**Khadi and Village Industries Commission Mumbai** **PRICE Rs.5.00**

# Project profile on ALUMINIUM CANS

**Introduction :**

This project envisages production of aluminium cans by the extrusion process. The product finds extensive use in the electrical/electronic industry as well as in the food and beverage packaging sector. Extruded cans are superior to conventional containers in the sense that they have better physical characteristics and can be produced in larger quantities. The market potential for aluminium cans is bound to increase with the large emphasis being placed on food preservation techniques as well as the phenomenal growth in the electronic manufaturing sector. Raw materials required for the manufacturing of Aluminum Cans are aluminium strips.

**Process of Manufacture:** Blanks of required diameter are cut from aluminium strips, the blanks are annealed in furnace, the blank is then placed in a closed die and extruded to rquired size and shape, trimming and finishing of the can is done. **Market Potential** : The market potential of extruded aluminium can is increasing due to its various advantages and fast development in electrical and electronic based industries. At present there is little competion in this product. The product has good scope in market.

**1 Name of the Product : ALUMINIUM CANS**

**2 Project Cost :**

| | | | | |
|---|---|---|---|---|
| a | Capital Expenditure | | | |
| | Land | : | | **Own** |
| | Workshed in sq.ft | | Rs. | - |
| | Equipment | : | Rs. | 1,000,000.00 |

Extrusion press, 400 tonnes capacity, Inclinable geared power press of 50 tonnes capacity, Hand trimming machines compete with motor, starter etc, electric heated Annealing furnace, 10" capacity Hydraulic Hacksaw machine, electrification and installation cost, measuring instruments, various dies and punches.

| | | | |
|---|---|---|---|
| | Total Capital Expenditure | Rs. | 1,000,000.00 |
| b | Working Capital | Rs. | 500,000.00 |
| | **TOTAL PROJECT COST :** | **Rs.** | **1,500,000.00** |

**3 Estimated Annual Production Capacity:** **(Rs. in 000)**

| Sr.No. | Particulars | Capacity in No./Tonn | Rate | Total Value |
|---|---|---|---|---|
| 1 | **ALUMINIUM CANS** | 21.00 | | 3008.00 |
| **TOTAL** | | **21.00** | **0.00** | **3008.00** |

| | | | | |
|---|---|---|---|---|
| **4** | **Raw Material** | **:** | **Rs.** | **1,500,000.00** |
| **5** | **Labels and Packing Material** | **:** | **Rs.** | **20,000.00** |
| **6** | **Wages (7-Skilled & 7-Unskilled)** | | **Rs.** | **1,008,000.00** |
| **7** | **Salaries** | **:** | **Rs.** | **120,000.00** |

| | | | | |
|---|---|---|---|---|
| 8 | **Administrative Expenses** | : | Rs. | 75,000.00 |
| 9 | **Overheads** | : | Rs. | 60,000.00 |
| 10 | **Miscellaneous Expenses** | : | Rs. | 20,000.00 |
| 11 | **Depreciation** | : | Rs. | 100,000.00 . |
| 12 | **Insurance** | : | Rs. | 10,000.00 |
| 13 | **Interest (As per the PLR)** | | | |
| | **a. C.E.Loan** | : | Rs. | 130,000.00 |
| | **b. W.C.Loan** | : | Rs. | 65,000.00 |
| | **Total Interest** | | Rs. | 195,000.00 |
| 14 | **Working Capital Requirement** | : | | |
| | **Fixed Cost** | | Rs. | 355,000.00 |
| | **Variable Cost** | | Rs. | 2,653,000.00 |
| | **Requirement of WC per Cycle** | | Rs. | 501,333.00 |

**15 Cost Analysis**

| Sr.No. | Particulars | Capacity Utilization(Rs in '000) | | | |
|---|---|---|---|---|---|
| | | 100% | 60% | 70% | 80% |
| 1 | **Fixed Cost** | 355.00 | 213.00 | 248.50 | 284.00 |
| 2 | **Variable Cost** | 2653.00 | 1591.80 | 1857.10 | 2122.40 |
| 3 | **Cost of Production** | 3008.00 | 1804.80 | 2105.60 | 2141.10 |
| 4 | **Projected Sales** | 3500.00 | 2100.00 | 2450.00 | 2800.00 |
| 5 | **Gross Surplus** | 492.00 | 295.20 | 344.40 | 393.60 |
| 6 | **Expected Net Surplus** | 392.00 | 195.00 | 244.00 | 294.00 |

Note :
1. All figures mentioned above are only indicative.
2. If the investment on Building is replaced by Rental then
   a. Total Cost of Project will be reduced.
   b. Profitability will be increased.
   c. Interest on C.E.will be reduced.