

PROJECT PROFILE

ON

TRUCK BODY

NAME OF THE PRODUCT : **TRUCK BODY.**

PRODUCT CODE : .

QUALITY & STANDARD : The quality specification of the Truck Body depends upon the type of commodity to be transported.

PRODUCTION CAPACITY : The production capacity of the unit at 100% capacity utilisation.

Quantity - 72 Nos. Per Annum.

Value - Rs. 2,30,40,000/-

MONTH & YEAR OF PREPARATION : May, 2012.

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1. INTRODUCTION:

India has predominantly an agricultural economy due to variable climate condition in different parts of the country; the production of various agricultural products is non uniform. India is one of the major producers of fresh fruits & vegetables to the tune of 100 million tons. The major quantities of these perishable items are produced in rural and backward areas of the country and their consumption is centered in and around big cities & towns. Transportation of these commodities from place of abundance to places of consumptions or to export points like Seaports. Trucks or vans play an important role for transportation of these items between places connected by roads.

2. MARKET POTENTIAL:

The continuous increase in consumption of these perishable commodities has necessitated the growing demand of trucks for internal distribution of these commodities to different points connected by the vast road network. Transportation of these can be undertaken with by trucks.

3. BASIS & PRESUMPTIONS:

1. The scheme has been prepared on a single shift basis of 8 hours working per day and 300 working days per year.
2. The capacity utilisation of the unit has been taken as 75% for the first year and 100% onwards.
3. Promoter's contribution towards margin money is taken as nil.
4. Interest is calculated both on fixed and working capital at a simple rate of 15%.
5. Rate of machinery and equipment, raw material and other items are based upon the prices prevailing at the time of preparation of project profile.
6. Break even point is calculated at 100% capacity utilisation.
7. Provision for future expansion of the unit in general body building of vehicles and for servicing can also be undertaken.
8. Working capital is calculated on the basis of working capital cycle of 3 months.
9. The cost of building bodies on chassis of the truck is only considered on the project profile, not the cost of the chassis of the truck

4. IMPLEMENTATION SCHEDULE:

The major activities in the implementation of the project have been listed and the estimated average time for implementation of the project is indicated for 12 months.

	(Period in week)
1. Preparation of project profile	
a) Calling of quotations	4
b) Preparation	2
2. EM-I Registration as MSME & other formalities	1
3. Sanction of loan by financial institutions	12
4. Registration of land and site development	4
5. Construction of Workshop & Office Building.	8
6. Purchase & Procurement of machinery and equipment	6
7. Erection and Electrification	3
8. Recruitment of personnel.	4
Total:	46 weeks

Technical Aspects:**1) Process of Manufacture:**

The process of building the body of the truck is mainly by fabrication. The outer cabinet of the body is fabricated out of cold rolled steel sheets of 8 SWG with reinforced by steel channels and bars.

2) Production Capacity:

It is proposed to build 72 Nos. of Trucks. The space of each of 18'X8'X8' capacity and an annual turn over of Rs.2,30,40,000/-

3) Quality Control & Standards:

The quality of truck's body depends upon the type of commodities to be transported.

4) Pollution Control

The unit should be situated away from the locality in order to avoid noise pollution. Except noise, the unit makes no other pollution.

5) Energy Conservation

A capacitor circuit can be incorporated in the electricity supply network for improvement of power factor.

Financial Aspects:**Fixed Capital:****a) Land & Building:**

i.	Land 1000 sq. mtr. @ Rs.1200/- sq. mtr.	12,00,000/-
ii.	Land development charges @ Rs.200/- sq. mtr.	2,00,000/-
iii.	Workshop Shed & Office Building 200 sq. mtr. @ Rs.6000/- sq. mtrs.	12,00,000/-
	Total: Rs.	26,00,000/-

b) Machinery & Equipment:

Sl. No	Particulars of Machines	Qty. (Nos.)	Rate (Rs.)	Amount (Rs. Lakh)
1.	Arc Welding Transformer 5 Phase, Oil Cooled	2	50000/-	1,00,000/-
2.	Portable Spot Welding Gunnies	2	42000/-	84,000/-
3.	D.E. Bench Grinder 8" wheel dia	1	20000/-	20,000/-
4.	Electric Heavy Duty Portable Shear Machine	2	10000/-	20,000/-
5.	Universal Sheet worker with AC/440/3/50 Electric Motor and Starter.	2	36,000/-	72,000/-
6.	Universal Hand Shearing Machine	1	16,000/-	16,000/-
7.	Bending Machine hand operated heavy duty general bending rollers	1	100000/-	1,00,000/-
8.	Air Compressor 5 HP double cylinder, normal pressure 10 PSI , max. tank pressure 170 PSI	2	50000/-	1,00,000/-
9.	Pneumatic riveting hammer	3	12,000/-	36,000/-
10.	Pneumatic Chipping Hammer	3	8000/-	24,000/-
11.	Pneumatic Portable Shear	2	20000/-	40,000/-
12.	Pneumatic portable air saw	3	10000/-	30,000/-
13.	Pneumatic Portable Drills	3	24000/-	72,000/-
14.	Hydraulic Pipe Bender	1	36000/-	36,000/-
15.	Spray Gun	2	4000/-	8,000/-
16.	Handling equipment	LS		50,000/-
17.	Hand Tools	LS		60,000/-
18.	Erection & Electrification	LS		60,000/-
19.	Office Furniture & Equipment	LS		50,000/-
20.	Miscellaneous equipment	LS		40,000/-
	Total:			10,18,000/-

c) Pre-operative Expenses:

Fees for preparation of project report &
deposit for Electricity Connection etc.

Rs. 50,000/-

Total Fixed Capital:

26,00,000 + 10,18,000 + 50,000

= Rs. 36,68,000/-

Working Capital:**a) Personnel/Staff Salary (P.M.):**

Sl. No.	Designation	No.	Total (Rs.)
1.	Manager	1	20,000/-
2.	Designer Engineer	1	16,000/-
3.	Supervisor	1	10,000/-
4.	Accountant	1	8,000/-
5.	Skilled Workers	5	40,000/-
6.	Semi Skilled Workers	3	18,000/-
7.	Clerk/Store Keeper	1	8,000/-
8.	Helper/Watchman	2	10,000/-
	Total:		1,30,000/-
	Additional perquisites @ 15%		19,500/-
	Total:		1,49,500/-
	Say;		1,50,000/-

b) Raw Material(P.M.) :

The approximate calculation of raw material for body of truck.

Sl. No.	Item	Qty.	Rate (Rs.)	Value (Rs.)
1.	C. R. Sheet 8 SWG	1200 sq. ft.	500/- sq. ft.	6,00,000/-
2.	M. S. Sheet 14 – 16 SWG	6 Tons	64000/-Ton	3,84,000/-
3.	Wood Strips	L.S.		1,00,000/-
4.	Nuts & Bolts	L.S.		16,000/-
5.	Channels	2 Ton	60000/-	1,20,000/-
6.	Miscellaneous			50,000/-
	Total:			13,70,000/-

c) Utilities (P.M.) :

i.	Power 3000 units @ Rs.8/- per unit	24,000/-
ii.	Water	500/-
	Total: -	24,500/-

d) Other Contingent Expenses (P.M.):

1	Postage & Stationery	1,000/-
2	Telephone	1,000/-
3	Repair & Maintenance	10,000/-
4	Transportation	10,000/-
5	Advertisement & Publicity	2,000/-
6	Insurance.	2,000/-
7	Miscellaneous Expenses	4,000/-
	Total:	30,000/-

e) Total Recurring Expenditure (P.M.):

1.	Personnel	1,50,000/-
2.	Raw Materials	13,70,000/-
3.	Utilities	24,500/-
4.	Other Contingent Expenses	30,000/-
	Total:	15,74,500/-

Therefore Working Capital for 3 months $15,74,500 \times 3 = \text{Rs. } 47,23,500/-$

TOTAL CAPITAL INVESTMENT:

Fixed Capital	36,68,000/-
Working Capital on 3 months basis	47,23,500/-
Total:	Rs. 83,91,500/-

FINANCIAL ANALYSIS:**(i) Cost of Production (Per annum)**

	Value(Rs.)
i. Total Recurring Cost of Production	1,88,94,000/-
ii. Depreciation on Building @ 5%	60,000/-
iii. Depreciation on machinery and equipment @ 10%	84,800/-
iv. Depreciation on Machine and Equipments @ 25%	42,500/-
v. Interest on investment @ 15%	12,58,722/-
Total: -	2,03,40,022/-

(ii) Turnover (Per annum)

Item	Value (Rs.)
Truck Body – 72 Nos. @ 3,20,000/- each	2,30,40,000/-
Total:	2,30,40,000/-

(iii) NET PROFIT (Per annum) Before Taxation:

Turn Over	(-)	Cost of Production		
2,30,40,000/-	(-)	2,03,40,022/-	Rs.	26,99,978/-

(iv) NET PROFIT RATIO (Per Annum):

<u>Profit/annum X 100</u>	<u>26,99,978/- X 100</u>		
Turnover/Annum	2,30,40,000/-	=	11.72%

(v) RATE OF RETURN (Per Annum):

<u>Net Profit/annum X 100</u>	<u>26,99,978/- X 100</u>		
Total Capital Investment	83,91,500/-	=	32%

(vi) BREAK EVEN POINT**Fixed Cost:**

1.	Depreciation on Building, Machinery, Equipment, Handling Equipment, Hand Tools & Office Furniture	Rs.	1,87,300/-
2.	Insurance	Rs.	24,000/-
3.	Interest on Total Investment	Rs.	12,58,722/-
4.	40% of salary & wages	Rs.	1,80,000/-
5.	40% of other expenses	Rs.	36,000/-
	Total:-	Rs.	16,86,022/-

BEP:

Fixed Cost X 100	16,86,022 X 100		
Fixed Cost + Profit	16,86,022 + 26,99,978	=	38.44%

Additional Information:

- a. The project profile may be modified/tailored to suit the individual entrepreneurship qualities/capacity, production programme and also to suit the locational characteristics, wherever applicable.
- b. Quality today is not only confined to the product or service alone. It also extends to the process and environment in which they are generated. The ISO-9000 defines standards for quality management systems for acceptability at international level. The unit may adopt ISO-9000 standards for global competition.
- c. The unit may contact the respective State Pollution Control Board and the Central Pollution Control Board for guidance on pollution control measures.
- d. Conservation of energy is of national importance and the unit may strictly adhere to the energy conservation measures.
- e. Prior SSI registration with Director of Industries/Industries Commissioner/ Respective District Industries Centre is required for manufacturing the product.

Names & Address of Machinery & Equipment Suppliers:

1. M/s Essential Machine Tools Pvt. Ltd.,
5, Nyayamurti G. N. Vaidya Marg, (Bank Street)
P.O. Box No.2, Behind State Bank of Fort,
Mumbai-400001.
2. M/s N. V. Industries Pvt. Ltd.,
Sudha Park-1, Raja S. C. Mullick Road,
Kolkata-700086.
3. M/s Machine tools Traders,
218, Linghi Chetty Street, P.O. Box No. 1260,
Chennai-600001.
4. M/s Quality Machine Tools, 25, Amsala Doshi Marg,
Fort, Mumbai-400025.
