became CEO, Gillette introduced a programme management system to consolidate technical activities such as research, engineering and manufacturing by product category across the entire company. Zein looked at the new arrangement as a way to direct resource allocation from a corporate perspective and give a new thrust to product development. Zein insisted that program managers report to him on a regular basis. His initiative paid off, when under the overall guidance of a young executive, Edward. F. De Graan*, Gillette's Safety Razor division successfully developed the Sensor. The launch of the Sensor saw some tight coordination between Gillette's factories in Boston and Berlin. The two plants worked seamlessly, learning from each other and were tied to a common accounting scheme. The costs incurred by the German and American plants were spread over sales in the entire North Atlantic market.

Gillette's South Boston plant has served as a training ground for technologists from other manufacturing sites. In 1990, German engineers and technicians received training as Gillette prepared for the launch of the Sensor. A few years later, Brazilian technicians and managers visited the plant, as Gillette decided to manufacture Sensor and Sensor Excel in Brazil. According to McKibben*, Gillette's South Boston plant today acts as a 'World University' of shaving technology.

In September 1998, Gillette announced a reorganization to consolidate manufacturing and technical support operations for each core business category on a global basis. The six global business management units for the six core businesses continued to be responsible for global product line strategies, consumer marketing and research & development. Gillette appointed one executive vice president to look after blades and razors, toiletries and batteries and another to look after Braun, Oral-B and stationery products. Gillette reorganized its commercial operations into five geographic segments - North America, Europe, the Asia Pacific, Latin America and Africa, the Middle East & Eastern Europe. These divisions were made responsible for the entire product line in each region. Administrative support functions within a geographic segment were consolidated. Gillette appointed one executive vice president to look after commercial operations in North America and Latin America and another for Europe, the Asia Pacific, Africa, the Middle East and Eastern Europe.

In November 1999, Gillette created a new post, that of executive vice president, Global Business Management. This post consolidated responsibilities for the management of all product lines worldwide, including R&D, manufacturing, product and process engineering, supply chain management, global marketing strategies, marketing research and consumer advertising.

Currently, Gillette consists of three operating groups: Global Business Management, Commercial Operations (Western Hemisphere) and Commercial Operations (Eastern Hemisphere). The Global Business Management Group has worldwide responsibility for R&D, manufacturing and strategic marketing of all products. Commercial operations (Western Hemisphere) looks after trade marketing and sales for all the products in North America and South America. Commercial Operations (Eastern Hemisphere) has similar responsibilities for other countries in the world.

II. About SuperMax Corporation

SuperMax Corporation – a family owned business group was founded in 1949, and began the journey to become what it is today - the second largest manufacturer of razor blades in the world.

The group has been producing razors for almost half a century, but it was the 1980's, with the launch of the SuperMax concept, that the incredible growth that the group has seen since then began. This has led to the group dominating the largest marketplace in the world for razor blades.

In the 1980s, it was apparent that around the world either razor blades were of a very low level of quality at very low prices, or a high level of quality with exorbitantly high prices. There was no high quality product available at reasonable prices, and it was into this vacuum that the SuperMax concept was launched. Today, SuperMax is available in over 70 countries across all 5 continents. It is estimated that, today, one in every five people shave with a SuperMax product.

Building this network of sales in such a short time has been challenging. However they have been able to build long term relationships with many customers, including many of the world's major retailers. They are continuing to grow their client base, and enhance their marketing expertise.

Corporate Mission

The SuperMax Company operates in a global market place. Our objectives are to enhance our comparative advantages and meet customer's expectations. Our global range consists primarily of personal care products. We will maximize our performance by interchange of skills and resources within our global business. To date, we are the fastest growing company in the world within our category. Our mission is to lead in the products that we manufacture on a global basis, wherever leadership has already been attained we will continuously endeavour to enhance this. We will add to our product range using the synergetic values of our technological and marketing abilities.

Values

In our pursuit to obtain our objectives we shall respect the following values;

Customers - we will delight our customers with the best quality products at prices which are affordable. We will invest in and specialize in master technologies, which are crucial to achieving the above objective. We will provide our consumers with the highest value

for money. We will excel in service levels to our dealers and we will be important customers to our vendors. Our dealings will be fair and respectful.

People - we will seek to retain and attract the highest performing people in all aspects of our activity regardless of origin or sex. We will provide the best environment and motivational packages to have the highest calibre individual. We will invest heavily in staff training and staff welfare. We will encourage total employee involvement. In return we seek integrity, honesty and support for the organization and its individuals.

Environment - we will observe and respect the laws and regulations at all levels in various jurisdictions that we operate within. We will invest in environmental energy and pollution control methods. We will do our best to conserve the natural elements and we will contribute directly into the communities that we operate in and support the social causes. Our commitment to this mission is continual.

Competitive Advantage

Many people ask what makes us so successful. The commitment of our people is key, together with our commitment to the quality of our razors. We have invested, and continue to invest, in new, leading edge machinery, to continually improve our products. We have also, uniquely amongst razor blade manufacturers, invested vertically in our own steel rolling mill, thus ensuring the quality of input to the blade making process.

We have a drive to deliver value throughout the marketplace. Any product we sell must meet the following criteria:

- Does it bring added value and innovation to the consumer?
- Does it deliver outstanding value for money?
- Does it enhance retailer margins, providing a strong return from a category which has traditionally delivered low profitability?

By constantly investing in technology and efficiencies, this enables us to both ensure a consistent quality of product and deliver lower prices to the consumer and higher margins to the retail trade.

What next?

The launch of SuperMax 3, the world's first triple bladed disposable razor, takes the group into new, market leading territory. We are sure that our competitors will respond - it is up to us to continue to innovate and bring new, exciting products to the market. We are already developing a range of men's toiletries - shaving cream and shaving foam have already been successfully introduced, shaving gel and a range of men's and women's body care products are on the way.

The accent remains on quality, but always keeping to our core values of providing outstanding consumer value.

Supermax Corp launched Supermax3, the world's first triple blade disposable, in early 2000. Since then, Supermax3 has become the 6th best selling disposable razor in drug stores across the states.

Supermax3 is a premium priced, high performance disposable razor designed to upgrade regular disposable consumers to triple blade technology and features.

These features include

- Triple blade technology... three blades reduce shave irritation.
- Naturestrip™ lube strip contains tea tree oil, one of nature's most versatile healing agents with antibacterial, antiseptic and antimicrobial properties that help reduce skin irritation which is great for sensitive skin.
- Comfortgrip™ handle contains thermo plastic elastomers that provide excellent resistance to water, ensuring precise handling, control and comfort while shaving.
- Pivoting head contours to the shape of your face and keeps the blades on your face longer for a closer shave.

Supermax3 is available in one-pack trial size, four pack blister card and an eight pack pouch. The brand is being supported by a million dollar advertising program to increase national consumer demand.

Since then, Supermax3 has become the 6th best selling disposable razor in drug stores across the States. A continuous expansion programme and worldwide success has allowed for substantial investment in state of the art manufacturing equipment. We are the only razor blade producers to have our own captive quality steel making plant, using British, Swedish and Japanese steel, thus ensuring the finest quality finished

product. Innovation is and will remain a critical success factor within the industry, that is why our research and development division, with its CAD/CAM facilities, is constantly looking at developing new products and improving existing ones. Wesley International Ltd. is committed to offering innovative quality products and excellent customer service. As part of our philosophy of continuous improvement we operate a quality assurance system, and as an ISO 9002 registered company we are subject to regular independent scrutiny. Our global brand name, Supermax, is achieving worldwide recognition for providing quality and value for money. At Wesley International Ltd. we have developed an enviable reputation for providing our customers and consumers with high quality personal shaving products. We believe that we are different, as we aim, through partnership with our suppliers, to develop brand awareness and provide the consumer with satisfaction every time, after all a razor is not only a razor, it is part of a lifestyle.

Addresses of SuperMax Corporation Manufacturing Plants

<p>Sterling Four Limited Contact: Martin Cook Unit 5 Mono Lane Feltham Middlesex TW13 7LR United Kingdom Tel: +44 (020) 8844 1433 Fax: +44 (020) 8844 1479 Email: salesuk@supermaxworld.com</p>	<p>SuperMax Corporation Contact: David Ricciardi 4395 Diplomacy Road Fort Worth Texas 76155 USA Tel: +1 817 399 9889 Fax: +1 817 399 9952 Email: salesusa@supermaxworld.com</p>
<p>Sterling Four Mexicana SA de CV Contact: Chandra Sekhar Bolivia 2341 Col Desarrollo Las Torres 91 Monterrey NL Mexico CP 64798 Tel: +52 81039065/81030192 Fax: +52 81039068 Email: salesdxb@supermaxworld.com</p>	<p>Sterling Four S.A. (Pty) Limited Contact: Peter Simmons Unit 6 Ground floor Howard Studios Sheldon Way Pinelands 7405 South Africa Tel: +27 (021) 531 9100 Fax: +27 (021) 531 9106 Email: salessa@supermaxworld.com</p>
<p>The Indian collaborator of Supermax Corporation is Vidyut Metallics Limited Contact: Mahendra Ruparel Malhotra House 4th floor Opp GPO Bombay 400001 India Tel: +91 (022) 269 7584/5 Fax: +91 (022) 269 5292 Email: salesindia@supermaxworld.com</p>	<p>Wesley International Limited Contact: Jagdish Shahani PO Box 17113 Jebel Ali Freezone Dubai United Arab Emirates Tel: +971 (04) 883 6150 Fax: +971 (04) 883 6365 Email: salesdubai@supermaxworld.com</p>

III. About M/s. Indian Shaving Products Ltd.

Background & Company Information

Incorporation	1984
Corporate Status	Public Limited Company
Business	Personal Care
CRISIL Industry Classification	Personal Care
Registered Office	Spa-65a, Bhiwadi Industrial Area, Bhiwadi (District Alwar) Rajasthan 301019

Indian Shaving Products Limited. (ISPL) is promoted by Gillette Management Inc. of the US, which holds 51% controlling stake in the share capital of the Indian Company.

BUSINESS ANALYSIS

Business Profile

Rs. mn.						
	31.12.99	%	31.12.98	%	31.03.98	%
			(9 mths)			
Safety Razor Blades	616.2	24.6	464.4	31.0	565.9	34.2
Twin type Shaving Systems & Cartridges	586.9	23.5	337.5	22.5	378.3	22.9
Others	8.6	0.4	29.3	2.0	38.1	2.3
Traded Sales	1,288.3	51.5	665.5	44.5	672.8	40.6
Total	2,500.0	100.0	1,496.7	100.0	1,655.1	100.0
Domestic	2,436.3	97.5	1,449.6	96.9	1,596.2	96.4
Exports	63.7	2.5	47.1	3.1	58.9	3.6
Total	2,500.0	100.0	1,496.7	100.0	1,655.1	100.0

The key business of the company is personal care, with specialization in the shaving products. It continued to invest in and build the Gillette Presto Readyshaver business in line with its mission to upgrade the market of superior quality twin blade products. The offtake of Gillette Presto Readyshaver has grown steadily. While the key focus is to improve domestic performance, the company has achieved an improved performance in exports, too.

FINANCIAL ANALYSIS

Year Ending		31.12.99	31.12.98	31.03.98
			(9 mths)	
Net Sales	Rs. Mn	2,323.0	1,399.8	1,527.3
Operating Income	Rs. Mn	2,354.4	1,420.9	1,543.1
OPBDIT	Rs. Mn	500.9	277.4	298.9
PAT	Rs. Mn	194.2	130.9	115.1
Equity Share Capital	Rs. Mn	128.7	128.7	128.7
Net worth	Rs. Mn	862.1	710.7	605.9
OPBDIT / Operating Income	%	21.3	19.5	19.4
PAT / Operating Income	%	8.3	9.2	7.5
PBIT / (Total Debt + Tangible Net worth)	%	29.7	27.2	16.5
PBDIT / Interest and Finance Charges	Times	9.06	6.67	6.72
Net Cash Accruals / Total Debt	Times	0.6	0.67	0.45
Total Debt / Tangible Net worth	Times	0.51	0.37	0.70

The sales of ISPL had a considerable growth as compared to the previous year. This was partly due to the decrease in the cost of sales as a percentage of operating income. The debt level as well as the interest charges as percentage of Op. Income also had a decline. The gearing also had declined.

Outlook

The company has proposed to implement a program for upgrading the blade manufacturing process at its Bhiwadi plant. Process improvements and new equipment are being added to optimize the capacity utilisation levels and resources while reducing cost.

The efforts to provide the Indian consumer with high end products at relatively lower prices is expected to lead the company to a steady and strong growth in the volume sales of its shaving products.

CHAPTER III

PRODUCT

The product under study is Safety Razor Blades. It is typically a day-to-day users' consumer product. Men utilize it off and on everyday to enhance their personality. From the simple barber's safety razor it has graduated to the modern and sophisticated power-driven gadget, which is handy and can be used anywhere be it in the homes, hotels, airlines or in mobility while travelling. As such it is one of the vital contents of any travelling purse for any man these days.

CHAPTER IV TECHNOLOGY

The technology for the manufacture of safety razor blades is a closely held trade secret with a few firms in the world.

Manufacture of safety razor blades is a technology by itself using state-of-the-art equipment and machinery. Brief outline of the process of manufacture includes

1. Drawing of the blade strips from the spools
2. High Speed Punching of the blade blanks in high speed punch presses (950-1000 SPM (Splits Per Minute))
3. Bliss Press operations
4. Heat Treatment - (automatic electric hardening systems)
5. Cutting operations
6. Grinding
7. Stropping (lapping with leather belts)
8. Coating
9. Printing (rotogravure printing of brand name, etc.)
10. Quality Check
11. Packing and Despatch (automated)

The Indian male had to put up with so-called "safety" razor blades, which gave more cuts on the face than the number of good shaves each morning. A mandate that safety razor blades manufactured in the country should be covered by the certification marking scheme of the Indian Standards Institution (now Bureau of Indian Standards) and carry the ISI mark was then evolved.

Tests conducted by the institution revealed that all major brands of safety razor blades failed to come up to the relevant Indian standards. This failure of the manufacturers was despite imported raw material, imported machinery (even the dies were imported) and, as some claimed, imported know-how.

Notwithstanding the "imported technology", while one blade would just give a single, satisfactory shave, the best performance seldom exceeded five shaves. The

price differential between the lowest and highest brand was in the ratio of 1:6. The reason was that the defective pieces and rejects, segregated during the online quality checks, were earmarked and graded for the lower priced brands.

One particular brand X of carbon steel blade did not give even one nick-free shave. The manufacturer, when confronted, cleverly retorted that what was labelled was meant to be a "blade", not a "shaving blade". On further questioning regarding its use, he recommended it "for pencil sharpening" of course.

The Bureau of Indian Standards (BIS) certification marks scheme was introduced in 1956 and later various items of mass consumption, which had health and safety implications, were brought under compulsory ISI marking through different enactments.

The blades are produced as per the following specifications:

1. Stainless Steel Safety Razor Blades (Second Revision Amendments 3) -
Reaffirmed – 1996 - **IS 7371 – 1982**
2. Safety Razors Amendments 3 - Reaffirmed –1991 - **IS 7370 1974**
3. Twin Blade Razor Handles Hermal - Reaffirmed-1998 **IS 13777 – 1993**
4. Twin Blade Cartridges Shaving Systems Amendments 2 - Reaffirmed 1996 -
IS 13031-1990

Since there are only two major multinational companies manufacturing the above item under foreign collaboration and having monopoly in the market, the detailed technological aspects of manufacture is almost a trade secret.

Safety razor blades currently are produced in large scale sector only. There are many types of blades in the market, for e.g., single edge, double edge, sandwiched and bonded. Safety razor blades is an item of consumption. Being a commodity of mass and daily consumption, the industry provides good scope for investment.

The manufacture of razor blades involves a variety of operations such as punching, hardening. List of plant and machineries required are :

1. Punch machine
2. Fully automatic press
3. Automatic electric hardening machine
4. Automatic etching machine
5. Varnishing machine
6. Cutting machine
7. Grinding and polishing machine
8. Tool grinder and miscellaneous tools and accessories

The razor blades are mostly being manufactured by the foreign firms in India, although Indian firms are also in the field but their product is not up to the mark. Therefore, high quality razor blades have ample scope in Indian as well as foreign market.

CHAPTER V RAW MATERIALS

BLADE MATERIAL PROPERTIES

The material properties that are generally of most interest when choosing the optimum material for a particular cutting application include:

- Wear Resistance
- Toughness or Shock Resistance
- Corrosion Resistance
- Influence on Edge Characteristics
- Shape Control during Heat Treat
- Cost
- Availability

Materials most commonly used in blade applications include:

- 1095 Carbon Steel
- Heat-Treated Stainless Steels
- 301 Stainless, 17-4 & 17-7 PH Stainless
- High Speed Steels
- Tool Steels
- Extreme-Wear Tool Steels
- Tungsten Carbide
- High-Performance Zirconia Ceramic
- Coatings

1095 Carbon Steel

Available in either Rc 50 spring temper or custom hardened and tempered up to Rc 62, AISI 1095 is an economical material choice where corrosion is not expected to be a problem. While most blade manufacturers use AISI 1095, normally use of 1.25 Carbon Steel is done. 1095 steel has 0.95% Carbon while 1.25 steel has 1.25% Carbon.

This increased Carbon allows the blades to be heat treated to a higher hardness and offers better wear resistance. This steel is a good, economical choice when fair wear resistance is required and corrosion is not a problem.

Heat-Treated Stainless Steels

Suitable for industrial and medical applications, these 400 series martensitic steels are much more corrosion-resistant than carbon steels and can be sharpened to equally-keen edge sharpness. Razor Blade Stainless steel in thicknesses from .010"-.062" thick can also be used.

301 Stainless, 17-4 & 17-7 PH Stainless

These austenitic stainless steels provide more corrosion and shock resistance than 400 series martensitic steels, but sacrifice some wear resistance and hardness. Several other grades of Stainless Steel:

- *L55-SA* is a standard grade, near an AISI 420. While its Chromium is high (13%) the lower Carbon (.5%) makes it a less wear resistant choice. However, it is excellent steel that will offer an economical mixture of corrosion and wear resistance.
- *13C26* is the next grade up, with a Carbon content of 0.68%. It is more wear resistant, at a slightly higher cost.
- *19C27* is a super grade Stainless Steel. It's 0.95% Carbon offers the most wear resistance of any stainless steel, with good resistance to corrosion.
- *300 SERIES* is an Austenitic Stainless Steel that is very resistant to corrosion. However, due to the low Carbon content and hardness, the steel will not offer good wear resistance. It should only be chosen when corrosion is paramount and wear resistance is not of primary importance.

High-Speed Steels

High-speed steels also have excellent temper resistance, holding their hardness even when exposed to temperatures up to 1,000 F, which can also be considered.

Coatings

With many materials, desirable qualities can be enhanced by applying wear resistant TiN, TiC, TiCN, Ceramic (aka Boron Carbide), or Armoloy® coatings or dry film lubricant coatings such as Teflon. However the following coatings are used extensively for safety razor blade manufacturing.

TITANIUM NITRIDE (TiN) - This familiar gold coating is economical as it adds some lubrication and wear-resistance.

SOLID TUNGSTEN CARBIDE - Unique grades, ultra-fine & sub-micron grain Tungsten Carbide, offer the best blend of wear resistance and toughness. Polishing all edges and surfaces to a 2 RMS finish is possible. Each cutting edge is microscopically inspected at 50X, to assure our customers a perfect blade. Carbide blades can last hundreds of times longer, so it can be an excellent choice in high production applications or where a superior cut is needed. These blades can be resharpened, further increasing their cost effectiveness.

SAPPHIRE - Sapphire has superior sharpness and durability characteristics than that of even carbide or ceramic. Sapphire's true benefit is that it can withstand much higher heat applications than solid carbide or ceramic materials. This translates into even faster production speeds for increased productivity, decreased down time, decreased scrap, and higher profits. Classified grades of this precious stone for razor blade applications have been developed of late.

The Raw Materials used for manufacture of safety razor blades are the following:

1. Carbon Steel for safety razor blade - Amendments-2 Reaffirmed 1994
IS 10198 – 1982.
2. Cold Rolled Steel Strips for Carbon Steel Razor Blades - Reaffirmed 1992
IS 9476 – 1980.

3. Cold Rolled Stainless Steel Strips for razor blades - Amendments 2 –
Reaffirmed 1990 **IS 9294 – 1971**

Raw material required for razor blade is steel strip which is imported from other countries. The commonly used dimension of steel strip are as under

0.881 x 0.0024" thick

0.881 x 0.004" thick

0.881 x 0.0032" thick

0.881 x 0.005" thick

There is no single thin blade material that is appropriate for all cutting applications. There are a wide range of hardened stainless steels, flat ground tool steels, and many other wear resistant materials from which to choose from various manufacturers across the globe. "Optimize, not Compromise" when selecting a blade material to ensure the right mix of properties for each individual application should be the watchword in selecting materials for manufacture.

The ideal blade material would be highly wear and shock resistant, economical, available in a wide range of thickness and finish, readily sharpened to a fine quality edge, possess outstanding corrosion resistance, and have no distortion after heat-treatment.

CHAPTER VI

MACHINERY AND EQUIPMENT

The selection of machinery and equipment generally depends upon the product/products to be manufactured and their processes of manufacture. Since the product is being manufactured under monopolistic lines, with state-of-the-art machinery and equipment it is suggested that new units which intend manufacturing of the above item can design and develop their own state-of-the-art machinery and equipment constantly focussing on research and development arriving at the optimum production at low cost at their end with in-process quality control being incorporated in the systems.

The following process operations, however has to be taken into consideration while selection and installation of the machinery & equipment for manufacturing.

1. Drawing of the blade strips from the spools
2. High Speed Punching of the blade blanks in high speed punch presses (950-1000 SPM (Splits Per Minute))
3. Bliss Press operations
4. Heat Treatment - (automatic electric hardening systems)
5. Cutting operations
6. Grinding
7. Stropping (lapping with leather belts)
8. Coating
9. Printing (rotogravure printing of brand name, etc.)
10. Quality Check
11. Packing and Despatch (automated)

CHAPTER VII MANAGEMENT TECHNIQUES

Organisation – Definition

In management science the word organisation has been expressed twice;

- a. Forms of business organisation or the constitution of the industrial/business establishment in respect of sole trader or proprietary, partnership, private limited, public limited company and cooperative society.
- b. Structuring of the task force for unit into different cadres to combine the 5 Ms – Men, Money , Machines, Materials and Methods for the production of goods and services.

Furthermore if any new unit/venture is started apart from the already existing two MNCs it is suggested that the unit/industry should step into the venture right from the beginning with ISO 9000, ISO 14000, ISO 18000 international standards so that globalisation right from its inception can lead to its survival and profitability in a vast manner.

A study of the earlier chapters outlining the success of the multinational companies in respect of the management techniques they used would morally light up the spirit of modifying the management techniques to suit local conditions for the new entrepreneurs.

Since inception of a new unit/industry if the international standards of ISO 9000, ISO 14000, ISO 18000 are adhered to with a sound management and organisational structure as well as the marketing base can be established including exports as has been the case by the two MNCs manufacturing safety razor blades the industry can gallop into the competitive arena, capturing a sizeable market share.

CHAPTER VIII

CREDIT NEEDS

Since the two MNCs manufacturing safety razor blades are totally globalised as well as having manufacturing bases in various countries, the overall financial strengths of the companies is very sound. However, the companies have also diversified their items of manufacture in order to widen their publicity as well as the market base.

In the case of a new industry/unit coming up for manufacture of safety razor blades with the international standards of ISO 9000, ISO 14000, ISO 18000 being incorporated in the nascent stage itself, institutional support, training, indirect inputs as well as marketing including exports will automatically combine themselves supportingly to ensure the growth of the industry. There will be no dearth of support from any institution, financial or otherwise since break-evens could be achieved easily since this consumable item will have a vast market potential.

CHAPTER IX

PROJECT PROFILE FOR MANUFACTURE OF SAFETY RAZOR BLADES

(this is only a guideline)

1. INTRODUCTION

Safety Razor Blades are manufactured from steel strips of a particular type and with the help of automatic machines. In spite of the competition from the latest use and throw type twin razor shaving systems, the use of the conventional safety razor blades in our country is in vogue. However the profile can be modified slightly to suit the requirements for the manufacture of the twin blade razors also.

2. MARKET

There is enough scope for this type of industry to be set up in our country because the small scale units can profitably manufacture razor blades as there is no difficulty in marketing the products, as it is required in the daily life of all men. The product can also find easy market abroad as it can be manufactured at competitive rates. Mini plants using state-of-the-art equipment and technology can be easily set up.

3. BASIS AND PRESUMPTIONS

1. The profile has been prepared on single shift basis of 8 hours per day and 300 working days per annum, presuming the bottlenecks in the heat treatment and coating operations.
2. Full capacity utilisation can be gradually achieved in a phased manner from the 5th year of commencement of commercial operations.
3. The labour cost, cost of raw materials, cost of machinery, etc. are based on local market/region.
4. The interest rate for fixed and working capital is taken at 18% (average).
5. A land area of 15000 sq.ft. with a working shed of 6000 sq.ft. at a monthly rent of Rs.30/- per sq.ft. is considered.
6. Margin money requirement is taken at 25% average of total capital investment.

4. IMPLEMENTATION SCHEDULE

Project Report Preparation, acquisition of site, DIC registration, quotations for plant and equipments, application for bank finance, etc.	3 months
Receipt of bank finance, clearance from government bodies	6 months
Delivery and erection of machinery, electrification, recruitment of staff and labour and trial production, etc.	3 months

Total time may be taken as one year approx. However, the project can be successfully implemented within one year of conception provided adequate finance in time is available and correct planning and speedy execution is resorted to by the entrepreneurs.

5. PROCESS OF MANUFACTURE

1. Production details/process of manufacture

The raw material i.e. steel strips (0.991 x .0024" thickness to 0.881 x .005" thickness) first pass into the punch press wherein holes of the blades and also the corners of the blades are punched through the automatic punch press machines. Automatically after this work the steel strips come up to the reeling equipment on the punch press.

From the punch press the strip goes to the hardening furnace for corrective hardness, which comprises passing through the heating tube on the hardening table, the cooling plates, a small tempering furnace and cooling plates again and then gets automatically in the system.

The rolled hardened steel strips then go to the etching machine which gives the name branding on the blade after which they go through the lacquering machine which varnishes the strips against rust. The strips then pass to the breaking machine which cuts the strips into piece by piece of separate blades. The separated blades go into the grinding, polishing and honing machine wherein the blades

receive the full sharpness in these different kinds of grinding stations before final grinding, regrinding, polishing and honing. The blades are then passed over a vapour deposition coating machine wherein a thin film of titanium nitride is coated on line.

The blades are then microscopically examined online for the sharp edges and then sent to a boiling machine for sterilization after which they are dried online and pass on to the wrapping machine. The blades are wrapped here into waxed paper and then enveloped in brand printed paper. These blades are then packed into small boxes which take up 5 blades per packet. These small boxes are then later closed on the cellophaning machine. Now the small wrapped boxes are packed in big size cartons of 1 gross each and then are ready for despatch. In the case of the disposable twin blade razor systems manufacture, the state-of-the-art moulding machinery and equipment is used wherein the blades are set very solidly and with great precision right into an ABS plastic moulded blade holding handle as per the design developed by the University of Houston's College of Engineering, Houston, USA, after all the mechanical process operations are over.

2. The product shall conform to IS:7371 and other International Standards for Safety Razor Blades.
3. Fumes extractors and dual collectors suitably installed would ensure pollution control. Also good cross ventilation of the working area is advised. However the entrepreneur is advised to obtain the NOC from the Central/State Pollution Control Board.
4. Energy efficient motors and systems duly incorporated in the plant and machinery installed would ensure the energy utilization and conservation.

F. PRODUCTION CAPACITY PER ANNUM

		Rs.
a) By total sales per year of 1,50,00,000 blades @ Rs.1.50 per blade	=	22,500,000
b) By total sales per year of 2,40,000 pieces of twin razor blade shaving system @ Rs.15/- per piece	=	3,600,000
Total		26,100,000

G. FINANCIAL ASPECTS**1. FIXED CAPITAL**

- (a) A land area of 15000 sq.ft. with covered working shed of 6000 sq.ft. (100 ft. x 60 ft.) on monthly rent of Rs.35/- per sq.ft. 450,000

Total 450,000

(b) Machinery and Equipment:

S.No.	Description	Qty.	Rate (Rs.)	Amount (Rs.)
1.	Automatic razor blade strip drawing machine	1	40,000	40,000
2.	Special purpose profile grinding machine with all electricals and 10 HP motor	2	1,000,000	2,000,000
3.	Electric hardening furnace complete with accessories and Pyrometer – 4'x2'x2'	2	150,000	300,000
4.	Lacquering furnace complete with electrical panel and accessories 4'x2'x2', 10 HP motor	2	100,000	200,000
5.	Coating machine complete with all electrical accessories with 10 HP motor	2	75,000	150,000
6.	Punch press complete with all electrical accessories	2	100,000	200,000
7.	Oil quenching tank with water jacket – 4'x2'x2'	2	25,000	50,000
8.	Trimming press with accessories 60 Tons cap, 30HP motor	1	90,000	180,000
9.	Tool grinder with accessories and 5 HP motor	1	30,000	30,000
10.	Automatic special injection moulding machine for twin blades manufacture 3 kg capacity (state-of-the-art machine)	1	400,000	400,000
11.	Erecting machine with electricals and 5 HP motor	2	50,000	100,000
12.	Cost of tools, dies and moulds for trimming, injection moulding, etc.	LS	200,000	200,000
13.	Laboratory equipments and chemicals	LS	500,000	500,000
14.	Office equipment and furniture			40,000
15.	Installation and Electrification			369,000
16.	Pre-operative expenses			200,000
	Total			4,959,000

2. WORKING CAPITAL PER MONTH:

(a) Raw Material per month:

S.No.	Description	Qty.	Rate (Rs.)	Amount (Rs.)
1.	Cellophane paper 3 ½ width 15000 ft.	LS		25,000
2.	Cold Rolled Steel Strip unhardened – bright type with sheared edges (qty. in kgs)	2250	250	562,500
3.	Consumable stores			40,000
4.	Paraffin paper 1 1/8" wide 400 nos. rolls of 200 ft. each			6,000
5.	Printed cartons (qty in nos)	7500	2	15,000
6.	Printed outer wrapper (qty in grams)	30000		15,000
7.	Plastic granules	1000 kgs	40	40,000
	Total			703,500

(b) Salaries & Wages per month:

S.No.	Description	Qty.	Rate (Rs.)	Amount (Rs.)
1.	Accountant	1	3,500	3,500
2.	Foreman	1	7,000	7,000
3.	Inspector	1	4,000	4,000
4.	Methods Engineer	1	6,000	6,000
5.	Office Assistant	3	2,500	7,500
6.	Peon	1	2,000	2,000
7.	Sales Manager	1	8,000	8,000
8.	Sales officers	3	6,000	18,000
9.	Semi-skilled operators	4	2,500	10,000
10.	Skilled operators	6	3,500	21,000
11.	Unskilled labour	3	1,500	4,500
12.	Watchman	2	2,000	4,000
13.	Works Manager	1	10,000	10,000
	Total			105,500
	Perquisites 15%			15,825
	Total			226,825

(c) Utilities per month:

S.No.	Description	Amount (Rs.)
1.	Power 20000 units @ Rs.3.50 per unit	70,000
2.	Water	2,500
	Total	72,500

(d) Other expenses per month:

S.No.	Description	Amount (Rs.)
1.	Advertisement and publicity	5,000
2.	Insurance and taxes	10,000
3.	Renewals and replacements	3,500

S.No.	Description	Amount (Rs.)
4.	Rent	450,000
5.	Repairs and maintenance	3,500
6.	Stationery and Postage	5,000
7.	Telephone, etc.	5,000
8.	Travelling expenses	10,000
	Total	492,000

WORKING CAPITAL PER MONTH: $703500 + 226825 + 72500 + 492000 = \text{Rs.}1494825$

Working capital for 3 months = $1494825 \times 3 = 4484475$

(e) Total Capital Investment

Fixed Capital	4,959,000
Working capital for 3 months	4,484,475
Total	9,443,475

(f) Cost of Production per annum

S.No.	Description	Amount (Rs.)
1.	Depreciation on furnace @ 20%	108,000
2.	Depreciation on office equipment @ 20%	8,000
3.	Depreciation on plant and machinery @ 10%	315,000
4.	Recurring expenditure	17,937,900
5.	Interest on capital investment @ 18%	1,699,825
6.	Depreciation on tools and dies	50,000
	Total	20,118,725

(g) Sales per annum:

a) By total sales per year of 1,50,00,000 blades @ Rs.1.50 per blade	=	22,500,000
b) By total sales per year of 2,40,000 pieces of twin razor blade shaving system @ Rs.15/- per piece	=	3,600,000
Total		26,100,000

(h) Profit per annum

Description	Amount (Rs.)
Sales per annum	26,100,000
Cost of production per annum	20,118,725
Profit	5,981,275

(i) Profitability Analysis:

$$\begin{aligned}
 \text{(a) \% of profit on sales} &= \frac{\text{profit/annum} \times 100}{\text{Sales/annum}} \\
 &= \frac{5981275 \times 100}{26100000} \\
 &= \mathbf{22.92\%} \\
 \text{(b) \% profit on investment} &= \frac{\text{profit/annum} \times 100}{\text{Total capital investment}} \\
 &= \frac{5981275 \times 100}{9443475} \\
 &= \mathbf{63.34\%}
 \end{aligned}$$

(c) Break Even Point:

S.No.	Description	Amount (Rs.)
a.	Depreciation on furnace @ 20%	108,000
b.	Depreciation on office equipment @ 20%	8,000
c.	Depreciation on plant and machinery @ 10%	315,000
d.	Depreciation on tools and dies @ 25%	50,000
e.	Rent	5,400,000
f.	Interest on capital investment @ 18%	1,699,825
g.	40% of salary and wages	582,360
h.	40% of other expenses	2,361,600
	Total	10,524,785

(2) Profit per annum = Rs.5981725

$$\begin{aligned}
 \text{Break even point} &= \frac{\text{Fixed cost/annum} \times 100}{\text{Fixed cost/annum} + \text{Profit/annum}} \\
 &= \frac{10524785 \times 100}{10524785 + 5985275} = \frac{10524785 \times 100}{16510060} \\
 &= \mathbf{63.75\%}
 \end{aligned}$$

(j) List of Suppliers of Raw Materials:

<ol style="list-style-type: none"> 1. M/s. Lalith Corrugated P. Ltd. 4, SubbuNaidu Street, Choolai, Chennai – 112. 2. M/s. Starpacks (India) Ltd., Gorantla Nilayam 3, Sir Thyagaraya Road, T. Nagar, Chennai 600 017. 3. M/s. Kaamakshi Laminators (P) Ltd. 10 SIDCO AIEMA Towers, Ambattur Industrial Estate, Chennai – 58 	For Packaging materials
<ol style="list-style-type: none"> 4. M/s. Chennai Polymers & Chemicals 26, 2nd street, Ganapathy Nagar, Ekkaduthangal, Chennai – 97. 5. M/s. PP Industries, No.91 Strahans Road, Otteri, Chennai – 79. 	For plastic raw materials
<ol style="list-style-type: none"> 6. M/s. Steel Authority of India – Sales office of concerned place 7. M/s. Speciality Blades Inc. No.9 Techology Drive, Staunton, VA 24401, USA Web: www.specialtyblades.com 	For steel strips

(k) List of Suppliers of Machinery & Equipment

<ol style="list-style-type: none"> 1. M/s. Blue Star Ltd. 133 Kodambakkam High Road, Chennai 600 034. 2. M/s. Precision Scientific Co. PB No.6422, Precision Plaza, 281 Anna Salai, Chennai 600 018. 3. M/s. Lawrence & Mayo, Annasalai, Chennai –2. 4. M/s. Toshniwal Brothers (SR) Pvt. Ltd. 13-A Velachery Main Road, Chennai – 42. 	For Laboratory Testing Equipemtns
<ol style="list-style-type: none"> 5. M/s. Gujarat Machine Tools 135 Linghi Chetty Street, Chennai 600 001. 6. M/s. Quality Machine Tools 164-B Industrial Estate, Ludhiana. 7. M/s. Atlas Engg. Industries, G.T. Road, Batala, Punjab 	For Miscellaneous equipments and machinery

8. M/s. Wel Mech. Engg. Co. Pvt. Ltd. Plot No.11-A1, SIDCO Indl. Estate, Ambattur, Chennai 600 098. 9. M/s. Pillar Industries India Limited A/13, II Avenue, Anna Nagar, Chennai 600 002. 10. M/s. Wavecurrent Thermal Technologies, Ambattur Industrial Estate, Chennai 600 098.	For heat treatment and lacquering processes
11. M/s. Wafios Maschinenfabrik, Reutlingen, Near Stuttgart, Germany	For fabrication of state-of-the-art technology
12. M/s. Kolsite Machine Fabrik Ltd. PO Box No.11902, Veera Desai Road Mumbai 400 053.	For Injection Moulding Machines
13. M/s. RCC (Sales) Pvt. Ltd., Hyderabad Website: www.braintrustindia.com	Process Consultant

CHAPTER X

CONCLUSION

The total population in Tamil Nadu is 6.22 crores as per the Census Data of 2001. The male population is 3.12 crores out of which the male population above 18 years of age is around 1.6 crores. Assuming that an adult male consumes about 50 blades per annum on an average, the annual requirement would be to the tune of around 100 crore pieces per annum. The current supply position of the multinationals is of the order of 30 crores per annum of all the assorted varieties of shaving systems in the State of Tamil Nadu and the projected growth rate is of the order of 5% per annum. As per the profile (guideline) given, the turnover projected is 1.5 crores blades per annum. The current supply is 30 crores per annum in the state of Tamil Nadu, which is projected to grow at the rate of 5% per annum i.e. 5% of 30 crores, which is 6 crores blades per annum. At least 5 nos. of new units set up would entail 1.5×5 units = 7.5 crores of production of blades per annum which would meet the demand for the present. However, further units could be set up as the demand-supply position improves. Since there are no units manufacturing the above item in Tamilnadu, new units can be set up in the state, where good infrastructural facilities exist. This being a consumable item of Rs.1000 crores per annum business, assuming 50 crores of safety razor blades is the projected demand per annum of shaving systems for a 5% per annum growth rate, at least 30 mini units can be set up on an all-India basis with volume productivity and competitive pricing.

It can be inferred from the earlier chapters that safety razor blades and shaving systems occupy a necessity in the daily routine of today's men world over. Being limited to fend from only the two major Multi National Companies, manufacturing the above item in our country, there exists a vast scope for new investments in the manufacture of this item. The concept of mini plants can be a viable proposition, provided adequate production volumes are carried out to cross breakevens. Even the concept of diversification of the current business by setting up of a safety razor blades manufacturing unit using the management techniques followed by the two multinationals, would enable the industrialist/entrepreneur to grow vertically in business.

The success story of the two multinationals is adequate food for new potential investors in the field. Hence setting up new plants on an all-India basis at places having good infrastructural facilities and adequate government and institutional support for industrialization would be a good business proposition and investment.

Hence **“Hurry up and Make Hay while the Sun Shines”** is the apt slogan for potential new investors.

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ANNEXURES



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Ministry of Small Scale Industries
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(☎ & Fax: Director: 2360216; EPABX : 2360536, 2360686)
E-mail: sisi_trctcr@sancharnet.in Website : www.sisikerala.org

Handwritten notes:
29/8/03
200 (14) A
A m... w
DDC (relt)

No: 91(14)/97-ME

Dated: 19.08.03

The Director
Small Industries Service Institute
Tadong,
Gangtok-737102

Kind Attention: Sri K. SAMPATH KUMAR Dy. Director (Met.)

SUB: Preparation of All India Status Report on manufacture of "Safety Razor Blade" under Action Plan 2002-03

REF: Your letter SIS/GTK/MET/2003/380 DT.24TH JULY2003

Sir,

Kindly refer your letter on the above subject. In this connection we would like to inform you that there are no units manufacturing the above said item under the jurisdiction of this Institute.

Thanking you,

Yours faithfully

(John Mathai)
DY.DIRECTOR (FP/ME)
For Dy. Director I/C

GOVERNMENT OF JAMMU AND KASHMIR
DISTRICT INDUSTRIES CENTRE, SRINAGAR.

Handwritten notes:
21/5/83
LDC (AD) P. V. Singh
25/10/83

Shri k. Sampath Kumar
Deputy Director (Met)
Small Industries Service Institute
Post Tadong-737102
Gangtok (Sikkim)

Subject. Preparation of status Report on safety Razor blade industry

Handwritten notes:
AC - 6111/03/51/2221-22
781-12.8-CC3

This office is in receipt of letter no M-11011/10/03-04/369 dated 24-07-03 from Deputy Director (Mech)SISI Jammu regarding furnishing of information on the above noted subject. In this connection, it may be mentioned that no unit is engaged in the manufacture of Safety Razor Blade industry.

Yours Faithfully

Handwritten signature
General Manager
DIC Srinagar.

Copy to the,

Mr Virender Sharma Deputy Director (Mech), Government of India ,Ministry of Small Scale industries, Small Industries Service Institute, 36 B/C, Gandhi Nagar, Jammu-180004.

E-mail: brmng@sancharnet.in

Tele-fax: 0824-2217936
Tel : 0824-2217696



Handwritten: 0-10
Stamp: 21
Date: 14/7/03



GOVERNMENT OF INDIA
MINISTRY OF SMALL SCALE INDUSTRIES
SMALL INDUSTRIES SERVICE INSTITUTE (Br.)
L-11, Industrial Estate, Yeyyadi, Mangalore – 575008.

No.SIM/101/1//2003-04 / 227

Date: 04.07.2003

The Dy. Director I/c,
Small Industries Service Institute,
Post-Tadong,
Gangtok (Sikkim) – 737102.

Handwritten signature and date: 04/7/2003

Sub: Preparation of All India Status Report on Safety Razor Blade Industry under Core Programme.

Ref: Your letter No.SISI/GTK/MET/2003/378 dt.24.6.2003.

Sir,

It is to convey that there is no such unit functioning in our jurisdiction. A copy of the report after completion may please be sent to us for our reference.

Yours faithfully,

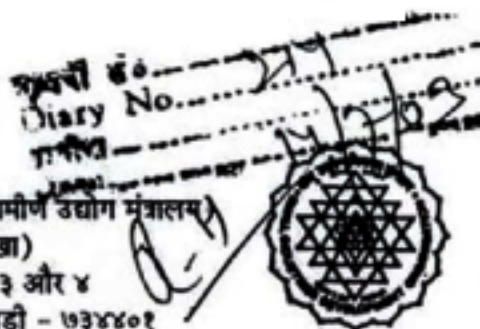
(K.Socrates)
Asst. Director (Met)
for Dy. Director I/c

ग्राम : लघु उद्योग, सिलीगुड़ी
फोन : ५४२४८७

GRAM : "SMALLIND" SILIGURI
PHONE : 542487

भारत सरकार

(लघु उद्योग और कृषि एवं ग्रामीण उद्योग मंत्रालय)
लघु उद्योग सेवा संस्थान (शाखा)
औद्योगिक बस्ती, सयवान नं० ३ और ४
सेवक रोड, दो माईल, सिलीगुड़ी - ७३४४०१



GOVERNMENT OF INDIA
MINISTRY OF SSI, AGRO & RURAL INDUSTRIES
Branch Small Industries Service Institute
Industrial Estate, Shed No. 3 & 4
Sevoke Raod, 2nd Mile, Siliguri - 734401

सं / No. T-11011/26/2000-Pt. II/232

दिनांक / Date 03-07-2003

To
The Dy. Director I/c.,
Small Industries Service Instt.,
PO : Tadong, Gangtok,
Sikkim ; PIN - 737102

PD (int)
for/c
19/7/2003

Sub : Preparation of All India Status
Report under Core- Programme.

Sir,

Kindly refer to your letter No.SISI/GTE/
MET/2003/361 dt.24.6.03 on the subject cited above.
In this connection, it is to state that there is no
unit within the operational jurisdiction of this Instt.,
is engaged to manufacture Safety Razor Blade.

The desired information may be treated
as Nil.

Yours faithfully,
D. C. Haldar 32
(D. C. Haldar),
Asstt. Director I/c.,
Branch SISI, Siliguri.

Gracem: Smallind
<http://www.sisiguwahati.com>

email: Seneghy1@sancharnet.in
Telefax: -0361-2550052
Telephone: 91-0361-2550073,2653367



GOVERNMENT OF INDIA
MINISTRY OF SMALL SCALE INDUSTRIES
Br. SMALL INDUSTRIES SERVICE INSTITUTE, ITANAGAR
(Camp. SISI, GUWAHATI)
BAMUNIMAIDAN : GUWAHATI-781021
(A S S A M)

File No. AR/SISI/222/2000-01/127

Date: - 10/07/03

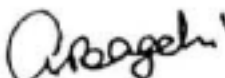
To,
The Deputy Director (I/C),
Small Industry Service Institute,
Post-Tadong-737 102,
Gangtok (Sikkim),

Subject: - All India Status Report on "Safety Razor Blade Industry". Under the action plan 2003-04. Request for information- Reg.

Sir,

Kindly refer your letter No.SISI/GTE/MET/2003 dated 24/06/2003 regarding the subject matter. In this connection the information may be treated as Nil for this Br.Institute is concerned.

Yours faithfully,


(A. Bagchi)

Asstt. Director (I/C)

ram: Smallind

Telephone: 03712-221084
e-mail: brsisitez@sancharnet.in

GOVERNMENT OF INDIA
MINISTRY OF SMALL SCALE INDUSTRIES
BRANCH SMALL INDUSTRIES SERVICE INSTITUTE
Darrang College Road, Tezpur-784001

F.No.EI.2 (1) 2002-II/323

Serial No. 223
Diary No. 16/7/03
Date: 16/7/03

Sharma
16/7/03
Put up with
for info
Dated: 8/7/03
Sharma
16/7/03
LDC 103

To
The Dy. Director, I/C
Small Industries Service Institute,
Post-Tadong-732 102,
Gangtok (Sikkim)

Sub: Preparation of All India Status Report under Core Programme

Sir,

With reference to your letter No.SISI/GTK/MET/2003 dated 24th June 2003 on the above subject. In this connection we are to inform you that there is no such type of unit (Safety Razor Blade Industry) available in our jurisdiction.

Hence the information sought by you may be treated as NIL.

Yours faithfully

T.R. Sharma
(T.R.Sharma)
Dy. Director, I/C



h-14

24/7/03
loc (N) - for am
for the file

फ़ोन: 0832-2705093/94
फ़ैक्स: 0832-2705092
0832-2710525
0832-2725979
ईमेल: ssigoa@gostelecom.com

भारत सरकार
Govt. of India
लघु उद्योग मंत्रालय

EPABX : 0832-2705093/94
Director : 0832-2705092
Fax : 0832-2710525
SENET : 0832-2725979
E-mail : ssigoa@gostelecom.com

Ministry of Small Scale Industries

लघु उद्योग सेवा संस्थान

राज्य स्टेशन के सामने, केपे रोड
स्ट बॉक्स नं: 334, मडगांव,
गोवा-403 601



SMALL INDUSTRIES SERVICE INSTITUTE

Opp. New Railway Station,
Quepem Road, Post Box No: 334,
Marago-Goa-403 601

File No.: A-250II/2/2003-Mech/ 538

डायरी नं. 376
दिनांक 27/7/03

16.07.2003

The Deputy Director Incharge,
Small Industries Service Institute,
Post Tadong-737 102
Gangtok (Sikkim)

Sub : Preparation of All India Report under Core Programme.

Sir,

Please refer to your letter No.SISI/GTE/MET/2003/371/ dated 24th June 2003 on the subject cited above and I am to inform you that the information sought by you may be treated as nil.

Yours faithfully,

(PETER FRANCIS)
Asstt. Director (Mech)
For Director

Jn/160703.

टेलीफोन नं. - 0121-6314

फोन नं.

7540339, 7540619, 7543147, 7544248

Telex No. : GUEX-IN-0121-6314

Telegram : "SMALLIND"

Telephone : 7540339, 7540619, 7543147, 7544248

SMALL INDUSTRIES SERVICE INSTITUTE

DEPARTMENT OF SMALL SCALE, AGRO & RURAL INDUSTRIES

MINISTRY OF INDUSTRY

GOVERNMENT OF INDIA

Harsiddh Chambers, 4th Floor, Ashram Road, AHMEDABAD-380 014

लघु उद्योग सेवा संस्थान
लघु, कृषि व ग्रामीण उद्योग विभाग

उद्योग मंत्रालय

भारत सरकार

हरसिद्ध चैंबर, 4थी मंजिल, आश्रम रोड,

अहमदाबाद-380 014



Handwritten notes:
17/7/03
DCCN/m
up to DCCN/m

संख्या No. : Mech/1/1/2000-2001/223

तारीख/Date : 14.7.2003 19.....

The Executive Director
INDEXTb
Udyog Bhavan, Sector 11
Block No. 18, II Floor
GANDHINAGAR.

Handwritten stamp:
कॉपी नं. 573
Distry No. 24/7/03

Sub : Information on SSI Units manufacturing of SAFETY RAZOR BLADE in Gujarat.

Sir,

This is for your kind information that Small Industries Service Institute, Gangtok (Sikkim) has been assigned the job of preparing a Status Report on Safety Razor Blade by the O/o. the Development Commissioner (SSI), New Delhi under Action Plan 2003-04. You are, therefore, requested to kindly send the names and addresses of the units manufacturing Safety Razor Blade in this State to this office at the earliest.

Your earliest reply in this matter will be highly appreciated.

Thanking you,

-sd-

Yours faithfully,

(K.H. SHAH)
Assistant Director (Mech)
for Director

✓ Copy to : The Director, Small Industries Service Institute, Post Tadong-737 102, Gangtok (Sikkim) for information.

Handwritten signature:
14.07.03
for Director



सभी के लिए सभी सम्पत्तियाँ
ALL RIGHTS FOR ALL

Small Industries Development Organisation

Phone (03862) 31552

MSI लघु उद्योग सेवा संस्थान

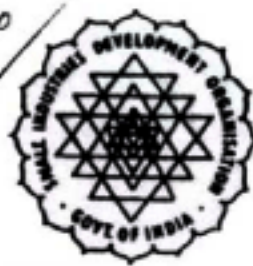
भारत सरकार

लघु, कृषि एवं ग्रामीण

उद्योग मंत्रालय

प्रौद्योगिक सम्पदा,

दिमापुर - 797 112 नागालैण्ड



Phone - (03862) 31552, Gram - SMALLIND
**BRANCH SMALL INDUSTRIES
SERVICE INSTITUTE**

Govt. of India
Ministry of SSI, A & RI
Industrial Estate
DIMAPUR - 797 112 : NAGALAND

Sharma
6/8/03
Pr. Singh
A. B. Singh

R/M No. DAC - 1(1)/2002-03. 235

Date. 31.7.2003

Diary No. 380
6/8/03

To
The Director,
Small Industries Service Institute,
Post-Talung - 737102
Gangtok.

Sub:- Preparation of all India Status Report under
Core Programme.

Ref:- Yr. Lr no. SIS/GTE/MET/2003/343 dt 24/6/03 x

Sir,

With reference to the above subject matter, I am to inform you that no such unit is existing in Nagaland State.

This is for your kind information.

Yours faithfully.

Saraf

(C.V. Saraf.)
Deputy Director I/c
Br. SSI, Dimapur.

Government of Jammu and Kashmir
District Industries Centre, Pulwama

.....

N-17

Jammu
11/8/03
Dy. Dir. (M) J&K
D.I.C. Pulwama

✓ The Dy. Director (Met)
Small Industries Service Institute
Post Tadong- 737102
Gangtok (Sikkim)

No. 37/08/03

No:- DICPL/EI/1501-1502 = 11/08/03/08/2003
Sub:- Preparation of status report of small scale
Industry.
Ref:- Dy. Director (Mech.) letter No. 1011/10/03/03/358
dated 24.07.2003.

Sir,

The information regarding the above cited document
may kindly be treated as confidential from this office.

Yours faithfully,



General Manager
District Industries Centre
Pulwama

CC:-
1- Dy. Director (Mech.) for director, Small Scale Industries
36-B/C Gandhinagar, Jammu- 18004

Grams: Smallind

218

Ph. No: 03671-272549



Diary No. _____
Date: _____

7/18/03
Loc (N) for put up
DCC ready for use

Government of India
Ministry of Small Scale Industries
Branch Small Industries Service Institute
Hospital Road, Diphu - 782460
Karbi Anglong (Dist.), Assam.

File No: IMT/9/STATUS/90/113A

Date: 15.07.2003

To
The Director,
Small Industries Service Institute
Post- Tadong-737102,
Gangtok (Sikkim).

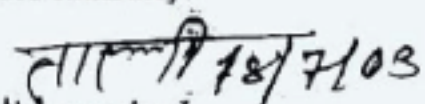
Subject:- All India Status Report on Safety Razor Blade Industry.

Sir,

With reference to your letter no. SISI/GTK/MET/2003/330 dated 24.06.2003 regarding above mentioned subject, it is to inform you that there is no unit engaged in manufacturing Safety Razor Blade under the jurisdiction of this Branch Institute.

As such report may please be treated as NIL.

Yours faithfully,


(Tali Longchar)
Asstt. Director, I/C.

OFFICE OF THE GENERAL MANAGER DISTRICT INDUSTRIES CENTRE
RAJOURI.

To

✓ Sh. K. Sampath Kumar,
Deputy Director (Met),
Small Industries Service Institute,
Post Tadong-737102
Gangtok (Sikkim).

Printed
18/8/03
Lie (M) R put
up to D.I.C. (Rajouri)
for file

NO: DICR/Sts/603-64 /dated: 8.8.2003

Sub: Preparation status report on safety razor blade
Industry.

Sir,

This office is in receipt of letter NO: M-11011/10/
-03-04/37 dated: 24.7.2003 from Deputy Director (Mech)
Govt. of India, Ministry of Small Scale Industries, SISI
36 B/C, Gandhi Nagar, Jammu-180004 wherein he desired to
furnish the list of units functioning in the District
to you directly in regard to entrepreneurs engaged in
manufacturing of safety razor blades industries with the
aim to get prepared an All India Status report on the
said industry by the Development Commissioner SSI,
Nirman Behwan New Delhi.

In this behalf it is to intimate you that there is
no such type of unit registered with DIC-Rajouri to date.
Hence nil information may be treated from this end
please.

Yours faithfully

[Signature] 8/8

General Manager,
District Industries Centre,
Rajouri.

Copy to the:-

1. Deputy Director (Mech) Govt. of India Ministry
small scale industries small Industries service
institute. 36 B/C, Gandhi Nager, Jammu-180004 for
information.

दूरभाष / फ़ैक्स : 05946-21053

भारत सरकार

उद्योग मंत्रालय

उद्योग सेवा संस्थान

11म बंगला परिसर, कालाहुंगी रोड,
हल्द्वानी-263139 (नैनीताल), उत्तरांचल



TEL. / FAX : 05946-21053

GOVT. OF INDIA

Ministry of Small Scale Industry
Small Industries Service Institute

Kham Bangla Campus, Kaladhungi Road,
Haldwani-263139 (Nainital), Uttranchal

क्रमांक / Ref. SISI(HLD)/18(1)Misc/2003/34

दिनांक / Date 01.08.03

The,

By Director J/K

Small Industries Service Institute,
Post-Tadong,
Gangtok, Sikkim

क्रमांक सं. 407
Diary No. 18/03
दिनांक 01/08/03

Amended
18/8/03
LDC (N) for print
BDC (N) for
in mehandia

Sub-: Information Regarding Safety Razor Razor Industry.

Sir,

Kindly refer to your office letter No.SISI/GTE/MET/2003 dated 24th June ,2003 on the above cited subject. The status of safety Razor Blade Industry in. the state of Uttranchal may be tra- ted Nil as per information available in this office.

Yours Faithfully

(A. K. Pandey)

SIPO(St.)

For Director

“संस्थान हिन्दी में पत्राचार का स्वागत करता है।”

भारत सरकार
लघु उद्योग मंत्रालय
लघु उद्योग सेवा संस्थान
औद्योगिक विकास कालोनी,
नजदीक आई.टी.आई., कुन्जपुरा रोड,
करनाल-132 001 (हरियाणा)



Govt. of India
Ministry of Small Scale Industries
Small Industries Service Institute
Industrial Development Colony,
Near I.T.I., Kunjpura Road,
KARNAL-132 001 (Hry.)

Arundh
29/08/03
Loe(N) jmk-up
KDC rudy
mpfe

Mech/2002 - 1314

संख्या / No.....

दिनांक / Dated..... 18.8.2003

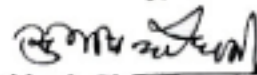
The Dy. Director /c.,
Small Industries Service Institute,
Post- TADONG-737102
GANGTOK (Sikkim)

Subject: Preparation of All India Status report under Core Programme.

Sir,

This has a reference to your letter No. SISLGTK/MET/2003/372 dated 24.6.2003 on the above subject. It is to inform you that there is no unit in the State of Haryana engaged in the production of Safety Razor Blades. Hence the information may be treated as Nil.

Yours faithfully,


(Er. Subhash Chaudhary)
Dy. Director (Mech.)
for Director

Office of the General Manager D.I.C. Boda.

To

✓
The Dy. Director (Met)
Small Industries service Institute,
Post Tadong-737102
Ganotok (Sikkim)

Sharma
9/8/03
SI (Mech) (S)
Boda

NO: DIC/B/ 1335-36

Dated: 27-08-03

Subject:- Preparation of status Report on safety
Blade Industry.

Sir,

Kindly refer to the Dy. Director (mech)
SISI 36 B/C Gandhi Nagar office letter No. 11011/10/03-04/363 dated 24-7-2003 regarding the above
cited subject. In this connection, nil information
may be treated in respect of DIC Boda for information
and necessary action.

Yours faithfully,

[Signature]
General Manager,
District Industries Centre,
Boda.

Copy to the:-

1/ Dy. Director (Mech) Small Industries Service
Institute 36 B/C Gandhi Nagar Jammu-180004.