

PROJECT REPORT

TANK TRUCK

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Tank Truck

The objective of the pre-feasibility is primarily to facilitate potential entrepreneurs' in project identification for investment and in order to serve this objective; the document covers various aspects of the project concept development, startup, marketing, and finance and business 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.]

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TANK TRUCK



Introduction

Tank truck, gas truck, fuel truck, or tanker truck or tanker, is a motor vehicle designed to carry liquefied loads, dry bulk cargo or gases on roads. The largest such vehicles are similar to railroad tank cars which are also designed to carry liquefied loads. Many variants exist due to the wide variety of liquids that can be transported. Tank trucks tend to be large; they may be insulated or non-insulated; pressurized or non-pressurized; and designed for single or multiple loads (often by means of internal divisions in their tank). Some are semi-trailer trucks. They are difficult to drive due to their high centre of gravity.

General Description

A tank truck is distinguished by its shape, usually a cylindrical tank upon the vehicle lying horizontally. Some less visible distinctions amongst tank trucks have to do with their intended use: compliance with human food regulations, refrigeration capability, acid resistance, pressurization capability, and more. The tanks themselves will almost always contain multiple compartments or baffles to prevent load movement destabilizing the vehicle.

Oil tankers are transport vehicle that move bulk volumes of oil from the oil extraction facility to the refinery. A truck is a oil tanker that is built specifically for transporting oil (as opposed to refined oil). The firm that owns the truck hires the tanker under a complicated contract to oil marketers, oil refiners, chemical companies, or other users like contractors representing governments. Contract terms vary based on the length of the contract, the quantity of oil to be transported and the route of transport. The contract also includes details of who will bear operational expenses like fuel costs, crew payments and insurance.

Factors Impacting the Oil Tanker Business

An oversupply in crude oil production results in high demand and mass movement of crude oil which is good for the crude tanker business. Along with oil supply, geopolitical developments also play an important role in the Oil tanker business.

Asian economies like China, India, Japan and South Korea are currently importing a significant portion of crude oil from the Atlantic Basin. Once Iranian oil is available, Asian economies will likely ship from the geographically closer Iran. Crude oil tankers will see greater transportation volume once Iran begins exporting more oil (and higher revenues).

Additionally, competition among different fuelling centres located across the globe also impacts truck fuel prices and hence the crude tanker revenues. For instance, because of increasing competition from Crude tankers benefit from price declines.

Different types of oil will often be routed to refineries in countries where there is also a demand for the by product or end product. For instance, kerosene is used extensively in India as a fuel. Crude oil from the Middle East is especially suited for creating kerosene. An increase in the demand for kerosene in India will result in more demand for transportation of Middle Eastern crude oil to Indian refineries.

Plant & Machinery required:

Description	Quantity	Value
Tanker (6 tyres)	2	50,00,000
Total Cost	2	50,00,000

* Machine Value is inclusive of GST & other transportation cost.

Manpower Requirement:

4 Manpower are required for running & operation of two trucks.

This includes:

2 Skilled operators

2 helpers

Break Even Point:

Maximum round per truck per annum = 240 rounds

Break-even point per Truck = 140 Rounds

Proprietor should operate at minimum 58% of capacity to cover its costs (variable + Fixed)

Tanker License & Registration

For Proprietor

- Obtain the GST registration.
- Registration Certificate of the Vehicle.
- Insurance of the Vehicle.
- Fire/ Pollution Registration as required.

Implementation Schedule

S.N.	Activity	Time Required
1	Registration, statutory, Licensing	1 Month
2	Order of Motor Vehicle	1 month
3	Arrangement of Finance	1 Month
	Total time Required (some activities shall run simultaneously)	2 months (approx.)

Conclusion:

After completion of Implementation schedule, tanker can be given on hire for oil transport purpose & for any tender open by Various Government Oil & natural gas companies can also be filled. Oil tanker in itself has a good market potential.

PROJECT AT GLANCE

DETAILS OF MEANS OF FINANCE & APPLICATION OF FUNDS	
Application of Funds	(In 'Lacs')
PARTICULARS	AMOUNT
2 Oil Tanker Truck	50.00
Working Capital Requirement	6.70
Total	56.70
Means of Finance	(In 'Lacs')
PARTICULARS	AMOUNT
Own Contribution	14.20
Bank Loan	37.50
Working Capital Limit	5.00
Total	56.70

<u>COMPUTATION OF MAXIMUM ROUNDS PER YEAR</u>		
Maximum Rounds in a month per tanker	20	Rounds
Total Rounds in a month for two tanker	40	Rounds
Rounds per annum	480	Rounds

Revenue per Round		
Average Rate per Kilo meter	29	Rs.
Average One way trip Distance	225	Kilo Meter
Two Way trip Distance	450	Kilo Meter
Revenue per Round	13,050	Rs.

COMPUTATION OF SALE REVENUE

Particulars	1st year	2nd year	3rd year	4th year	5th year
Rounds per annum	204	408	408	432	456
Revenue per round	13,050	13,311	13,577	13,849	14,126
Total revenue (in Lacs)	26.62	54.31	55.40	59.83	64.41

TOLL EXPENSES RECEIVED

Particulars	1st year	2nd year	3rd year	4th year	5th year
Toll Charges paid	4.20	8.82	9.26	10.08	10.58
Toll Charges Received (95%)	3.99	8.38	8.80	9.58	10.05
Net Toll Charges	0.21	0.44	0.46	0.50	0.53

BREAK UP OF OPERATOR CHARGES

Particulars	Wages Per Month	No of Employees	Total Salary
Skilled Driver	12000	2	24,000
Helper	8000	2	16,000
Total Salary Per Month			40,000
Total Annual Labour Charges	(in Lacs)		4.80

PROJECTED PROFITABILITY STATEMENT**(Rs. 'In Lacs')**

INCOME	1st year	2nd year	3rd year	4th year	5th year
<u>SALES</u>					
Gross Sale					
Round Revenue	26.62	54.31	55.40	59.83	64.41
Toll Charges Received	3.99	8.38	8.80	9.58	10.05
Total	30.61	62.69	64.19	69.40	74.47
Direct Expenses					
Petroleum	10.80	22.25	22.92	24.72	25.96
Tanker Repair	0.53	1.09	1.66	2.39	2.58
Toll Charges Paid	4.20	8.82	9.26	10.08	10.58
Consumables	0.53	1.09	1.38	1.79	3.22
Indirect Expenses					
Employee Benefit Expenses	2.40	5.28	5.81	6.39	7.35
Finance Cost					
Depreciation	4.25	7.87	6.69	5.68	4.83
Interest on Term Loan	2.78	4.46	3.00	1.54	0.22
Interest on working Capital	0.55	0.55	0.55	0.55	0.55
TOTAL	26.05	51.40	51.27	53.15	55.28
NET PROFIT	4.56	11.29	12.92	16.26	19.18
Taxation	-	1.52	2.03	3.07	3.99
PROFIT (After Tax)	4.56	9.76	10.89	13.18	15.20

PROJECTED BALANCE SHEET

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening Balance	-	19.26	26.03	28.92	33.10
Add:- Addition	14.70	-	-	-	-
Add:-Profit During the Year	4.56	9.76	10.89	13.18	15.20
Less:- Drawings	-	3.00	8.00	9.00	15.00
Closing Balance	19.26	26.03	28.92	33.10	33.30
Term Loan	32.82	23.46	14.10	4.74	-
Working Capital Limit	5.00	5.00	5.00	5.00	5.00
Provisions & Other Liab	0.30	0.33	0.36	0.40	0.44
TOTAL :	57.38	54.82	48.38	43.24	38.74
<u>Assets</u>					
Fixed Assets (Gross)					
	56.70	56.70	56.70	56.70	56.70
Gross Dep.	4.25	12.12	18.81	24.49	29.32
Net Fixed Assets	52.45	44.58	37.89	32.21	27.38
Current Assets					
Sundry Debtors	4.33	8.88	9.12	9.87	10.57
Cash and Bank	0.61	1.35	1.37	1.16	0.80
TOTAL :	57.38	54.82	48.38	43.24	38.74

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	14.70				
Net Profit	4.56	11.29	12.92	16.26	19.18
Depreciation & Exp. W/off	4.25	7.87	6.69	5.68	4.83
Increase in Cash Credit	5.00	-	-	-	-
Increase In Term Loan	37.50	-	-	-	-
Increase in Provisions & Oth lib	0.30	0.03	0.03	0.04	0.04
TOTAL :	66.32	19.18	19.64	21.98	24.06
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	56.70	-	-	-	-
Increase in Debtors	4.33	4.56	0.24	0.75	0.69
Repayment of Term Loan	4.68	9.36	9.36	9.36	4.74
Taxation	-	1.52	2.03	3.07	3.99
Drawings	-	3.00	8.00	9.00	15.00
TOTAL :	65.71	18.44	19.63	22.18	24.42
Opening Cash & Bank Balance	-	0.61	1.35	1.37	1.16
Add : Surplus	0.61	0.74	0.01	(0.20)	(0.36)
Closing Cash & Bank Balance	0.61	1.35	1.37	1.16	0.80

COMPUTATION OF Sundry Debtors					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Revenue From Rounds					
(1.5 month Requirement)	3.33	6.79	6.92	7.48	8.05
Toll Charges Received					
(3 months requirement)	1.00	2.09	2.20	2.39	2.51
Total	4.33	8.88	9.12	9.87	10.57

COMPUTATION OF WORKING CAPITAL REQUIREMENT (For Full 2nd Year)					
TRADITIONAL METHOD					
Particulars	Amount	Own Margin		Bank Finance	
Sundry Debtors	8.88				
Less : Creditors	-				
Paid stock	8.88	25%	2.22	75%	6.66
	8.88		2.22		6.66
WORKING CAPITAL LIMIT DEMAND (from Bank) 5.00					

2nd Method		
PARTICULARS	2nd year	3rd year
Total Current Assets	10.24	10.49
Other Current Liabilities	0.33	0.36
Working Capital Gap	9.91	10.13
Min Working Capital		
25% of WCG	2.48	2.53
Actual NWC	4.91	5.13
item III - IV	7.43	7.59
item III - V	5.00	5.00
MPBF (Lower of VI & VII)	5.00	5.00

3rd Method		
PARTICULARS	2nd year	3rd year
Total Current Assets	10.24	10.49
Other Current Liabilities	0.33	0.36
Working Capital Gap	9.91	10.13
Min Working Capital		
25% of Current Assets	2.56	2.62
Actual NWC	4.91	5.13
item III - IV	7.35	7.50
item III - V	5.00	5.00
MPBF (Lower of VI & VII)	5.00	5.00

COMPUTATION OF DEPRECIATION

Description	Plant & Machinery	TOTAL
Rate of Depreciation	15.00%	
Opening Balance	-	-
Addition	56.70	56.70
Total	56.70	56.70
Less : Depreciation	4.25	4.25
WDV at end of Year	52.45	52.45
Additions During The Year	-	-
Total	52.45	52.45
Less : Depreciation	7.87	7.87
WDV at end of Year	44.58	44.58
Additions During The Year	-	-
Total	44.58	44.58
Less : Depreciation	6.69	6.69
WDV at end of Year	37.89	37.89
Additions During The Year	-	-
Total	37.89	37.89
Less : Depreciation	5.68	5.68
WDV at end of Year	32.21	32.21
Additions During The Year	-	-
Total	32.21	32.21
Less : Depreciation	4.83	4.83
WDV at end of Year	27.38	27.38
Additions During The Year	-	-
Total	27.38	27.38
Less : Depreciation	4.11	4.11
WDV at end of Year	23.27	23.27
Less : Depreciation	3.49	3.49
WDV at end of Year	19.78	19.78
Less : Depreciation	2.97	2.97
WDV at end of Year	16.81	16.81

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	8.82	19.15	19.61	21.94	24.02
Interest on Term Loan	2.78	4.46	3.00	1.54	0.22
Total	11.60	23.62	22.61	23.48	24.23
<u>REPAYMENT</u>					
Installment of Term Loan	4.68	9.36	9.36	9.36	4.74
Interest on Term Loan	2.78	4.46	3.00	1.54	0.22
Total	7.46	13.82	12.36	10.90	4.96
DEBT SERVICE COVERAGE RATIO	1.55	1.71	1.83	2.15	4.89
AVERAGE D.S.C.R.	2.43				

REPAYMENT SCHEDULE OF TERM LOAN

Interest 15.65%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
2019-20	Opening Balance						
	1st month	-		-	-	-	-
	2nd month	-	-	-	-	-	-
	3rd month	-	-	-	-	-	-
	4th month	-	-	-	-	-	-
	5th month	-	-	-	-	-	-
	6th month	-	37.50	37.50	-	-	37.50
	7th month	37.50	-	37.50	0.49	0.78	36.72
	8th month	36.72	-	36.72	0.48	0.78	35.94
	9th month	35.94	-	35.94	0.47	0.78	35.16
	10th month	35.16	-	35.16	0.46	0.78	34.38
	11th month	34.38	-	34.38	0.45	0.78	33.60
	12th month	33.60	-	33.60	0.44	0.78	32.82
					2.78	4.68	
2020-21	Opening Balance						
	1st month	32.82	-	32.82	0.43	0.78	32.04
	2nd month	32.04	-	32.04	0.42	0.78	31.26
	3rd month	31.26	-	31.26	0.41	0.78	30.48
	4th month	30.48	-	30.48	0.40	0.78	29.70
	5th month	29.70	-	29.70	0.39	0.78	28.92
	6th month	28.92	-	28.92	0.38	0.78	28.14
	7th month	28.14	-	28.14	0.37	0.78	27.36
	8th month	27.36	-	27.36	0.36	0.78	26.58
	9th month	26.58	-	26.58	0.35	0.78	25.80
	10th month	25.80	-	25.80	0.34	0.78	25.02
	11th month	25.02	-	25.02	0.33	0.78	24.24
	12th month	24.24	-	24.24	0.32	0.78	23.46
					4.46	9.36	
2021-22	Opening Balance						
	1st month	23.46	-	23.46	0.31	0.78	22.68
	2nd month	22.68	-	22.68	0.30	0.78	21.90
	3rd month	21.90	-	21.90	0.29	0.78	21.12
	4th month	21.12	-	21.12	0.28	0.78	20.34
	5th month	20.34	-	20.34	0.27	0.78	19.56
	6th month	19.56	-	19.56	0.26	0.78	18.78
	7th month	18.78	-	18.78	0.24	0.78	18.00
	8th month	18.00	-	18.00	0.23	0.78	17.22
	9th month	17.22	-	17.22	0.22	0.78	16.44
	10th month	16.44	-	16.44	0.21	0.78	15.66
	11th month	15.66	-	15.66	0.20	0.78	14.88
	12th month	14.88	-	14.88	0.19	0.78	14.10
					3.00	9.36	

2022-23	Opening Balance						
	1st month	14.10	-	14.10	0.18	0.78	13.32
	2nd month	13.32	-	13.32	0.17	0.78	12.54
	3rd month	12.54	-	12.54	0.16	0.78	11.76
	4th month	11.76	-	11.76	0.15	0.78	10.98
	5th month	10.98	-	10.98	0.14	0.78	10.20
	6th month	10.20	-	10.20	0.13	0.78	9.42
	7th month	9.42	-	9.42	0.12	0.78	8.64
	8th month	8.64	-	8.64	0.11	0.78	7.86
	9th month	7.86	-	7.86	0.10	0.78	7.08
	10th month	7.08	-	7.08	0.09	0.78	6.30
	11th month	6.30	-	6.30	0.08	0.78	5.52
	12th month	5.52	-	5.52	0.07	0.78	4.74
					1.54	9.36	
2023-24	Opening Balance						
	1st month	4.74	-	4.74	0.06	0.78	3.96
	2nd month	3.96	-	3.96	0.05	0.78	3.18
	3rd month	3.18	-	3.18	0.04	0.78	2.40
	4th month	2.40	-	2.40	0.03	0.78	1.62
	5th month	1.62	-	1.62	0.02	0.78	0.84
	6th month	0.84	-	0.84	0.01	0.84	-
					0.22	4.74	
	DOOR TO DOOR	48	MONTHS				
	MORATORIUM PERIOD	0	MONTHS				
	REPAYMENT PERIOD	48	MONTHS				

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