



PROJECT PROFILE ON AUTOMATIC CONTROL CABLES

Product Name	Automatic Control Cables
HSN code	8544 (IS-1978)
Production Capacity Per Annum	72000 dozen
Value (In Rs Per Annum)	Rs 48 lakhs
Month & Year of Preparation	April-2018
Edited By	Meenu Dhiman Asstt. Director (IMT) Govt of India, Mimistry of MSME MSME- Development Institute 11-A, IDC, Kunjpura Road, Karnal Phone -0184-2208100 <i>Email-dcdi-karnal@dcmsme.gov.in</i>

INTRODUCTION

Auto control cables are widely used in various controls of two/three wheel vehicles. Twisting of desired/required number of S.S. wires, of standard wire gauge of different diameter into one cable makes these. The numbers of S.S. wires of standard gauge depends upon the end use of the auto control cables like brake wire, clutch wire, accelerator wire etc. Each type of cable is of different size depending upon the specific purpose of the cable. The S.S. standard gauge wires are twisted in the twisting machine and cut to the required length. One end of the cable is butted and dipped in the molten zinc to avoid ends opening and at the other end of the cable a Zinc stopper of required size/design is fixed by Die- casting process.

The Auto control cables are the fast moving spares used in two/three wheel vehicles and have very good replacement market. These cables enable the driver to control the various vehicle functions, and have a very wide market all over the country. The machines, equipment and raw material for manufacturing these cables are easily available and the technology is fully indigenized. The Unit can be set up in all major cities or near the city area and requires very nominal investment in plant and machines.

MARKET POTENTIAL

Auto control cables have a very wide and never ending replacement market, as the various control cables have to be replaced in any Scooter, Motorcycle, Auto Rickshaw, Moped etc. These are always required by Mechanics and Service stations. Different cables for different end use are packed in printed poly bags and marketed in dozen packing through the Auto part dealers/shops.

BASIS AND PRESUMPTIONS

The project report has been prepared keeping in view the following basis and presumptions while calculating the cost of project and that of production:

1. Unit will run 8 hours per day for 300 working days in a year.
2. Unit will manufacture all types of Auto Control Cables for two/three Wheelers for brake, clutch, accelerator etc.
3. Poly bags are got printed as per the requirements from outside.
4. Rates in respect of Machines and Equipment are based upon the rates quoted by a particular manufacturer.
5. Rates of Raw material and other inputs are based upon those pre- vailing in local market.
6. Unit will be running on single phase power motors.

TECHNICAL ASPECTS

Process of Manufacture:

S.S. wire of required standard wire gauge are reeled into the bobbins on the reel winder & loaded onto the bobbins holder of the wire twisting machine. Now with the help of wire twisting machine the required number of S.S. wires are twisted & converted into a single stranded wire of continuous length. The no. of S.S. wires & gauge depend upon the type & use of control cable to be made.

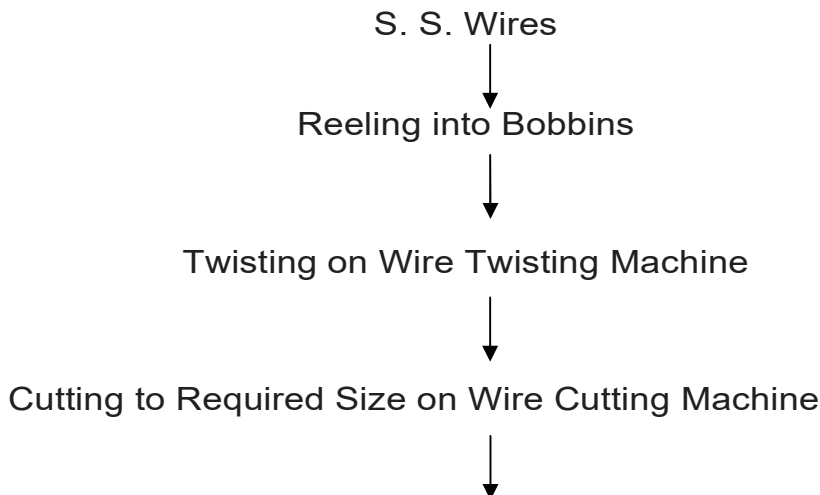
The stranded/twisted cable thus made is cut with the help of wire cutting machine into the required size. One end of this wire is butted and dipped into molten Zinc to avoid opening of strands of the cable. At the other end of the cable a zinc stopper of required design/size is fixed with help of a die on a die-casting Machine. The cables thus made are checked/inspected and packed in printed poly bags for marketing.

IMPLEMENTATION SCHEDULE

The implementation schedule for the project will be as under:

- i) Preparation of project report after getting current rates for Machines and Raw material.
- ii) Arrangement for shade (rented) and electricity connection.
- iii) Provisional Registration.
- iv) Arrangement of Finance and placement of orders for Machinery and Equipment.
- v) Procurement and Installation of Machinery & Equipment.
- vi) Procurement of Raw material.
- vii) Commencement of production.

Process Flow Chart



End Finishing and Dipping into Molten Zinc



Flowering of Other end
and Stopper Casting



Inspection



Packing



Store/Despatch

Quality Control & Standards:

The Bureau of Indian Standards has laid down following Indian Standard for Auto Control Cables IS 1978.

Production capacity:

Based upon single shift working of 8 hours per day and 25 working days in a month, the production of the unit will be as under:

Production per year: 72000 Dozens,
Value@Rs80/Dozen: 57,60,000/-

A) Fixed Capital

1) Land Building rent (per month)				4,000
700 Sq fts.@Rs. 4000/-				
2) Machinery and equipment				
Machine name	Qty	Rate	Value	
Wire twisting Machine (19 bobbins -1 hp motor)	4	35,000	140000	
Pressure Die casting Machine	1	70,000	70000	
Compressor	1	24,000	24000	
Size Cutter	1	2,000	2000	
Flower Machine	1	7,500	7500	
Hand Press	1	4,000	4000	
Reel Winder	1	6000	6000	
Grinder	1	5,000	5000	
Hand cutter	2	1000	2000	
Dies for Die castings	6	50,000	300000	

Shearing Machine	1	1,500	1500
Small Bobbins	100	25	2500
Big Bobbins	20	200	4000
Poly Bags sealing machine	2	1,000	2000
Jigs Fixture & other tools	L.S.		25000
Tools			595500

3) **Other fixed assets**

Electrification charges @15% of cost of machinery & equipment	89,325
Office equipment, furniture & working table	90,000
Pre operative expenses	12000
Total fixed capital	1,91,325
Total fixed capital	7,86,825

B) Working Capital

1) **Staff and Labour**

Designation	No	Salary	Total
Production supervisor	1	32,000	32000
Skilled workers	2	16,000	32000
Semi Skilled workers	2	10,000	20000
Unskilled Worker cum Helpers	2	8000	16000
Total			100000
Prerequisite @15% on total salary			15000
Total			115000

2) **Raw material (per month)**

Particular	Qty	Rate	Cost
SS Wire @ Rs 75/- per Kg.	1800	100	180000
Zinc Alloy @ Rs. 100 per Kg.	150	100	15000
LPG Cylinders	5	700	3500
Packing material	L.S.		12000
Misc			20,000
Total			230500

3) **Utilities(per month)**

Power	7,500
Water	1000
Fuel for generator	5,000
Total	13,500

4) **Contingent Expenses(per month)**

Rent	4,000
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Postage and stationery	1000
Telephone / Telex/Fax charges	1000
Advt. and publicity	2,000
Miscellaneous expenditure	3,000
Total	11000

5) total recurring expenses (per month)

Staff and labour	115000
Raw materials	230500
Utilities	13,500
Contingent expenses	11000
Total recurring expenses	370000

6) Total working capital for 3 months	3x recurring expenses	1110000
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c) Total capital investment

Machinery & equipment	7,86,825
Working capital for 3 months	1110000
Total	1896825

Machinery utilization 75% of installed capacity

Financial Aspects

Cost of production (per annum)

Recurring expenses	12x RE per month	4440000
Depreciation on machinery	10% on M/C cost	59550
depreciation on fixed assetes and furniture	20% on furniture	38265
Interest on total investment	16% on working capital	303492
Total		4841307

Turn over per annum by sales:

Product	Qty	rate	Value
Auto control cable of various type at avg rate Rs. 80 per dozen	6,000	80	480000
Total turn over per annum			5760000

Net profit per year

Sales value - cost of production	
5760000-4841307=	918693

Net profit Ratio:

$$918693 * 100 / 5760000 = 15.94953125$$

Rate of return on investment:

$$918693 * 100 / 4841307 = 18.97613599$$

Break even point analysis:

Fixed cost (per annum)

Rent	4000*12	48000
Depreciation	10% of M/C	78682.5
Interest on capital investment		303492
40% of wages of staff and labour		552000
40% of other contingent expenses		52800
	Total:	1034974.5

B.E.P. =

$$1034974.5 * 100 / (1034974.5 + 918693) =$$

$$52.97597979$$

$$= 52.9\%$$

Address of Machinery Suppliers:

- M/s. Lolita Manufacturing Works,
9340, Katra Ganga Vishan, Gaushala Road,
New Delhi-06
- M/s. Ajit Wire Products,
Gokul da Bagh, Near 100 Ft. Road,
Amritsar-143006
- M/S. S.S. Sabharwal & Sons,
664, Anand Prabhat Industrial Area,
New Delhi-05.