



## 25. PROJECT PROFILE ON REFRIGERATORS SERVICE AND REPAIR

Category : Service

Total Cost of Project : Rs. 2,10,000/-

BEP : 40 %

### I. INTRODUCTION OF BUSINESS IDEA :

Refrigerator has become almost a necessity in all houses/laboratories/ medical shops and to certain extent air conditioners have become necessary in all computer labs and offices/business establishments etc. These equipments get often out of order. Hence there is need for service and repair

### II. SERVICE AND ITS APPLICATIONS :

Annual maintenance contract for the equipments can be agreed from the nearby establishments. The proposed unit offers regular maintenance service for refrigerators and air conditioners. In addition the repair work is also undertaken.

### III. MARKET POTENTIAL:

The uses of refrigerators and air conditioners have been increasing these days. However all places do not have a workshop where these equipments can be repaired quickly. People have to wait for a long time for repair or service. Hence there is good scope for the proposed unit. The promoter can also think of annual maintenance contract of these equipments from large firms/business houses.

### IV. CAPACITY-REVENUE & SALES :

Sl. No.	Service	Qty.	Rate	Sales Amount
01.	AMC of equipments	300	1,000	3,00,000
02	Repair of equipments	400	800	3,20,000
	<b>Total</b>			<b>6,20,000</b>

### V. SERVICE METHODOLOGY AND QUALITY :

Operating this service is very simple. In case of repair the problem is identified and if need be the component is replaced. (The replacement cost on actual basis is recovered from the customers.) After the replacement of part or repair of the part the equipment is tested for the problem whether it is solved or not. If not, the alternate solution is applied. In case of AMC, the regular visits are made to the respective premises and the equipments are checked.



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

**A. Cost of Project :**

Sl. No.	Particulars	Amount (Rs).
1	Equipments	79,000
2	Other fixed assets	10,000
3	Preliminary and preoperative expenses	5,000
4	Deposits	50,000
5	Working Capital Requirements	66,000
	<b>Total</b>	<b>2,10,000</b>

**B. Means of Finance:**

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	1,58,000
2	Equity	52,000
	<b>Total</b>	<b>2,10,000</b>

**C. Working Capital Requirement:**

Sl. No.	Particulars	Basis	Period	Amount (Rs.)
1	Raw materials	33,000/12 x 2	2 m	6,000
2	Bills receivables	6,20,000/12	1 month	50,000
3	Working expenses	-	1 month	10,000
	<b>Total</b>			<b>66,000</b>

**VII. MAIN INPUTS REQUIREMENT :**

**A. Equipments :**

Sl. No.	Particulars	No.	Rate	Total Cost
01.	Compressor (1.5 ton)	1	25,000	25,000
02.	Vacuum pump	1	11,000	11,000
03	Hand grinder	1	10,000	10,000
04	Motor winding machine	1	10,000	10,000
05	Charging set	1	8,000	8,000
06	Multimeter, ampere and voltmeter		5,000	5,000
07	Tools and accessories			5,000
08	Electrification and installation			5,000
	<b>Total</b>			<b>79,000</b>

**B. Raw-materials/Consumables : (Per Annum)**

Sl. No.	Particulars	Qty	Rate	Total Cost (Rs.)
1	Consumables like cooling oil (spares are not considered as the charges on actual basis will be recovered)	150 lit	220	33,000
	<b>Total</b>			<b>33,000</b>

**C. Utilities : (Per annum)**

Sl. No.	Particulars	Monthly Requirement	Annual Charges (Rs.)
1	Electricity and water	2,500	30,000
	<b>Total</b>		<b>30,000</b>

**D. Man-power requirement :**

Sl. No.	Workers	No.	Monthly Salary (Rs.)	Annual Salary (Rs.)
01	Skill worker	1	8,000	96,000
02	Helpers	2	5,000	1,20,000
	<b>Total</b>			<b>2,16,000</b>

**E. MAIN INFRASTRUCTURE REQUIREMENT :**

Building	500 sft built up space is required
Power	2 KVA Power connection is required
Water	Water is required for general purposes.

**VIII. PROFITABILITY PROJECTION (Annual) :**

Particulars	Basis	Amount (Rs)
Sales / income (Projected)	Ref : IV	<b>6,20,000</b>
Raw Materials/Consumables	Ref : VII B	33,000
Man power expenses	Ref : VII D	2,16,000
Utilities	Ref : VII C	30,000
Interest	@ 12%	19,000
Depreciation	20% SLM	16,000
Overheads	Repair, Maintenance etc.	1,00,000
<b>Total Expenses</b>		<b>4,14,000</b>
<b>Profit</b>		<b>2,06,000</b>



**IX. FINANCIAL INDICATOR :**

$\frac{\text{Break Even Point FC}}{\text{SR-VC}} \times 100$	$\frac{1,35,000}{3,41,000} \times 100$	40%
$\frac{\text{Payback period COP}}{\text{Profit + Deprn.}}$	$\frac{2,10,000}{2,22,000}$	1 Year

**ADDRESSES :**

**X. SUPPLIERS OF MACHINERY / EQUIPMENTS :**

Ashok Enterprises  
3<sup>rd</sup> cross, HDUDA Industrial Estate  
Opp Akshaya Park, Gokul road, Hubli-30

Laxmi Refrigeration  
23, Mahura Chetana city  
Kusugal road, Hubli-23.  
Ph -0836-2283563

**XI. Special note**

It is preferred that the promoter must have technical skills himself, training in an existing firm is better.