

KVIC- PMEGP

PROJECT PROFILE ON FORGING BLANKS FOR SPUR GEARS

Introduction

Forging blanks for spur gears are made of low carbon . Alloy steel . These blanks are used to make spur gears for engine or gearboxes . Sufficient machining tolerances are added in the dimensions of the forging blanks.

Name of the Product : **FORGING BLANKS FOR SPUR GEARS**

2 Project Cost :

a Capital Expenditure

Land	:		Rs.	Own
Work she sq.mtrs	:	0		
Equipment	:		Rs.	1,327,900.00

(1)Pneumatic power Hammer (capacity 300kgs with 20HP motor) (2)Trimming power press 40 to capa-3HP motor(3)Oil fired pre-heating furnace to be used for annealing, Normalizinnnnng etc with 5HP Motor (4)Shot blastig chambers-7.5HP motor(5)Power Hacksaw 1HP motor (6)Rockwell hardness tester(7)Double ended pedestal grinser 2HP motor (8)Platform type wighing m/c500KGS (9)Forgingdies, tools & Equipment(10)Instalation&Electrification @10% of above(11)Office equipment.

Total Capital Expenditure	:		Rs.	1,327,900.00
b Working Capital	:		Rs.	460,000.00
TOTAL PROJECT COST :	:		Rs.	1,787,900.00

3 Estimated Annual Production Capacity:

(Rs. in 000)

Sr.No.	Particulars	Capacity in NOS	Rate	Total Value
1	FORGING BLANKS FOR SPUR GEARS	15000.00	183.00	2748.91
TOTAL		15000.00	183.00	2748.91

4	Raw Material	:	Rs.	1,344,000.00
5	Labels and Packing Material	:	Rs.	25,000.00
6	Wages (6-Skilled & 6-Unskilled)	:	Rs.	864,000.00
7	Salaries -1 manager		Rs.	120,000.00

PAGE (2)

8	Administrative Expenses	:	Rs.	85,000.00
9	Overheads	:	Rs.	40,000.00
10	Miscellaneous Expenses	:	Rs.	25,000.00
11	Depreciation	:	Rs.	132,790.00
12	Insurance	:	Rs.	13,279.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	172,627.00
	b. W.C.Loan	:	Rs.	59,800.00
	Total Interest		Rs.	232,427.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	415,906.00
	Variable Cost		Rs.	2,332,800.00
	Requirement of WC per Cycle		Rs.	458,118.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	415.91	249.54	291.13	332.72
2	Variable Cost	2333.00	1399.80	1633.10	1866.40
3	Cost of Production	2748.91	1649.34	1924.23	1965.82
4	Projected Sales	3100.00	1860.00	2170.00	2480.00
5	Gross Surplus	351.09	210.66	245.77	280.88
6	Expected Net Surplus	218.00	78.00	113.00	148.00

- 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..