

AUTOMOBILE SERVICE UNIT

1. INTRODUCTION

Automobile repairing and servicing is a most commonly known activity in almost all urban areas where all types of motor vehicles like cars, buses, lorries, jeeps, etc are given for service and repairs. Regular maintenance and servicing of vehicles is required for safe driving and durability of the vehicles.

Improper maintenance of vehicles, present conditions of roads, irresponsible driving, using cheaper spare parts, etc are the main reasons to send the vehicles for repairs and maintenance.

Service station is the most essential unit to vehicle users. This unit can be established in urban, semi-urban and village areas to meet the local requirement. Candidates having good experience or qualified persons can start this unit with low investment.

2. MARKET

There is good demand for automobile service centre due to increase in the number of vehicles day to day. After implementation of globalisation and privatisation, many multi-national companies competing with each other and introduced many models of 4-wheelers and 2-wheelers. Besides, the purchasing power of the people also increasing considerably and it becomes fall under necessary item in the cities/urban areas especially for business persons and salaried persons.

Now a days, the middle class persons are also maintaining 4-wheelers/2-wheelers due to affordable price and changing habits of the consumers. Hence, there is a good demand for setting up of automobile servicing and repairing units particularly in some important tribal centres.

3. MANUFACTURING PROCESS

It is a service oriented unit, so different services like engine overhauling, general repairs, gear box repairs, suspenser work, changing of break wires & other spare parts, etc are taken up for 4-wheelers, 3-wheelers, 2-wheelers. Cleaning and painting is also undertaken for the vehicles.

4. PRODUCTION CAPACITY PER ANNUM

Capacity	Nos.	Rate	Total Amt.
Cleaning and servicing:			
- 4 wheelers	900	200	180000
- 3 wheelers	600	150	90000
- 2 wheelers	3500	100	350000
Major Repairs :			
- 4, 3, 2 wheelers	150	1000	150000
Painting of Vehicles:			
- 4, 3, 2 wheelers	75	500	37500
Total	5225		807500

5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Fixed Capital	100000
2	Working Capital for 1 month(s)	55500
3	Preliminary & Preoperative Expns	5000
	Total Project Cost	160500

6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	24075
2	Subsidy/Soft Loan	20%	32100
3	Term Loan	65%	104325
	Total		160500

7. FINANCIAL ASPECTS

A. FIXED CAPITAL

i. Land and Buildings Rented Rs. 2500 per month

ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Air compressors incl. Sprayer	1	20000	20000
2	Platform for 4 wheelers - Hydraulic jack	1	40000	40000
3	Miscellaneous Hand Tools	LS		5000
4	Greasing & Washing Tools	LS		5000
5	Electric bench gridner	LS		10000
6	Electric drilling machine	LS		10000
7	Furnitures and fixtures	LS		5000
8	Electrification and installation	LS		5000
	Total			100000

B. WORKING CAPITAL

i. Salaries & Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Manager/Entrepreneur	1	3000	3000
2	Skilled labours	2	2500	5000
3	Unskilled labours	2	1500	3000
4	Accountant cum clerk	2	2000	4000
5	Security persons	1	1000	1000
	Total			16000

ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Materials for painting	Ltrs	200	100	20000
2	Lubricating materials	kgs/Ltrs	100	100	10000
3	Gas cylinders, welding rods, caustic soda, carbide, etc	LS			3000
	Total				33000

iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	1000
2	Water	LS	500
3	Fuels	LS	500
	Total		2000

iv. Other Expenses (per month)

S.No	Description	Amount Rs.
1	Postage & Stationery Expenses	500
2	Conveyance expenses	500
3	Repairs and maintenance	500
4	Miscellaneous Expenses	500
	Total	2000

v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	2500
2	Salaries and Wages	16000
3	Raw Material	33000
4	Utilities	2000
5	Other Expenses	2000
	Total	55500

8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	666000
2	Depreciation @ 15%	15000
3	Interest @ 12%	12519
	Total	693519

9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1	Cleaning and servicing:				
	- 4 wheelers	Nos.	900	200	180000
	- 3 wheelers	Nos.	600	150	90000
	- 2 wheelers	Nos.	3500	100	350000
2	Major Repairs :				
	- 4, 3, 2 wheelers	Nos.	150	1000	150000
3	Painting of Vehicles:				
	- 4, 3, 2 wheelers	Nos.	75	500	37500
	Total				807500

10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	15000
2	Interest	12519
3	Rent	30000
4	Salaries & Wages @ 40%	76800
5	Other Expenses incl. Utilities @ 40%	19200
	Total	153519

11. PROFIT ANALYSIS & RATIOS

1	Net Profit	Rs.	113981
2	Percentage of Profit on Sales		14%
3	Percentage of Return on Investment		71%
4	Break Even Point		57%

NSIC

Project Profiles

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