

KVIC- REGP-Gramodyog Rojgar Yojana

Project Profile on Neon Sign Boards

Introduction

The Neon sign board is one of the most popular and attractive media of advertisement widely used by industrial and commercial firms to popularise their products among the general public. The neon sign board that is installed on tall buildings attracts the attention of people even from distant places and hence it is ideally suited for advertisements in busy places like big town and cities. With the expansion of trade and industry the competition in every field is growing day by day. After liberalization of economic policy, variety of foreign goods are available every where at cheap rates creating tough competition for industrial and consumer goods in the local market and advertisement has become very essential for the success of any business activity.,

Process of Manufacture: The Neon tubular lamp that is used in the Neon Sign Board is a cold cathode type discharge lamp in which discharge takes place between two electrodes placed at the ends of the tube. In long tubular lamps used for advertisement purposes, several thousand volts is applied between electrodes for which supply is given through a high voltage transformer having high leakage reactance. The Neon lamp of different colours are used for advertisement purposes and the desired colour is produced either by filling lamp with suitable gas or by using glass tubes coated with suitable fluorescent material as per the requirements. Now a days latter method is generally adopted for producing Neon lamp of different colours.

1 **Name of the Product :** Neon Sign Boards

2 **Project Cost :**

a Capital Expenditure

Land	:			Own
Workshet sq.mtrs	:	75	Rs.	
Equipment	:		Rs.	217,000.00

Bombarding transformer 7.5 kVA 230/25000 V- 1, Agency Transformer 15000 V.60 ma -1, Vacuum pump 1 Micron- 1, Gas Filling Unit - 1, Gas plant- 1, High frequency Vacuum Tester-1, Tipping, Torches, splicing torches, ribbon burners-1, Hand sheering machine-1, Hand operated sheet machine-1, Arc welding Transformer 12 kVA-1, Spot welding machine 2 kVA-1, Bench Drilling machine 13 mm Dia, Bench Grinder-1(Instal. & Pre operative exp.)

Total Capital Expenditure		Rs.	217,000.00
b Working Capital		Rs.	190,000.00
TOTAL PROJECT COST :		Rs.	407,000.00

3 **Estimated Annual Production Capacity:**

(Rs. in 000)

Sr.No.	Particulars	Capacity in tons	Rate	Total Value
1	Neon Sign Boards			1178.38
TOTAL		0.00	0.00	1178.38

4 **Raw Material** : Rs. 570,000.00

5 **Labels and Packing Material** : Rs. 5,000.00

6 **Wages (2-Skilled &2- Unskilled)** : Rs. 288,000.00

7 **Salaries (MANAGER-1)** Rs. 120,000.00

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8	Administrative Expenses	:	Rs.	40,000.00
9	Overheads	:	Rs.	60,000.00
10	Miscellaneous Expenses	:	Rs.	40,000.00
11	Depreciation	:	Rs.	21,700.00
12	Insurance	:	Rs.	2,170.00
13	Interest (As per the PLR)			
	a. C.E.Loan	:	Rs.	28,210.00
	b. W.C.Loan	:	Rs.	24,700.00
	Total Interest		Rs.	52,910.00
14	Working Capital Requirement	:		
	Fixed Cost		Rs.	230,380.00
	Variable Cost		Rs.	947,700.00
	Requirement of WC per Cycle		Rs.	196,347.00

15 Cost Analysis

Sr.No.	Particulars	Capacity Utilization(Rs in '000)			
		100%	60%	70%	80%
1	Fixed Cost	230.38	138.23	161.27	184.30
2	Variable Cost	948.00	568.80	663.60	758.40
3	Cost of Production	1178.38	707.03	824.87	847.90
4	Projected Sales	1400.00	840.00	980.00	1120.00
5	Gross Surplus	221.62	132.97	155.13	177.30
6	Expected Net Surplus	200.00	111.00	133.00	156.00

- 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.