PROJECT PROFILE

PRODUCT : **Auto Lock**

QUALITY STANDARD : **Customer's Specification.**

PRODUCTION TARGET : **a. Quantity : 150000 Nos.**
b. Value : Rs.45,00,000/-

MONTH & YEAR : **February, 2009.**

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A. Introduction:

Auto Lock are one of the basic need of automobile of four wheel derive or two wheel drive. These locks are of different need for automobile i.e. for locking of vehicle/petrol tank locking etc. These are made by the processes of pressure die casting/sheet metal & finally assembled by pin locking. Most of the parts will be manufactured in the unit itself & only small spring will be procured from local unit.

B. Market:

This item has a good scope due to increase in production of automobile in the country. This item can be supplied to different automobile manufacturers as original equipment & can also be sold in the market as replacement market

C. Basis & Presumptions:

Raw material used in the manufacture of auto lock is indigenously available. Although we can manufacture all types of auto locks for different vehicle can be manufactured with the plants & machinery provided in the project but the economics of this project have been worked out for the handle lock of two-wheeler.

There is no IS Specification available on the auto locks, but these are manufactured as per the buyers specification of own design.

1. The basic for the calculation of the production capacity is normally on single shift basis on 75% efficiency and 300 working days have been considered per annum.

2. The rate of interest in return has been taken on the basis of 15% at an average; however, this figure is likely to vary depending on the financial outlay of the project as per location of the unit.
3. It will take 2-3 years to achieve full capacity utilization.
4. Labour wages have been taken as per prevailing rates of market.
5. Land and building has been provided on rental basis. An average rent have been taken (it varies from place to place.)
6. The break-even point in the scheme has been calculated on full capacity utilization basis.
7. The cost of machinery and equipment items as indicated as refer to particular make and the prices are approximate those ruling at the time of preparation of this report.

D. Implementation schedule:

It will take 8 to 12 months to implement the project for arranging land & building, machinery & equipment, toolings etc.

E. Technical Aspects:

i. Process Outline:

Main body of the lock/lever holding pin are made on pressure die casting with the help of dies. Lever holding pin is further machined on Lathe/milling for making slots for fixing of levers are made on power press with the help of punching dies. Then these levers are fitted in plunger & put in main body and pin is fixed for final assembly. Key will be procured from out side.

ii. Quality Specification:

As per customer's specification.

iii. Production capacity (Per annum) :

a. Quantity : 15,00,000 Nos. per annum.
b- Value : Rs.45,00,000/-

iv. Motive Power required : 25 H.P.

v. This unit is not fully pollution free for that certain arrangement has to be made in pressure die casting shop where melting of zinc alloy will be done.

5 **F. Financial Aspects of the Project:**

Fixed Capital

1. Land & Building- Rented

1. Factory shed, office, building 250 sq.mtr. on rental basis @Rs.40/- per sq.mt. at an average — Rs.10,000

2. Machinery & equipment:

Sl. No.	Description	Value Rs.
1.	Pressure die casting machine 150 grms with compressor 200 lbs with electricals.	1,80,000
2.	Injector for holding dies	15,000
3.	Power Press 5 M.t on. Capacity complete with electrical fittings.	50,000
4.	Bench drilling machine 15 mm capacity with electrical fittings.	25,000
5.	Lathe 1300 mm bed size with cluth & motor	1,00,000
6.	Milling M/c small	50,000
7.	Surface grinder manual 18"X12"	50,000
8.	Double ended grinder 10" wheel dia	10,000
9.	Double ended grinder 10" wheel dia	10,000
		4,80,000
a)	Electrification installation charges @ 10%	48,000
b)	Cost of fixture / tools/dies etc.	30,000
c)	Cost of office furniture etc.	25,000
		5,83,000
3.	Pre-operative expenses	17,000
	Total fixed capital	6,00,000

4. Working Capital (per month):

i) Personnel

Sl.No.	Designation		Nos.	Total (Rs.)
a.	Administrative			
	i.	Factory Manager	1	9,000
	ii.	Accountant	1	3,000
	iii.	Storekeeper	1	3,000
	iv.	Clerk-cum-typist	1	3,000
	v.	Peon & Chowkidar	2	5,000
b.	Technical staff			
	i.	Production Engineer	1	8,000
	ii.	Foreman	1	7,000
	iii.	Skilled worker	2	8,000
	iv.	Semi-skilled worker	2	6,000
	v.	Helper @ Rs.2500/-	2	5,000
				57,000
		Add – Perquisities @ 15% approximate		8,000
				65,000

ii. Raw materials including packaging (per month):

Sl.No.	Particulars	Amount (Rs.)
1.	Zinc alloy 800 kg @ Rs.75/kg	60,000
2.	Brass strip 6 kg @ Rs.166.67/kg	1,000
3.	Rivets/springs L.S.	12,500
4.	12500 pair of keys	75,000
5.	12500 card board boxers @ Rs.1/boxes	12,500
6.	1000 litre diesel @Rs.20/litre	20,000
	Total :	**1,81,000**

iii. Utilities (Per month):

Designation	Amount (Rs.)
Water L.S.	500
Electricity 3000 KWH @ Rs.4/ per unit	12,000
	13,000

iv. Other contingent expenses (per month): Rs.

i.	Postage and stationery	500
ii.	Telephone	1,000
iii.	Consumable stores	2,500
iv.	Repair & maintenance	2,500
v.	Transport charges	2,000
vi.	Advertisement & Publicity	3,000
vii.	Insurance	1,000
viii.	Taxes	1,000
ix.	Miscellaneous expenditure	2,500
		16,000

v. Total Recurring Expenditure (Per/month:

i.	Rent	10,000
ii.	Raw material	1,81,000
iii.	Staff & labour	65,000
iv.	Utilities	13,000
v.	Other contingent expenses	16,000
		2,85,000

vi. Total Working Capital for 3 months = Rs. 8,55,000

5. Total Capital Investment:

i) Total fixed capital Rs. 6,00,000
ii) Working capital for 3 months Rs. 8,55,000
Rs. 14,55,000

G. Machinery utilization:

Full utilization will be carried out at the time of production except tool room machinery.

H. Financial Analysis :

1. Cost of production (Per year) :

Sl.No.	Particulars	Amount (Rs.)
i.	Total recurring cost	34,20,000
ii.	Depreciation on machinery & equipment @ 10%	48,000
iii	Depreciation on office furniture/tools etc. @20%	11,000
iv	Interest on capital investment @ 15% pa.	2,19,500
	Total:	**36,98,000**

2. Turnover (Per annum):

By sale of 1.5 lakh locks @ Rs.30/each — Rs.45,00,000

3. Net Profit(per annum):

Total Sales –Cost of Production

Rs.45,00,000 - 36,98,000 = Rs. 8,02,000

4. Net Profit ratio: = 17.82%

5. Rate of Return: = 55.12%

6. Break Even Point:

i) Fixed Cost

a)	Depreciation on machinery & equipment	48,000
b)	Depreciation on office furniture	11,000
c)	Rent for one year	1,20,000
d)	Insurance/taxes	24,000
e)	40% of salary & wages	2,74,000
f)	40% of others contingent expenses	67,000
		5,44,000

ii) Net Profit:

BEP% : $\frac{\text{Fixed Cost X 100}}{\text{Fixed Cost + Profit}}$

$$\frac{5,44,000 \text{ X } 100}{5,44,000+8,02,000} = \frac{5,44,00,000}{13,46,000} = 40.41\%$$

I. Address of Machinery & Equipment suppliers.

i. M/s Hind Engg. Works, G.T.Road, Aligarh, U.P.
ii. M/s Lamba Bros., 6/10, Indl.Area, Kirti Nagar, New Delhi-110015.
iii. M/s Globo Engg. Co., 3/22, Kirti Nagar, Indl.Area, New Delhi-110015.
iv. M/s Ambika Agro Industries,Whebson Road, South Rajkot-360002.
v. M/s Atma Singh & Sons, 100065, Multani Dhanda, Pahar Ganj, New Delhi-110005.
vi. M/s Mahalaxhmi Engg. 27,DLF Indl.Area, New Delhi-110015
vii. M/s Injectman Plastic, B-5, Sanjay Memorial Indl.Estate, 20/2, Mathura Road, Faridabad-121006.

J. Address of Raw material suppliers:

From Local market.

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