



5. PROJECT PROFILE ON GENERAL FABRICATION WORKS

Category : Engineering

Total Cost of Project : Rs. 4,28,000/-

BEP : 51 %

I. INTRODUCTION OF BUSINESS IDEA :

As the construction activities like commercial and residential complexes, are on the increase, there is increased necessity for fabricated items. These items are supplied by the small scale general fabricators. In the current scenario, the general fabrication activity is having great demand.

II. PRODUCT AND ITS APPLICATIONS:

General sheet metal product, MS gates and window, MS poles are used during construction activity which are supplied by fabrication workshops

III. MARKET POTENTIAL:

As the construction activity is increasing day by day the demand for fabrication items which are made up of MS and GI are also increased. Hence, there is good demand for general fabrication works.

IV. CAPACITY / REVENUE (FIRST YEAR) :

The installed capacity proposed for the unit is 150 MTs per annum

Sl. No.	Product	Qty	Rate Per kg	Sales Amount
01	Fabricated steels	50MT	Rs.50/-	25,00,000

V. MANUFACTURING PROCESS AND QUALITY:

The manufacturing process depends the product which is fabricated as desired by the customers. The process consists of sheet metal cutting, drilling, welding, pressing, hammering and painting.

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

A. COST OF PROJECT:

Sl. No.	Particulars	Amount (Rs).
1	Equipments	2,00,000
2	Other fixed assets	25,000
3	Preliminary and preoperative expenses	10,000
4	Deposits	45,000
5	Working Capital Requirements	1,48,000
	Total	4,28,000



B. MEANS OF FINANCE:

Sl. No.	Particulars	Amount (Rs).
1	Loan @ 75%	3,21,000
2	Equity	1,07,000
	Total	4,28,000

C. WORKING CAPITAL REQUIREMENT:

Sl. No.	Particulars	Basis	Period	Amount
1	Raw-materials	16,50,000/12 x ¼	1 W	34,000
2	Bills Receivable	2,50,000/12 x ½	2 W	1,04,000
4	Working exp		1 m	10,000
	Total			1,48,000

VII. Main Inputs Requirements

A. Machinery:

Sl. No.	Particulars	Qty	Amount
1	Welding transformer	1	25,000
2	Grinding machine operated	1	15,000
3	Grinding hand operated	1	10,000
4	Cutting machine	1	15,000
5	Bending machine	1	15,000
6	Tools and equipments	1	15,000
7	Drilling machine	1	15,000
8	Lathe machine	1	40,000
9	Electrification installation		50000
	Total		2,00,000

B. Raw-materials (p.a.):

Sl.No.	Particulars	Qty	Rate	Total cost(Rs)
1	Steel	55 MT	30,000 per ton	16,50,000
	Total			16,50,000

C. Utilities:

Sl. No.	Particulars	Total Monthly Charges (Rs)	Total annual charges
1	Electricity	6,000	72,000
2	welding rods, lubricants etc	5,000	60,000
	Total	9,000	1,32,000



D. Man-power requirement:

Sl.No.	Workers	No.	Monthly Salary (Rs)	Annual Salary (Rs)
01	Supervisor	1	9,000	1,08,000
01	Skilled workers	2	6,000	72,000
02	Helper	1	4,000	48,000
	Total	4		2,28,000

E. Infrastructure Requirement:

Building	Built up space of 800 sq.ft is required @ rent .
Power	10 HP power is required
Water	Water is required for general purposes

VIII. Profitability Projection (Annual):

Particulars	Basis	Amount (Rs).
Sales Revenue (Projected)	Ref : IV	25,00,000
Raw Materials	Ref: VII B	16,50,000
Man Power Expenses	Ref : VII D	2,28,000
Utilities	Ref : VIIC	132,000
Interest	@12%	39,000
Depreciation	@ 15% SLM	30,000
Overheads	Rent, maintenance publicity exp etc	180,000
Total Expenses		22,59,000
Profit		2,41,000

IX. FINANCIAL INDICATOR:

Break Even Point		
$\frac{FC}{SR-VC} * 100$	$\frac{249,000}{490,000} \times 100$	51 %
Payback period		
$\frac{\text{Cost of project}}{\text{Profit} + \text{Dep}}$	$\frac{428,000}{271,000}$	1years 7 months



Address:

X. SUPPLIERS OF MACHINERY / EQUIPMENTS:

1. M/s V.U.Engineering Works,
Ganthade Building, M-Vadagaon,
Belgaum-590005
2. M/s Chitnis Machine Tools Pvt.Ltd,
Khanapur Road, Udyambag,
Belgaum-590008.

Suppliers of raw material:

Steel Sales Corporation
Durgad bail, Hubli Ph : 0836 - 2245231.