PROJECT REPORT

ON
'ASSEMBLY OF AUTO CLUTCH PLATE'

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding 'Assembly Of Auto Clutch Plate'

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

Lucknow Office:

Sidhivinayak Building , 27/1/B,
Gokhlley Marg, Lucknow-226001

Delhi Office :
Multi Disciplinary Training Centre,
Gandhi Darshan Rajghat,
New Delhi 110002
Email : info@udyami.org.in Contact :
+91 7526000333, 444, 555

SAMADHAN
Nurturing Dreams - Innovative Solutions

PROJECT PROFILE

ON

‘ASSEMBLY OF AUTO CLUTCH PLATE ’

PRODUCT AND ITS USES:

Clutch is most important part of any Automobile vehicle. The function of this part is to engage or disengage the engine from the transmission line at the will of its Driver. The clutch plate is placed in- between the engine and transmission line and operates on the principle of friction.

MARKET POTENTIALITY:

Now a day the automobile vehicles have become an important means of transport due to liberalization of economy, increase in purchase power of people & easily availability of car loans & other transport loans on lower rate of Interest. Almost all vehicles require auto clutch plates which workout after a lapse of time and requires replacement. All the districts of Utter Pradesh are well connected by road transport and transportation of goods as well as public are totally dependent on auto vehicles. Hence the vehicles requirement is increasing day by day, which intern will require auto clutch plates for repair/replacement, so the demand of this item is expected to be of high order in near future. The proposed unit may also contact big automobile manufacturing units to fetch their requirement as per their demand.

BASIS AND PRESUMPTIONS:

i) The basis for calculation of production capacity on maximum capacity utilization has been taken on single shift basis for 300 days a year. During first year, second year and third year of operations the capacity utilization is 60%, 70%, 80% and 90% respectively. The unit is expected to achieve full capacity utilization from the fourth year onward.

ii) The salaries and wages, cost of raw materials, utilities, rents etc. are based on the prevailing rates in and around Allahabad. These cost factors are likely to vary with time and location.

iii) Interest on term loan and working capital loan has been taken 11.00% per Annum.

iv) The cost of machinery and equipment as indicated in the scheme are approximate of these ruling at the time of preparation of scheme. Entrepreneur may check up the latest and exact price for specific make and model of the machine selected.

v) It is presumed that unit will get full capacity within five years.

vi) It is presumed that operative period of unit will be 10 years.

IMPLEMENTATION SCHEDULE:

The major activities in the implementation of the project have been listed below and the average time for implementation of the project is estimated at 6 months:

Work schedule	**Period (in months)**
• Preparation of project report	**1**
• Registration and other formalities	**1**
• Sanction of loan by financial institutions	**1**
• Plant & Machinery	
a) Placement of orders	
b) Procurement	**1**
c) Power connection/Electrification	**1**
d) Installation/Erection of machinery/ Test equipment	**1**
• Procurements of raw material	**1**
• Recruitment of Technical Staff etc.	**1**
• Trial Production Commercial Production	**1**

1. Many of the above activities shall be initiated concurrently

2. Procurement of raw materials commences from the 6-7th month onwards.

TECHNICAL ASPECTS:

PROCESS OF MANUFACTURE:

Clutch plate assembly consists of following components:

1 Main drive plates

1. Liner shoe.

2. Shoe holder

3. Spring holder plate

4. Rivets of required size.

5. Spring.

The above-mentioned items are procured from actual manufacturers or suppliers and are assembled as required then they are painted and suitably packed for dispatch.

QUALITY CONTROL AND STANDARD:

The quality of the spare parts purchased for assembly purposes should be ascertained and after assembly, the performance of each part is checked manually.

PRODUCTION CAPACITY:

It is proposed that 6000 Nos. of clutch plates of assorted size for Rs.53.21lac will be assembled / manufactured per annum

MOTIVE POWER: 8 HP Power will be required.

POLLUTION CONTROL:

No pollution is involved in the manufacturing process of Auto Clutch plates because it is only an assembly unit.

LABOUR REQUIREMENT:

6-7 Manpower is required for Clutch plate manufacturing Includes:

1 Foreman/Supervisor

2 Skilled Labour

4 Unskilled Labour

BANK LOAN

Rate of Interest is assumed to be at 11.00%

DEPRECIATION

Depreciation has been calculated as per the provisions of Income Tax Act, 1961

APPROVALS & REGISTRATION REQUIREMENT:

Basic registration required in this project:

- GST Registration
- Udyam Registration
- Choice of Brand name of the product and secure the name with Trademark if required

FINANCIAL ASPECTS:

Product and By Product	:	**Auto Clutch Plate**	
Name of the project / business activity proposed :		**Auto Clutch Plate**	
Cost of Project	:	Rs.7.66 Lacs	
Means of Finance			
Term Loan		Rs.3.53 Lacs	
KVIC Margin Money	-	As per Project Eligibility	
Own Capital		Rs.0.77 Lacs	
Working Capital		Rs.3.37 Lacs	
Debt Service Coverage Ratio	:	5.38	
Pay Back Period	:	5	Years
Project Implementation Period	:	6	Months
Break Even Point	:	30%	
Employment	:	10	Persons
Power Requirement	:	8.00	HP
Major Raw materials	:	**Main drive plate with shoe holder and other spare parts**	
Estimated Annual Sales Turnover	:	53.21	Lacs

COST OF PROJECT (Rs. In Lacs)

Particulars	Amount
Land	
Building & Civil Work (2000 Sq Ft)	Rented/Owned
Plant & Machinery	2.82
Furniture & Fixtures	0.75
Pre-operative Expenses	0.35
Working Capital Requirement	3.74
Total	**7.66**

MEANS OF FINANCE (Rs. In Lacs)

Particulars	Amount
Own Contribution @10%	0.77
Term Loan	3.53
Workign Capital Finance	3.37
Total	**7.66**

Beneficiary's Margin Monery (% of Project Cost)

Special	**General**
5%	10%

PLANT & MACHINERY

1	Special purpose riveting Machine with One HPMotor along with electrical fittings.	2	40000	80000
2	Bench Drilling M/c 13 mm Capacity, 0.75 HP Motor	2	20000	40000
3	Hand fly press double column, type No. 6	2	40000	80000
4	Double ended pedestal grinder 300 mm wheel Dia,2HP Motor	1	20000	20000
5	Dies, Tools and Accessories	LS	40000	40000
6	Installation & Electrification	LS	22000	22000
	TOTAL			282000

COMPUTATION OF MANUFACTURING OF ASSEMBLY OF AUTO CLUTCH PLATE

Manufacturing Capacity per day	20.00	Pcs
No. of Working Hour	8	
No of Working Days per month	25	
No. of Working Day per annum	300	
Total Production per Annum	6,000.00	Pcs
Year	Capacity	Pcs
	Utilisation	
IST YEAR	75%	4,500
IIND YEAR	80%	4,800
IIIRD YEAR	85%	5,100
IVTH YEAR	90%	5,400
VTH YEAR	95%	5,700

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material		Unit Rate of	Total Cost
	Sets		/ MT	Per Annum (100%)
Main drive plate with shoe holder	6,000.00		100.00	6,00,000.00
Liner Shoe	36,000.00		15.00	5,40,000.00
Spring Holder plate	6,000.00		40.00	2,40,000.00
Plain/lock Washer	600.00 Gms		100.00	60,000.00
Rivet of different sizes & sorts	6,000.00		40.00	2,40,000.00
Liner	6,000.00		150.00	9,00,000.00
Spring	6,000.00		80.00	4,80,000.00
Annual Consumption cost		Total (Rounded off in lacs)		30.60

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	75%	22.95
IIND YEAR	80%	24.48
IIIRD YEAR	85%	26.01
IVTH YEAR	90%	27.54
VTH YEAR	95%	29.07

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	1.47	1.60	1.70	1.81	1.92
Raw Material					
(15 Days requirement)	1.15	1.22	1.30	1.38	1.45
Closing Stock	**2.62**	**2.82**	**3.00**	**3.19**	**3.38**

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total
	Amount
Stock in Hand	2.62
Sundry Debtors	1.92
Total	4.54
Less:Sundry Creditors	0.77
Working Capital Requirement	**3.77**
Less:Margin	0.38
Working Capital Finance	**3.40**

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Capital Account	0.77	3.30	6.08	8.67	11.05
Retained Profit	5.03	5.78	6.59	7.39	8.15
Less Withdrawal	2.50	3.00	4.00	5.00	6.00
	3.30	6.08	8.67	11.05	13.21
Term Loan	3.53	2.65	1.76	0.88	-0.66
Cash Credit	3.40	3.40	3.40	3.40	3.40
Sundry Creditors	0.77	0.82	0.87	0.92	0.97
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	**11.35**	**13.33**	**15.13**	**16.73**	**17.44**
APPLICATION OF FUND					
Fixed Assets (Gross)	3.57	3.57	3.57	3.57	3.57
Gross Dep.	0.46	0.89	1.26	1.58	1.85
Net Fixed Assets	3.11	2.68	2.31	1.99	1.72
Current Assets					
Sundry Debtors	1.92	2.17	2.33	2.50	2.66
Stock in Hand	2.62	2.82	3.00	3.19	3.38
Cash and Bank	1.20	2.66	3.48	4.06	3.69
Deposits & Advances	2.50	3.00	4.00	5.00	6.00
TOTAL :	**11.35**	**13.33**	**15.13**	**16.73**	**17.44**

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	38.48	43.50	46.68	49.92	53.21
Total (A)	**38.48**	**43.50**	**46.68**	**49.92**	**53.21**
B) COST OF SALES					
Raw Material Consumed	22.95	24.48	26.01	27.54	29.07
Elecricity Expenses	0.43	0.46	0.49	0.52	0.54
Repair & Maintenance	-	0.43	0.47	0.50	0.53
Labour & Wages	4.75	5.23	5.75	6.32	6.96
Depriciation	0.46	0.43	0.37	0.32	0.27
Consumables and Other Expenses	0.77	0.87	0.93	1.00	1.06
Cost of Production	29.36	31.90	34.02	36.20	38.44
Add: Opening Stock /WIP	-	1.47	1.60	1.70	1.81
Less: Closing Stock /WIP	1.47	1.60	1.70	1.81	1.92
Cost of Sales (B)	27.89	31.77	33.91	36.09	38.33
C) GROSS PROFIT (A-B)	10.58	11.72	12.77	13.83	14.88
	28%	**27%**	**27%**	**28%**	**28%**
D) Bank Interest (Term Loan)	0.26	0.32	0.23	0.14	0.05
Bank Interest (C.C. Limit)	0.34	0.34	0.34	0.34	0.34
E) Salary to Staff	2.38	2.61	2.87	3.16	3.48
F) RentalExpenses	1.80	1.80	1.80	1.80	1.80
G) Selling & Adm Expenses Exp.	0.77	0.87	0.93	1.00	1.06
TOTAL (D+E)	**5.55**	**5.94**	**6.18**	**6.44**	**6.73**
H) NET PROFIT	5.03	5.78	6.59	7.39	8.15
I) Taxation					
J) PROFIT (After Tax)	5.03	5.78	6.59	7.39	8.15

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