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PROJECT REPORT

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PROJECT:

**TWO-WHEELER CLUTCH PLATE
MANUFACTURING UNIT**

**PROJECT REPORT
OF
TWO-WHEELER CLUTCH PLATE
MANUFACTURING UNIT
PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding Two Wheeler Clutch Plate Manufacturing Unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

PROJECT AT GLANCE

1	Name of Proprietor/Director	XXXXXXXXXX	
2	Firm Name	XXXXXXXXXX	
3	Registered Address	XXXXXXXXXX	
4	Nature of Activity	XXXXXXXXXX	
5	Category of Applicant	XXXXXXXXXX	
6	Location of Unit	XXXXXXXXXX	
7	Cost of Project	9.88	Rs. In Lakhs
8	Means of Finance		
i)	Own Contribution	0.99	Rs. In Lakhs
ii)	Term Loan	6.30	Rs. In Lakhs
iii)	Working Capital	2.60	Rs. In Lakhs
9	Debt Service Coverage Ratio	2.64	
10	Break Even Point	35%	
11	Power Requirement	8	KW
12	Employment	10	Persons
13	Details of Cost of Project & Means of Finance		

COST OF PROJECT	
	(in Lacs)
PARTICULARS	AMOUNT
Land & Building	Owned/rented
Plant & Machinery	4.00
Miscellaneous Assets	1.50
Furniture	1.50
Working capital	2.88
Total	9.88

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution @ 10%	0.99
Term Loan @ 90%	6.30
Working Capital (Bank Finance)	2.60
Total	9.88

TWO-WHEELER CLUTCH PLATE **MANUFACTURING UNIT**

1. INTRODUCTION

An automotive clutch is a mechanical device that is located between the engine and transmission system of a vehicle and is placed to transfer power from the engine and assist the user in shifting gears. The clutch engages and disengages the engine using a gearbox that rotates at varying speeds. The basic clutch mechanism consists of numerous components such as pilot bushing, crankshaft, flywheel, clutch disk, pressure plate and a throw-out bearing. Clutches are a part of both manual and automatic vehicles. A manually operated gearbox consists of a single clutch, whereas an automatic transmission vehicle has multiple clutches. It prevents the generation of friction between gears and any damage that might be caused by it.



2. MARKET POTENTIAL

First of all, the automobile industry is increasing rapidly. The automobile vehicles are now an important means of transport in the country. Increasing purchasing power and easy availability of car loans are the major driving factors for the growth. In addition, there are several finance companies offering a lucrative and low-interest rate for auto loans. Almost all vehicles require auto clutch plates. And it workouts after a lapse of time and requires replacement. Therefore, generate a potential replacement market. So, the replacement market for the clutch plate is projected to see substantial gains. As drivers put more new vehicles on the road, traffic congestion will necessitate frequent gear changes and boost the need for replacement parts. There are two types of demand for Clutch Plates. 1. O.E. Demand and 2. Replacement demand. The O.E Demand will increase the production of original vehicles. However, the replacement demand depends on the wear and tear and replacement of the vehicle owners as this is critical equipment and replacement is essential to run the vehicle. Finally, we can say a clutch plate manufacturing company is a financially viable project in India.

3. PRODUCT DESCRIPTION

4.1. PRODUCT USES

Clutch is most important part of any Automobile vehicle. The function of this part is to engage or disengage the engine from the transmission line at the will of its Driver. The clutch plate is placed in- between the engine and transmission line and operates on the principle of friction.

4.2. RAW MATERIAL REQUIREMENT

Major raw materials are mentioned below:

- Main Drive plate with shoe holder
- Liner Shoe
- Spring Holder Plate
- Plain/Lock Washer
- Rivet of different sizes and sorts
- Liner
- Spring

4.3. MANUFACTURING PROCESS

Clutch plate assembly consists of following components:

- Main drive plates
- Liner shoe.
- Shoe holder
- Spring holder plate
- Rivets of required size.
- Spring.

The above-mentioned items for specific models of two-wheeler are procured from different actual manufacturers or suppliers. According to the design drill the holes on the clutch plate castings. Then fix the resin or glue. Hard them in the hardening furnace are assembled as required. They are tested for quality and precision, painted and suitably packed for dispatch.

The quality of the spare parts purchased for assembly purposes should be ascertained and after assembly, the performance of each part is checked manually.

4. PROJECT COMPONENTS

Plant & Machinery

S No.	Description
1	Special purpose riveting Machine with One HP Motor along with electrical fittings.
2	Bench Drilling M/c 13 mm Capacity, 0.75 HP Motor
3	Hand fly press double column, type No. 6
4	Double ended pedestal grinder 300 mm wheel Dia, 2HP Motor
5	Dies, Tools and Accessories

PROJECTED BALANCE SHEET						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>Liabilities</u>						
Capital						
Opening Balance		1.46	2.62	3.49	4.68	
Add:- Own Capital	0.99					
Add:- Retained Profit	1.27	2.16	3.18	4.18	5.24	
Less:- Drawings	0.80	1.00	2.30	3.00	4.00	
Closing Balance	1.46	2.62	3.49	4.68	5.92	
Term Loan	5.60	4.20	2.80	1.40	-	
Working Capital Limit	2.60	2.60	2.60	2.60	2.60	
Sundry Creditors	0.55	0.76	0.86	0.98	1.09	
Provisions & Other Liabilities	0.50	1.00	1.50	1.80	2.40	
TOTAL :	10.71	11.17	11.25	11.45	12.00	
<u>Assets</u>						
Fixed Assets (Gross)	7.00	7.00	7.00	7.00	7.00	
Gross Depreciation	0.98	1.81	2.53	3.14	3.67	
Net Fixed Assets	6.03	5.19	4.47	3.86	3.33	
Current Assets						
Sundry Debtors	1.44	1.56	1.80	2.04	2.30	
Stock in Hand	2.00	2.30	2.61	2.93	3.27	
Cash and Bank	1.20	2.02	2.23	2.42	2.85	
Loans and advances/other current assets	0.05	0.10	0.15	0.20	0.25	
TOTAL :	10.71	11.17	11.25	11.45	12.00	

PROJECTED CASH FLOW STATEMENT					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	0.99				
Net Profit	1.27	2.16	3.21	4.27	5.40
Depreciation & Exp. W/off	0.98	0.84	0.72	0.62	0.53
Increase in Cash Credit	2.60	-	-	-	-
Increase In Term Loan	6.30	-	-	-	-
Increase in Creditors	0.55	0.21	0.11	0.11	0.12
Increase in Provisions & Other liabilities	0.50	0.50	0.50	0.30	0.60
TOTAL :	13.18	3.70	4.54	5.30	6.65
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.00				
Increase in Stock	2.00	0.30	0.31	0.32	0.34
Increase in Debtors	1.44	0.13	0.23	0.25	0.26
Increase in loans and advances	0.05	0.05	0.05	0.05	0.05
Repayment of Term Loan	0.70	1.40	1.40	1.40	1.40
Drawings	0.80	1.00	2.30	3.00	4.00
Taxation	-	-	0.04	0.09	0.17
TOTAL :	11.98	2.88	4.33	5.11	6.22
Opening Cash & Bank Balance	-	1.20	2.02	2.23	2.42
Add : Surplus	1.20	0.82	0.21	0.19	0.43
Closing Cash & Bank Balance	1.20	2.02	2.23	2.42	2.85

PROJECTED PROFITABILITY STATEMENT					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	50%	55%	60%	65%	70%
SALES					
TWO WHEELER CLUTCH PLATE	39.15	46.88	53.85	61.27	69.14
Total	39.15	46.88	53.85	61.27	69.14
COST OF SALES					
Raw material cost	16.50	18.98	21.60	24.38	27.30
Electricity Expenses	1.54	1.69	1.94	2.14	2.35
Depreciation	0.98	0.84	0.72	0.62	0.53
Wages & labour	6.30	7.25	8.11	9.09	10.00
Repair & maintenance	0.65	0.89	1.02	1.16	1.31
Consumables	1.01	1.36	1.56	1.78	2.00
Cost of Production	26.97	31.00	34.96	39.16	43.50
Add: Opening Stock	-	0.90	1.03	1.17	1.31
Less: Closing Stock	0.90	1.03	1.17	1.31	1.45
Cost of Sales	26.07	30.86	34.83	39.02	43.35
GROSS PROFIT	13.08	16.02	19.02	22.25	25.78
Salary to Staff	7.68	9.22	10.60	12.08	13.65
Interest on Term Loan	0.62	0.55	0.39	0.24	0.08
Interest on working Capital	0.29	0.29	0.29	0.29	0.29
Rent	2.40	2.88	3.46	4.15	4.98
Selling & Administration Expenses	0.82	0.94	1.08	1.23	1.38
TOTAL	11.81	13.86	15.81	17.98	20.38
NET PROFIT	1.27	2.16	3.21	4.27	5.40
Taxation	-	-	0.04	0.09	0.17
PROFIT (After Tax)	1.27	2.16	3.18	4.18	5.24
GROSS PROFIT RATIO	33.41%	34.17%	35.32%	36.32%	37.30%
NET PROFIT RATIO	3.25%	4.60%	5.90%	6.83%	7.58%

CALCULATION OF D.S.C.R					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	2.25	2.99	3.90	4.80	5.77
Interest on Term Loan	0.62	0.55	0.39	0.24	0.08
Total	2.87	3.54	4.29	5.04	5.85
REPAYMENT					
Instalment of Term Loan	0.70	1.40	1.40	1.40	1.40
Interest on Term Loan	0.62	0.55	0.39	0.24	0.08
Total	1.32	1.95	1.79	1.64	1.48
DEBT SERVICE COVERAGE RATIO	2.17	1.82	2.39	3.08	3.94
AVERAGE D.S.C.R.	2.64				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance	-					
	1st month		6.30	6.30	-	-	6.30
	2nd month	6.30	-	6.30	0.06	-	6.30
	3rd month	6.30	-	6.30	0.06	-	6.30
	4th month	6.30	-	6.30	0.06	-	6.30
	5th month	6.30	-	6.30	0.06	-	6.30
	6th month	6.30	-	6.30	0.06	-	6.30
	7th month	6.30	-	6.30	0.06	0.12	6.18
	8th month	6.18	-	6.18	0.06	0.12	6.07
	9th month	6.07	-	6.07	0.06	0.12	5.95
	10th month	5.95	-	5.95	0.05	0.12	5.83
	11th month	5.83	-	5.83	0.05	0.12	5.72
	12th month	5.72	-	5.72	0.05	0.12	5.60
					0.62	0.70	
2nd	Opening Balance						
	1st month	5.60	-	5.60	0.05	0.12	5.48
	2nd month	5.48	-	5.48	0.05	0.12	5.37
	3rd month	5.37	-	5.37	0.05	0.12	5.25
	4th month	5.25	-	5.25	0.05	0.12	5.13
	5th month	5.13	-	5.13	0.05	0.12	5.02
	6th month	5.02	-	5.02	0.05	0.12	4.90
	7th month	4.90	-	4.90	0.04	0.12	4.78
	8th month	4.78	-	4.78	0.04	0.12	4.67
	9th month	4.67	-	4.67	0.04	0.12	4.55
	10th month	4.55	-	4.55	0.04	0.12	4.43
	11th month	4.43	-	4.43	0.04	0.12	4.32
	12th month	4.32	-	4.32	0.04	0.12	4.20
					0.55	1.40	
3rd	Opening Balance						
	1st month	4.20	-	4.20	0.04	0.12	4.08
	2nd month	4.08	-	4.08	0.04	0.12	3.97
	3rd month	3.97	-	3.97	0.04	0.12	3.85
	4th month	3.85	-	3.85	0.04	0.12	3.73
	5th month	3.73	-	3.73	0.03	0.12	3.62
	6th month	3.62	-	3.62	0.03	0.12	3.50
	7th month	3.50	-	3.50	0.03	0.12	3.38
	8th month	3.38	-	3.38	0.03	0.12	3.27
	9th month	3.27	-	3.27	0.03	0.12	3.15
	10th month	3.15	-	3.15	0.03	0.12	3.03
	11th month	3.03	-	3.03	0.03	0.12	2.92
	12th month	2.92	-	2.92	0.03	0.12	2.80
					0.39	1.40	

4th	Opening Balance						
	1st month	2.80	-	2.80	0.03	0.12	2.68
	2nd month	2.68	-	2.68	0.02	0.12	2.57
	3rd month	2.57	-	2.57	0.02	0.12	2.45
	4th month	2.45	-	2.45	0.02	0.12	2.33
	5th month	2.33	-	2.33	0.02	0.12	2.22
	6th month	2.22	-	2.22	0.02	0.12	2.10
	7th month	2.10	-	2.10	0.02	0.12	1.98
	8th month	1.98	-	1.98	0.02	0.12	1.87
	9th month	1.87	-	1.87	0.02	0.12	1.75
	10th month	1.75	-	1.75	0.02	0.12	1.63
	11th month	1.63	-	1.63	0.01	0.12	1.52
	12th month	1.52	-	1.52	0.01	0.12	1.40
					0.24	1.40	
5th	Opening Balance						
	1st month	1.40	-	1.40	0.01	0.12	1.28
	2nd month	1.28	-	1.28	0.01	0.12	1.17
	3rd month	1.17	-	1.17	0.01	0.12	1.05
	4th month	1.05	-	1.05	0.01	0.12	0.93
	5th month	0.93	-	0.93	0.01	0.12	0.82
	6th month	0.82	-	0.82	0.01	0.12	0.70
	7th month	0.70	-	0.70	0.01	0.12	0.58
	8th month	0.58	-	0.58	0.01	0.12	0.47
	9th month	0.47	-	0.47	0.00	0.12	0.35
	10th month	0.35	-	0.35	0.00	0.12	0.23
	11th month	0.23	-	0.23	0.00	0.12	0.12
	12th month	0.12	-	0.12	0.00	0.12	-
					0.08	1.40	
DOOR TO DOOR		60	MONTHS				
MORATORIUM PERIOD		6	MONTHS				
REPAYMENT PERIOD		54	MONTHS				

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