Khadi and Village Industries Commission Mumbai

Project Profile on ALUMINIUM FABRICATION

Introduction:
Aluminium extruded sections are increasingly being used as window frames, door panels, staircases etc. Since the panels are available in multicolours, they are attractive. Aluminium Fabrication materials are of high demand in house and building construction due to its varied characterisations and low cost. Raw materials required for Aluminium Fabrication are Book type handrail 4", square pipe, flats, sections, clip, class sheet etc.

Market Potential:
The development and construction activities being interlinked, there is a good scope for aluminium fabrication units for meeting the growing demand of new buildings for offices, business and shopping complexes, theatres etc. Aluminium fabricated and anodised items like doors, windows, railings, staircases, shelves, ladders etc. are being increasingly used in the modern constructions on considerations of durability and appearance.

1 Name of the Product : ALUMINIUM FABRICATION

2 Project Cost:
a Capital Expenditure
   Land: Own
   Workshop in sq.ft: Rs. 100,000.00
   Equipment: Rs. 100,000.00
   Bench drilling machine, Portable electric drill, Bench grinder, Workshop equipments.
   Total Capital Expenditure: Rs. 200,000.00
b Working Capital: Rs. 165,000.00
TOTAL PROJECT COST: Rs. 265,000.00

3 Estimated Annual Production Capacity:

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Capacity in No./Q.</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ALUMINIUM FABRICATION</td>
<td>0.00</td>
<td>0.00</td>
<td>997.00</td>
</tr>
<tr>
<td>4</td>
<td>Raw Material</td>
<td>Rs.</td>
<td></td>
<td>576,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Labels and Packing Material</td>
<td>Rs.</td>
<td></td>
<td>5,000.00</td>
</tr>
<tr>
<td>6</td>
<td>Wages (1-Skilled &amp; 1-Unskilled)</td>
<td>Rs.</td>
<td></td>
<td>144,000.00</td>
</tr>
<tr>
<td>7</td>
<td>Salaries (MANAGER-1)</td>
<td>Rs.</td>
<td></td>
<td>120,000.00</td>
</tr>
</tbody>
</table>

Bench drilling machine, Portable electric drill, Bench grinder, Workshop equipments.

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8 Administrative Expenses : Rs. 45,000.00
9 Overheads : Rs. 60,000.00
10 Miscellaneous Expenses : Rs. 12,000.00
11 Depreciation : Rs. 10,000.00
12 Insurance : Rs. 1,000.00
13 Interest (As per the PLR)
a. C.E.Loan : Rs. 13,000.00
b. W.C.Loan : Rs. 21,450.00
Total Interest Rs. 34,450.00
14 Working Capital Requirement
Fixed Cost Rs. 191,000.00
Variable Cost Rs. 806,450.00
Requirement of WC per Cycle Rs. 166,242.00

15 Cost Analysis

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Capacity Utilization(Rs in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>Fixed Cost</td>
<td>191.00</td>
</tr>
<tr>
<td>2</td>
<td>Variable Cost</td>
<td>806.00</td>
</tr>
<tr>
<td>3</td>
<td>Cost of Production</td>
<td>997.00</td>
</tr>
<tr>
<td>4</td>
<td>Projected Sales</td>
<td>1300.00</td>
</tr>
<tr>
<td>5</td>
<td>Gross Surplus</td>
<td>303.00</td>
</tr>
<tr>
<td>6</td>
<td>Expected Net Surplus</td>
<td>293.00</td>
</tr>
</tbody>
</table>

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.