PROJECT PROFILE ON TUBE VALCANIZING UNIT

1. INTRODUCTION

Vulcanizing is a process, which prevent air leakage in tubes. Tubes may be of two or four wheel. Service require almost in all the areas.

2. MARKET DEMAND

Tube gets damaged or leak during movement of vehicles (two/ four wheel) and require immediate attention for further movement. Thus service require almost after every 500 meters in city and about 4-5 km on national highway. Service has tremendous potential in rural and urban area both.

3. PRODUCTION TARGETS

Basis of estimation: 365 Working Days in a Year
Single Shift basis
8 hours per shift

	Tube Vulcanizing Charges
Value (Rs)	90000

4. MANUFACTURING PROCESS

The process starts with the identification of fault, preparation of packing and heating if require. After proper baking, spot is again check for leakage and fixing in wheel.

5. QUALITY CONTROL STANDARDS

Quality of the product must be as per customers demand.

6. LAND & BUILDING

1.	Covered area	Sq. Ft.	50
2.	Uncovered area	Sq. Ft.	50
3.	Total area	Sq. Ft.	100
4.	Whether constructed or Rented		Rented \ Own
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	1000

7. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Air Compressor	1	23000
2.	Valcanizing Tools and equipments	1	
3.	Hand Tools	L.S.	
4.	Sales Tax, Freight & Insurance etc.		2000
	Total		25000

8. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity	Value (Rs)
1.	Camel Black	L.S.	1000
		Total	1000

9. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager			
(ii)	Peon/ Chowkidar			
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker			
(ii)	Unskilled Worker	1	2000	2000
	Sub-Total			2000
	Plus perquisites @ 30% of salaries			600
	TOTAL			2600

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9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	1000
2.	Electricity Charges	250
3.	Fuel Exp.	0
4.	Advertisement & Travelling	0
5.	Transport	0
6.	Consumable & stores etc.	250
7.	Potage expenses/ telephones	0
8.	Stationery	0
9.	Repairs & Maintenance’s	0
	Total	1500

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	1000
2	Salaries & Wages	2600
3	Other Expenses	1500
	Total	5100

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	25000
Working capital for one month	5100
Total	30100

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	61200
Depreciation on machinery & equipment	1000
Interest on total investment @ 10%	3000
Total	65200

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty	Value (Rs.)
1.	Vulcanizing Charges	L.S.	90000
	Total		90000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	24800
2.	% of Profit on Sales	27.56%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	49200
3.2	Annual Sales	90000
3.3	Annual Variable Cost	12000
3.4	Break Even Point	63.08%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \quad \%$$

15. Manufactures/ Suppliers of Machinery

1	Bombay Machinery & Tools Syndicate 79, Siyaganj, Indore -452 007. Ph.- 536431,542067.
2.	Jitendra Agencies 5, shivsadan, sardar patel marg, Indore.
3.	Indore machinery stores 40, siyaganj, main road, Indore 452 007 Ph. 534339
4.	Huma Traders Infront of shajanabad thana, Shajanabad, Satna(m.p.)

16. Suppliers of Raw Materials

From Local market of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	365 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	As per demand of service
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Tourist \ vehicle owners of the area.
11	If project is funded, term loan would be	100% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP