

PROJECT REPORT FOR
FINISHING OF DIA CASTING PRODUCT



PREPARED FOR

PROMOTER:

XXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION:

XXXXXXXXXXXXXXXXXXXX

PREPARED BY:

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Project For:
Finishing of Dia Casting Product

I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Address : xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
2. Project Cost : Rs. 45.00 Lakhs
3. Mean of Finance
- A) T. L. facility from Bank : Rs. 36.63 Lakhs
 - B) Beneficiary contribution : Rs. 2.25 Lakhs
 - C) CC facility from Bank : Rs.6.12 Lakhs
 - D) Subsidy : Rs.15.75 Lakhs
4. Rate of Interest : 11.00% Per Annum
5. Repayment : 60 monthly instalments, EMI @ 0.80 Lakhs
6. Nature of Project : Finishing of Dia Casting Product
7. Employment Potential : 6 Nos
8. Nature of the Firm : Proprietary Firm
9. Average Debt Coverage ratios : **2.75**

Introduction:

Though tremendous technological advancements in the metal casting industry have taken place in recent years, the foundry industry faces increasing demands to achieve higher productivity at minimum cost, even while producing high quality cast components of intricate shapes. By proper selection of a casting technique with careful foundry and metallurgical controls, castings of high quality are being commercially manufactured. Amongst a large number of foundry techniques one is low and high pressure die-casting. It has been developed and industrially employed to produce castings of near-net shape components. The near net shape cast parts are famous for their fine details, good surface conditions, complex shapes and economy. Under the present scenario of industrial development, metal casting has moved from an art and craft industry to the industry based on science and technology. The pressure die casting manufacturing processes have been systematically developed so that structure may be controlled and quality may be assured. Die casting provides the foundry man with one of the fastest means of producing castings with a much higher degree of accuracy than that normally obtained by conventional sand casting. In fact, this method is unexcelled for mass production work as numerous castings can be produced very rapidly at low cost. The castings can be made to very close tolerances and with a fine surface finish.

Pressure die casting in aluminium alloy offers means for very rapid production of engineering and other related components even or intricate design. The technique has obvious advantages when a component is required in large quantities. However, for engineering components such as those required for aeronautic space, defence and automotive applications, mechanical properties and durability are of primary importance. It is therefore essential that the best features of design should be employed and optimum casting technique with minimum cost be adopted. Pressure die cast products are used in the form of components of various electrical, electronic, mechanical instruments and appliances used in domestic as well as industrial fields.

Market Potential

The popularity of pressure die cast aluminium alloy components arises from the following advantages it offers as compared to other methods of castings

- High Productivity
- Good as cast surface finish and appearance.
- Compact casting—sound strength.

<i>Project For:</i> Finishing of Dia Casting Product

- Do not require further machining.
- Can be cast within close dimensional tolerance.
- Very thin section, can be cast with ease.
- Metal wastage in the casting is low.
- Rejection due to casting defects is low.

Demand mainly arises from the sources like Defence, Telephone industry, Automobile components and fittings, Electrical appliances, Electronic components, Builders hardwares and fittings etc. Demand in these areas again depends upon the primary market, replacement market and substitution market.

- The Primary Market is expected to continue as the leading market and, with the trend of demand growth, to cater to the requirement of more and more new industries coming up in the above areas of consumption. The replacement market is also likely to expand with more marketability of new products.
- There are very few units in the small scale sector producing pressure die cast components. Hence there is good scope for setting up this industry.

Projections for:
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II. ECONOMICS OF THE PROJECT

A. TOTAL COST OF THE PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
A.	Fixed Cost			
1	Land & Building (Rent)	-		-
2	Plant & Machinery CNC Machine Model RX-20 & Accessories	35.60	-	35.60
3	Computer & Printer	1.00		1.00
4	Misc. Fixed Assets (Furniture & Electrical)	1.96	-	1.96
		38.56		38.56
B	Working Capital	6.44	-	6.44
	TOTAL COST OF THE PROJECT	45.00		45.00

MEANS OF FINANCE

a) Own Contribution (5%)	2.25
b) T L facility from Bank (95%)	36.63
c) CC facility from Bank (95%)	6.12
	45.00
C) Subsidy Entitlement Under PMEGP scheme @ 35%	15.75

Projections for:
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B. PROFITABILITY STATEMENT

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Income	32.20	38.64	45.08	51.52	54.74
2	Expenses	10.08	10.91	11.81	12.71	13.70
3	Int. on TL	3.74	3.07	2.32	1.48	0.55
4	Depreciation	4.25	3.69	3.24	2.86	2.54
5	Profit after int. & dep.	14.12	20.97	27.71	34.46	37.96
6	Income Tax	2.44	4.49	6.51	8.54	9.59
7	Profit after Tax	11.69	16.48	21.20	25.92	28.37
8	Add : Depreciation	4.25	3.69	3.24	2.86	2.54
9	Add : Interest on TL	3.74	3.07	2.32	1.48	0.55
10	Cash Accruals	19.68	23.24	26.76	30.27	31.46
11	Repayment of TL with Interest	9.56	9.56	9.56	9.56	9.56
12	DSCR	2.06	2.43	2.80	3.17	3.29
13	Average DSCR	2.75				
14	Net Profit to total receipts	36.29	42.65	47.02	50.32	51.83

<i>Projections for:</i> Finishing of Dia Casting Product
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C. CASH FLOW STATEMENT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A	Inflow :					
1	Cash flow from Opration	19.68	23.24	26.76	30.27	31.46
2	T.L. from Bank	36.63				
3	CC from bank	6.12				
4	Own contribution	2.25				
5	Subsidy	15.75				
	Total (A)	80.43	23.24	26.76	30.27	31.46
B	Outflow:					
1	Fixed Assets	38.56	-	-	-	-
2	Repay of TL	9.56	9.56	9.56	9.56	9.56
3	Drawings	5.00	5.50	6.05	6.66	7.32
	Total (B)	53.12	15.06	15.61	16.21	16.88
	Summery:					
	Op. Cash & Bank Bal.	-	27.32	35.50	46.65	60.70
	Surplus / (Deficit)	27.32	8.18	11.15	14.05	14.58
	Cl. Cash & Bank Bal.	27.32	35.50	46.65	60.70	75.28

Projections for:
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D. BALANCE SHEET

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A ASSETS :						
1	Fixed Assets :	34.31	30.61	27.37	24.51	21.97
2	Investments	-	-	-	-	-
3	Current Assets	27.32	35.50	46.65	60.70	75.28
4	Loans & Advances	-	-	-	-	-
	Total (A)	<u>61.62</u>	<u>66.11</u>	<u>74.02</u>	<u>85.21</u>	<u>97.25</u>
B LIABILITIES:						
1	Capital	24.69	35.66	50.81	70.08	91.13
2	Secured loans	30.82	24.33	17.09	9.01	-
3	Current Liabilities					
	Cash Credit	6.12	6.12	6.12	6.12	6.12
	Total (B)	<u>61.62</u>	<u>66.11</u>	<u>74.02</u>	<u>85.21</u>	<u>97.25</u>

Projections for:
Finishing of Dia Casting Product

E. CAPITAL ACCOUNT

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Op. Balance	-	24.69	35.66	50.81	70.08
2	Additions	18.00	-	-	-	-
3	Net Profit	11.69	16.48	21.20	25.92	28.37
	Sub Total	29.69	41.16	56.86	76.74	98.45
4	Drawings	5.00	5.50	6.05	6.66	7.32
5	Closing Balance	24.69	35.66	50.81	70.08	91.13

Projections for:
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F. PRODUCTION AND SALES

(Rs. Lacs)

S. No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Gross Receipts Installed capacity	0.50	0.60	0.70	0.80	0.85
a	Total production per annum Finishing of Dia Casting Product (Nos)	16,100.00	8,050.00	9,660.00	11,270.00	12,880.00
b	Sales per annum Finishing of Dia Casting Product (Avg. Selling Price @ Rs 400 per Nos)	32.20	38.64	45.08	51.52	54.74
	Total	32.20	38.64	45.08	51.52	54.74

PRODUCTION

S.No.	Particulars	Installed capacity (Nos.)	Year 1	Year 2	Year 3	Year 4	Year 5
	Installed Capacity Nos./ Hrs				250.00		
	Per Working Hours				22.00		
	Less: Lunch & Dinner Hours				2.00		
	Net				<u>20.00</u>		
	Total Service per Nos/Hrs				50.00 Nos		
	Total production per annum				16,100 Nos		
	Total Working Days				365.00		
	Weekly off		26.00				
	Holidays		7.00				
	Machine Break down		10.00		43.00		
	Net Working days				<u>322.00</u>		

Projections for:
Finishing of Dia Casting Product

G. EXPENSES

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Salary					
i.	Skill Worker (3 no.* Rs. 8000 per month)	2.88	3.02	3.18	3.33	3.50
ii.	Unskill Worker (3 no.* Rs. 6000 per month)	0.72	0.76	0.79	0.83	0.88
2	Raw Material (@ 15000 per month)	1.80	1.98	2.18	2.40	2.64
3	Telephone & Electricity Expenses	0.50	0.55	0.61	0.64	0.67
4	Advertising/Marketing/Social Media (@ 1000 per month)	0.12	0.13	0.15	0.15	0.16
5	Repairs & Maintance	0.30	0.33	0.36	0.38	0.40
6	Rent (@ 20000 per month)	2.40	2.64	2.90	3.19	3.51
7	Tolling Charges	1.00	1.10	1.21	1.33	1.46
8	Miscellaneous Expenses (@ 3000 per month)	0.36	0.40	0.44	0.46	0.48
	Total	10.08	10.91	11.81	12.71	13.70

<i>Projections for:</i> Finishing of Dia Casting Product
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H. FIXED ASSETS AND DEPRECIATION

(Rs. Lacs)

S. No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	Plant & Machinery					
	Op. Balance		32.04	28.84	25.95	23.36
	Additions	35.60	-	-	-	-
	Sub Total	35.60	32.04	28.84	25.95	23.36
	Less : Depreciation	3.56	3.20	2.88	2.60	2.34
	Cl. WDV	32.04	28.84	25.95	23.36	21.02
2	Computer & Printer					
	Op. Balance		0.60	0.36	0.22	0.13
	Additions	1.00	-	-	-	-
	Sub Total	1.00	0.60	0.36	0.22	0.13
	Less : Depreciation	0.40	0.24	0.14	0.09	0.05
	Cl. WDV	0.60	0.36	0.22	0.13	0.08
3	Misc. Fixed Assets					
	Op. Balance		1.67	1.42	1.20	1.02
	Additions	1.96	-	-	-	-
	Sub Total	1.96	1.67	1.42	1.20	1.02
	Less : Depreciation	0.29	0.25	0.21	0.18	0.15
	Cl. WDV	1.67	1.42	1.20	1.02	0.87
	Total Depreciation	4.25	3.69	3.24	2.86	2.54
	Total WDV	34.31	30.61	27.37	24.51	21.97

Projections for:
Finishing of Dia Casting Product

I. TERM LOAN REPAYMENT AND INTEREST THEREON

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1	TL / Op. Bal.	36.63	30.82	24.33	17.09	9.01
2	Repayment during the year	5.82	6.49	7.24	8.08	9.01
3	Cl. Balance	30.82	24.33	17.09	9.01	-
4	Interest at 11.00 per cent p.a.	3.74	3.07	2.32	1.48	0.55
5	Total repayment with Interest	9.56	9.56	9.56	9.56	9.56
6	Interest on CC (at 12 per cent p.a.)	0.73	0.73	0.73	0.73	0.73
7	Total Interest	4.48	3.80	3.05	2.21	1.28

Term Loan Repayment Schedule

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				36.63
1	0.80	0.34	0.46	36.17
2	0.80	0.33	0.46	35.71
3	0.80	0.33	0.47	35.24
4	0.80	0.32	0.47	34.76
5	0.80	0.32	0.48	34.29
6	0.80	0.31	0.48	33.80
7	0.80	0.31	0.49	33.32
8	0.80	0.31	0.49	32.83
9	0.80	0.30	0.50	32.33
10	0.80	0.30	0.50	31.83
11	0.80	0.29	0.50	31.33
12	0.80	0.29	0.51	30.82
First Year	9.56	3.74	5.82	
13	0.80	0.28	0.51	30.30
14	0.80	0.28	0.52	29.78
15	0.80	0.27	0.52	29.26
16	0.80	0.27	0.53	28.73
17	0.80	0.26	0.53	28.20

18	0.80	0.26	0.54	27.66
19	0.80	0.25	0.54	27.12
20	0.80	0.25	0.55	26.57
21	0.80	0.24	0.55	26.02
22	0.80	0.24	0.56	25.46
23	0.80	0.23	0.56	24.90
24	0.80	0.23	0.57	24.33
Second Year	9.56	3.07	6.49	
25	0.80	0.22	0.57	23.75
26	0.80	0.22	0.58	23.18
27	0.80	0.21	0.58	22.59
28	0.80	0.21	0.59	22.00
29	0.80	0.20	0.59	21.41
30	0.80	0.20	0.60	20.81
31	0.80	0.19	0.61	20.20
32	0.80	0.19	0.61	19.59
33	0.80	0.18	0.62	18.97
34	0.80	0.17	0.62	18.35
35	0.80	0.17	0.63	17.72
36	0.80	0.16	0.63	17.09
Third Year	9.56	2.32	7.24	
37	0.80	0.16	0.64	16.45
38	0.80	0.15	0.65	15.80
39	0.80	0.14	0.65	15.15
40	0.80	0.14	0.66	14.49
41	0.80	0.13	0.66	13.83
42	0.80	0.13	0.67	13.16
43	0.80	0.12	0.68	12.48
44	0.80	0.11	0.68	11.80
45	0.80	0.11	0.69	11.11
46	0.80	0.10	0.69	10.42
47	0.80	0.10	0.70	9.72
48	0.80	0.09	0.71	9.01
Fourth Year	9.56	1.48	8.08	
49	0.80	0.08	0.71	8.30
50	0.80	0.08	0.72	7.58
51	0.80	0.07	0.73	6.85
52	0.80	0.06	0.73	6.12
53	0.80	0.06	0.74	5.38
54	0.80	0.05	0.75	4.63
55	0.80	0.04	0.75	3.88
56	0.80	0.04	0.76	3.11
57	0.80	0.03	0.77	2.35
58	0.80	0.02	0.77	1.57
59	0.80	0.01	0.78	0.79
60	0.80	0.01	0.79	(0.00)
Fifth Year	9.56	0.55	9.01	

Projections for:
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(Rs. Lacs)

J. WORKING CAPITAL

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Gross receipts	32.20	38.64	45.08	51.52	54.74
2	Working Capital ('@ 20%)	6.44	7.73	9.02	10.30	10.95
3	Bank CC (95%)	6.12	7.34	8.57	9.79	10.40
4	Own Contribution(5%)	0.32	0.32	0.32	0.32	0.32