

**KVIC- PMEGP**

**PROJECT PROFILE ON CAST IRON BRAKE DRUMS**

**Introduction**

Two wheeler automobile industry comprising motorcycles, scooters and mopeds is progressing very fast. This sector has a wide range of components and this project profile envisages the manufacture of Cast Iron Brake Drum for two-wheeler. Brake Drum is an important component of an automobile used to apply brake on the wheel through the brake shoes fitted inside the Drum.

**1 Name of the Product : CAST IRON BRAKE DRUMS**

**2 Project Cost :**

a Capital Expenditure

Land	:				<b>Own</b>
Work she sq.mtrs	:	0	Rs.		
Equipment	:		Rs.		405,000.00

Oil fired Rotary furnace (2) Sand Muller & Mixer (3) Vibrating Sieve m/c (4) Hand operated pin lift moulding m/c (5) Core & mould Drying Oven (6) Platform type weighing m/c (7) Flexible Shaft Grinder (8) Drill m/c (9) Pedestal Griner double ended (10) Air compressor (11) Gear Pump for pumping furnace oil (12) Cast Iron/Plate Fabricated mould boxes (13) Patters & Foundry Tools (14) Electri. & Installation (15) Office equipment

Total Capital Expenditure	Rs.			405,000.00
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b Working Capital	Rs.			1,340,000.00
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<b>TOTAL PROJECT COST :</b>	<b>Rs.</b>			<b>1,745,000.00</b>
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**3 Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in tons	Rate	Total Value
1	CAST IRON BRAKE DRUMS	400.00	20109.00	8043.70
<b>TOTAL</b>		<b>400.00</b>	<b>20109.00</b>	<b>8043.70</b>

4 Raw Material	:		Rs.	7,200,000.00
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5 Labels and Packing Material	:		Rs.	25,000.00
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6 Wages (2-Skilled & 2-Unskilled)	:		Rs.	288,000.00
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7 Salaries -1 manager	:		Rs.	120,000.00
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8	Administrative Expenses	:	Rs.	75,000.00
9	Overheads	:	Rs.	60,000.00
10	Miscellaneous Expenses	:	Rs.	45,000.00
11	Depreciation	:	Rs.	40,500.00
12	Insurance	:	Rs.	4,050.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	52,650.00
	b. W.C.Loan	:	Rs.	174,200.00
	Total Interest		Rs.	226,850.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	296,700.00
	Variable Cost		Rs.	7,747,200.00
	Requirement of WC per Cycle		Rs.	1,340,650.00

**15 Cost Analysis**

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	296.70	178.02	207.69	237.36
2	Variable Cost	7747.00	4648.20	5422.90	6197.60
3	Cost of Production	8043.70	4826.22	5630.59	5660.26
4	Projected Sales	9500.00	5700.00	6650.00	7600.00
5	Gross Surplus	1456.30	873.78	1019.41	1165.04
6	Expected Net Surplus	1416.00	833.00	979.00	1125.00

Note : 1.All figures mentioned above are only indicative.  
2.This is model project profile for guidance  
3.Cost of Project, and its profitability will be changed depends on the area, availability of raw Material, man power, power requirement and various other factors etc..