



8. PROJECT PROFILE ON REPAIRING / SERVICING OF TWO WHEELERS

Category : Service

Total Cost of Project : Rs.207,000/-

BEP : 38 %

I. INTRODUCTION OF BUSINESS IDEA :

Two wheelers in the present time have become a necessity of every lower middle and middle class. Various new models have been introduced in the market. Even in the villages two-wheelers have become necessity. With the departments and various organizations extending the loan facility to all the employees, the number of two wheelers has registered a sharp increase.

The efficiency and workability of every vehicle depends on the road conditions, regular servicing and thorough examinations by the specialists of two wheelers.

II. SERVICE AND ITS APPLICATIONS :

Mainly three types of things comprise the servicing/repairing of vehicles:-

- i Fixing the puncture of the vehicles.
- ii Denting/painting etc of the vehicles.
- iii Normal servicing/repairing related work on the vehicles

III. MARKET POTENTIAL :

Every vehicle should be compulsorily taken for examination and servicing on a quarterly basis. Besides, frequent repair work is also required due to frequent wear and tear in the vehicles and bad road conditions. Therefore, if a servicing and repair unit (to cater to two wheelers) is set up, there are good possibilities of its success. . The number of vehicles in increasing day by day and hence there is good scope for the proposed unit.

IV. CAPACITY-INSTALLED, UTILIZED AND SALES:

The proposed capacity per year is 3,360 vehicles per annum of 300 days.

Sl. No.	Sales / income	No. of vehicles	Rate	Total Amount (Rs.)
1.	Fixing puncture	2500	60	1,50,000
2.	Denting / painting	500	500	2,50,000
3.	Normal servicing	1,000	250	2,50,000
	Total			6,50,000



V. SERVICE METHODOLOGY AND QUALITY :

In case of repairs, the fault is identified and the rectification as required either through correction or replacement of part is carried out. For regular servicing,

VI. COST OF PROJECT AND MEANS OF FINANCE, INCLUDING WORKING CAPITAL REQUIREMENTS :

A. Cost of Project :

Sl.No.	Particulars	Amount (Rs).
1	Equipments	1,00,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	30,000
5	Working Capital Requirements	57,000
	Total	2,07,000

B. Means of Finance:

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	1,55,000
2	Equity	52,000
	Total	2,07,000

C. Working Capital Requirement :

Sl.No.	Particulars	Basis	Period	Amount (Rs).
1	Materials	216,000/12 x 1	1m	18,000
2	Bills receivables	650,000/12 x ½	½ m	27,000
3	Working expenses			12,000
	Total			57,000

VII. MAIN INPUTS REQUIREMENT :

A. Machinery :

Sl. No.	Particulars	Total Cost (Rs.)
1	Air compressor(2 HP)	20,000
2	Service machine/pressure machine to wash vehicles	25,000
3	Water Pump	10,000
4	Water tank	10,000
5	Tools (6-7) no-32 screw drivers(3 sizes), Hammers tires and other equipments like inflector, tester, hand grinder, hand drill etc.	20,000
6	Installation, erection	15,000
	Total	1,00,000

**B. Raw-materials (1 m):**

Sl. No.	Particulars	Qty.	Rate	Total Cost (Rs.)
1	Gear oil	30 ltrs.	350/-	10,500
2	Lubricating grease	20 kg	150/-	3,000
3	Patch, Wipe cloth, Emery paper, cotton waste etc. (Spare parts like-grip cover, head light glass, brake shoes, fluid pin, nut, gear wires, clutch wires, rubber mats, silencer, seat covers, other rubber parts are required which will be recovered from the customers).			4,500
	Total			18,000

C. Utilities :

Sl. No.	Particulars	Total Monthly Charges. (Rs.)	Total annual Charges
1	Water & Electricity	1,000	12,000
	Total	1,000	12,000

D. Man-power requirement :

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Skilled Workers	1	9,000	1,08,000
02	Semi-skilled workers	1	6,000	72,000
	Total			1,80,000

E. MAIN INFRASTRUCTURE REQUIREMENT :

Building	Built up space of 1000 sft required
Power	Commercial power connection is required.
Water	Water is required for general purposes.

VIII. PROFITABILITY PROJECTION (Annual) :

Particulars	Basis	Amount (Rs.)
Sales Revenue (Projected)	Ref : IV	650,000
Raw Materials	Ref : VII B	216,000
Man power expenses	Ref : VII D	180,000
Utilities	Ref : VII C	12,000
Interest	@ 12%	18,000
Depreciation	15% SLM	15,000
Overheads	Rent, Maintenance etc.	60,000
Total Expenses		501,000
Profit		149,000



IX. FINANCIAL INDICATOR :

Break Even Point $\frac{FC}{SR-VC} \times 100$	$\frac{93000}{242000} \times 100$	38 %
Payback period $\frac{COP}{\text{Profit} + \text{Deprn.}}$	$\frac{207000}{169,000}$	1 Year 3 Months

X. ADDRESSES :

SUPPLIERS OF MACHINERY / EQUIPMENTS :

Auto house
First floor, swimming pool Complex,
Hubli

Suppliers of raw material

Automobile spares trading corporation
Kavli Complex
New Cotton market
Hubli

XI. SPECIAL NOTE :

Promoters should be trained in two wheeler repair and service at ITI / Polytechnics.