

PROJECT REPORT

Of

VEHICLE PAINTING & DENTING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Vehicle Painting & Denting**.

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.]



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VEHICLE DENTING **PAINTING AND REPAIRING**



INTRODUCTION: -

The repairing and painting of vehicle (two-wheeler/four-wheeler) on labour charge basis is having high potential these days. The vehicles need regular check up and servicing for smooth running. This is a labour oriented unit and skilled labour are generally employed to get the quality of work.

MARKET POTENTIAL: -

There is tremendous growth in the number of vehicles running on the roads. As more people go in for purchasing these vehicles there would be need for repairing, denting painting of vehicles. The project can be started at any place but it is always better if it is established at a place where there are a number of vehicles. The prompt and efficient service in such activity will not find any problems in getting the job work.

PROCESS: -

The process involved in this industry depends upon the type and nature of servicing needed for the vehicle broadly tinkering, overhauling, cleaning, welding, painting, polishing etc.

The vehicle is cleaned first. If any tinkering or denting is required, it is carried out first after engine is separated from the chassis. The surface is scraped and putti/luppum is applied and allowed to dry. After spray painting, the vehicle is kept under the hot chamber electrically heated and then polished, once it is dried.

FINANCIAL ASPECTS:

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXX
- 2 Constitution (legal Status) : XXXXXXX
- 3 Father's/Spouce's Name : XXXXXXX
- 4 Unit Address : XXXXXXX
- Taluk/Block: XXXXX
 District : XXXXX State:
 Pin: XXXXX
 E-Mail : XXXXX
 Mobile : XXXXX
- 5 Services Provided : **Vehicle Washing , Cleaning , Engine Overhauling,
 Spray Painting etc**
- 6 Name of the project / business activity proposed : **Vehicle Denting,Painting**
- 7 Cost of Project : Rs 16.78 lacs
- 8 Means of Finance
 Term Loan - Rs.10.6 Lacs
 KVIC Margin Money - As per Project Eligibility
 Own Capital - Rs.1.63 Lacs
 Working Capital - Rs.4.05 Lacs
- 9 Debt Service Coverage Ratio : 2.96
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 6 Months
- 12 Break Even Point : 48%
- 13 Employment : 10 Persons
- 14 Power Requirement : 12.00 HP
- 15 Major Raw materials : Welding Electrodes, Gas Cylinders, Diesel , Mobile Oil, Grease, Paints, Varnishes etc
- 16 Estimated Annual Sales Turnover : 90.00 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building /shed 1500 Sq Ft)	4.00
Plant & Machinery	6.28
Furniture & Fixtures	1.50
Working Capital Requirement	4.50
Total	16.28

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	1.63
Term Loan	10.60
Working Capital Finance	4.05
Total	16.28

Beneficiary's Margin Money **General** **Special**
 (% of Project Cost) 10% 5%

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	1.63	1.63	1.63	1.63	1.63
Retained Profit	4.70	10.81	19.06	28.18	38.95
Term Loan	10.60	7.95	5.30	2.65	-
Cash Credit	4.05	4.05	4.05	4.05	4.05
Sundry Creditors	4.65	5.43	6.20	6.98	7.75
TOTAL :	25.63	29.87	36.24	43.48	52.37
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	11.78	11.78	11.78	11.78	11.78
Gross Dep.	1.42	2.72	3.85	4.84	5.70
Net Fixed Assets	10.36	9.06	7.93	6.94	6.08
Current Assets					
Sundry Debtors	4.50	5.25	6.00	6.75	7.50
Stock in Hand	4.65	5.43	6.20	6.98	7.75
Cash and Bank	6.12	10.13	16.12	22.81	31.04
TOTAL :	25.63	29.87	36.24	43.48	52.37
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	90.00	105.00	120.00	135.00	150.00
Total (A)	90.00	105.00	120.00	135.00	150.00
B) COST OF SALES					
Raw Mateiral Consumed	46.50	54.25	62.00	69.75	77.50
Elecricity Expenses	1.03	1.20	1.38	1.55	1.72
Repair & Maintenance	0.50	1.05	1.20	1.35	1.50
Labour & Wages	6.34	6.97	7.67	8.43	9.28
Depreciation	1.42	1.30	1.13	0.99	0.86
Other Expenses	4.50	5.25	6.00	6.75	7.50
Cost of Production	60.28	70.03	79.37	88.82	98.35
Add: Opening Stock /WIP	-	-	-	-	-
Less: Closing Stock /WIP	-	-	-	-	-
Cost of Sales (B)	60.28	70.03	79.37	88.82	98.35
C) GROSS PROFIT (A-B)	29.72	34.97	40.63	46.18	51.65
	33%	33%	34%	34%	34%
D) Bank Interest (Term Loan)	0.87	1.06	0.77	0.47	0.18
Bank Interest (C.C. Limit)	0.47	0.47	0.47	0.47	0.47
E) Salary to Staff	5.15	5.66	6.23	6.85	7.54
F) Selling & Adm Expenses Exp.	18.00	21.00	24.00	27.00	30.00
TOTAL (D+E)	24.49	28.19	31.46	34.79	38.19
H) NET PROFIT	5.23	6.79	9.17	11.39	13.46
I) Taxation	0.52	0.68	0.92	2.28	2.69
J) PROFIT (After Tax)	4.70	6.11	8.25	9.11	10.77

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	1.63	-			
Reserve & Surplus	5.23	6.79	9.17	11.39	13.46
Depriciation & Exp. W/off	1.42	1.30	1.13	0.99	0.86
Increase in Cash Credit	4.05	-	-	-	-
Increase In Term Loan	10.60	-	-	-	-
Increase in Creditors	4.65	0.78	0.77	0.78	0.78
TOTAL :	27.57	8.87	11.07	13.15	15.09
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.78	-	-	-	-
Increase in Stock	4.65	0.78	0.77	0.78	0.78
Increase in Debtors	4.50	0.75	0.75	0.75	0.75
Repayment of Term Loan	-	2.65	2.65	2.65	2.65
Taxation	0.52	0.68	0.92	2.28	2.69
TOTAL :	21.45	4.85	5.09	6.45	6.87
Opening Cash & Bank Balance	-	6.12	10.13	16.12	22.81
Add : Surplus	6.12	4.01	5.98	6.70	8.23
Closing Cash & Bank Balance	6.12	10.13	16.12	22.81	31.04

COMPUTATION OF VEHICLE DENTING ,PAINTING**Services Provided**

Vehicle Washing , Cleaning , Engine Overhauling, Spray Painting etc

Vehicles servicing per day		10	No
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Servicing per Annum		3,000	No
Year		Capacity Utilisation	No
IST YEAR		60%	1,800.00
IIND YEAR		70%	2,100.00
IIIRD YEAR		80%	2,400.00
IVTH YEAR		90%	2,700.00
VTH YEAR		100%	3,000.00

COMPUTATION OF RAW MATERIAL

Item Name	Quantity of Raw Material	Recovery	Unit Rate of	Total CostPer Annum (100%)
Welding electrodes				400,000.00
Gas Cylinder				400,000.00
Diesel, Mobile oil, grease etc				3,600,000.00
Paints, varnishes, chemicals etc				3,000,000.00
Screws, bolts and nuts, cleaning brushes etc.				350,000.00
Total				7,750,000.00

Total Raw material in Rs lacs

77.50

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	60%	46.50
IIND YEAR	70%	54.25
IIIRD YEAR	80%	62.00
IVTH YEAR	90%	69.75
VTH YEAR	100%	77.50

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	-	-	-	-
Servicing rendered	1,800.00	2,100.00	2,400.00	2,700.00	3,000.00
	1,800.00	2,100.00	2,400.00	2,700.00	3,000.00
Less : Closing Stock	-	-	-	-	-
Net Serviced Vehicles	1,800.00	2,100.00	2,400.00	2,700.00	3,000.00
Average Rate per Vehicle	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Sale (in Lacs)	90.00	105.00	120.00	135.00	150.00

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Finished Goods</u>					
(30Days requirement)	-	-	-	-	-
<u>Raw Material</u>					
(30 Days requirement)	4.65	5.43	6.20	6.98	7.75
Closing Stock	4.65	5.43	6.20	6.98	7.75

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total Amount
Stock in Hand			4.65
Sundry Debtors			4.50
		Total	9.15
Sundry Creditors			4.65
Working Capital Requirement			4.50
Margin			0.45
Working Capital Finance			4.05

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		12,000.00	1	12,000.00
Unskilled Worker		6,000.00	6	36,000.00
				48,000.00
Add: 10% Fringe Benefit				4,800.00
Total Labour Cost Per Month				52,800.00
Total Labour Cost for the year (In Rs. Lakhs)			7	6.34

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		self		
Accountant		15,000.00	1	15,000.00
Sales		12,000.00	2	24,000.00
Total Salary Per Month				39,000.00
Add: 10% Fringe Benefit				3,900.00
Total Salary for the month				42,900.00
Total Salary for the year (In Rs. Lakhs)			3	5.15

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	4.00	6.28	1.50	11.78
	-	4.00	6.28	1.50	11.78
Less : Depreciation	-	0.40	0.94	0.08	1.42
WDV at end of Ist year	-	3.60	5.34	1.43	10.36
Additions During The Year	-	-	-	-	-
	-	3.60	5.34	1.43	10.36
Less : Depreciation	-	0.36	0.80	0.14	1.30
WDV at end of IIInd Year	-	3.24	4.54	1.28	9.06
Additions During The Year	-	-	-	-	-
	-	3.24	4.54	1.28	9.06
Less : Depreciation	-	0.32	0.68	0.13	1.13
WDV at end of IIIrd year	-	2.92	3.86	1.15	7.93
Additions During The Year	-	-	-	-	-
	-	2.92	3.86	1.15	7.93
Less : Depreciation	-	0.29	0.58	0.12	0.99
WDV at end of IV year	-	2.62	3.28	1.04	6.94
Additions During The Year	-	-	-	-	-
	-	2.62	3.28	1.04	6.94
Less : Depreciation	-	0.26	0.49	0.10	0.86
WDV at end of Vth year	-	2.36	2.79	0.93	6.08

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IIST YEAR	Opening Balance						
	Ist Quarter	-	10.60	10.60	-	-	10.60
	Iind Quarter	10.60	-	10.60	0.29	-	10.60
	IIIrd Quarter	10.60	-	10.60	0.29	-	10.60
	Ivth Quarter	10.60	-	10.60	0.29	-	10.60
					0.87	-	
IIND YEAR	Opening Balance						
	Ist Quarter	10.60	-	10.60	0.29	0.66	9.94
	Iind Quarter	9.94	-	9.94	0.27	0.66	9.28
	IIIrd Quarter	9.28	-	9.28	0.26	0.66	8.61
	Ivth Quarter	8.61	-	8.61	0.24	0.66	7.95
					1.06	2.65	
IIIRD YEAR	Opening Balance						
	Ist Quarter	7.95	-	7.95	0.22	0.66	7.29
	Iind Quarter	7.29	-	7.29	0.20	0.66	6.63
	IIIrd Quarter	6.63	-	6.63	0.18	0.66	5.96
	Ivth Quarter	5.96	-	5.96	0.16	0.66	5.30
					0.77	2.65	
IVTH YEAR	Opening Balance						
	Ist Quarter	5.30	-	5.30	0.15	0.66	4.64
	Iind Quarter	4.64	-	4.64	0.13	0.66	3.98
	IIIrd Quarter	3.98	-	3.98	0.11	0.66	3.31
	Ivth Quarter	3.31	-	3.31	0.09	0.66	2.65
					0.47	2.65	
VTH YEAR	Opening Balance						
	Ist Quarter	2.65	-	2.65	0.07	0.66	1.99
	Iind Quarter	1.99	-	1.99	0.05	0.66	1.33
	IIIrd Quarter	1.33	-	1.33	0.04	0.66	0.66
	Ivth Quarter	0.66	-	0.66	0.02	0.66	0.00
					0.18	2.65	

CALCULATION OF D.S.C.R

PARTICULARS	1ST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	6.12	7.41	9.38	10.10	11.63
Interest on Term Loan	0.87	1.06	0.77	0.47	0.18
Total	7.00	8.47	10.15	10.57	11.81
<u>REPAYMENT</u>					
Instalment of Term Loan	2.65	2.65	2.65	2.65	2.65
Interest on Term Loan	0.87	1.06	0.77	0.47	0.18
Total	3.53	3.71	3.42	3.12	2.83
DEBT SERVICE COVERAGE RATIO	1.98	2.28	2.97	3.38	4.17
AVERAGE D.S.C.R.			2.96		

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	12	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				171,878.40
Add : Minimim Charges (@ 10%)				
(B) DG set				
No. of Working Days			300	days
No of Working Hours			-	Hour per day
Total no of Hour			-	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			-	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			-	
Add : Lube Cost @15%			-	
Total			-	
Total cost of Power & Fuel at 100%				1.72
Year		Capacity		Amount
				(in Lacs)
IST YEAR		60%		1.03
IIND YEAR		70%		1.20
IIIRD YEAR		80%		1.38
IVTH YEAR		90%		1.55
VTH YEAR		100%		1.72

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Arc welding machine 3 phase with cable & other accessories completed	1		40,000.00
Gas welding unit complete with hose, gas generator, welding torch, cylinder etc.	1		28,000.00
Air compressor with 1 HP motor, hose pipe, spray gun etc.	1		35,000.00
Auto battery charger 12 volts complete	1		9,500.00
Chain pully block with steel bars 2 ton capacity	1		24,500.00
Cost of hot chamber electrically heated	1		186,000.00
Cost of car washing machine 2 HP electric motor with hose complete	1		88,000.00
Hand tools - spanner set, banal vice, jacks, screw driver, plug wrench, monkey plier, and wheel wrench, denting & painting equipments			25,000.00
Testing equipments - Battery tester, compression tester, tune vulcanizing etc.	1		8,500.00
Water pump set 1 HP	1		13,500.00
Diesel generator 10 KVA	1		170,000.00
Total			628,000.00

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