

## PROJECT PROFILE

### GENERAL ENGINEERING WORKSHOP

Name of Unit : KRISHNA ENGINEERING WORKS  
YOUSUF GUDA

Product to be manufactured /  
Service to be under taken : GENERAL ENGINEERING WORKS

Name and Address of the Proprietor : RAMA RAO, KRISHNA NAGAR,  
YOUSF GUDA

#### I. INTRODUCTION

M/S. Krishna Engineering Works is a proposed micro General Engineering unit . The unit is to be installed in a rented building at YOUSAF GUDA. The promoter Sri. RAMA RAO is experienced in Welding and similar Metal Working Activities. He passed Metriculation. He is confident of starting and running the unit successfully.

#### II. LAND AND BUILDING

The unit is planned to be located in a rented building at Yousaf Guda. The monthly rent will come to Rs.4000/-

#### III. MACHINERY AND EQUIPMENT

Sl.No	Item	Qty. / No.	Value
1	Arc Welding Machine 250A Valcun 1 $\phi$ & 2 $\phi$	3	37500
2	Bench drilling machine $\frac{3}{4}$ " with Acc. & 1HP Motor	1	16500
3	Cut Off Machine Dewalt 14"	1	8750
4	Angle Grinder Hitachi	1	2900
5	Drilling Machine 6mm	1	1600
6	Nibler Hitachi CN 16	1	15500
<b>Total</b>			<b>82750</b>

#### IV. OFFICE FURNITURE AND OTHER EQUIPMENTS :

V. TOTAL FIXED CAPITAL : 82750.00

#### VI. WORKING CAPITAL

(A). Raw materials required for month @ 60% operating capacity

Sl.No	Item	Quantity	Rate	Value
1	Steel Angles, Flats (kg)	2400	45.00	108000.00
2	SS Pipes (No)	15	1600.00	24000.00
3	GI Pipes (No)	20	340.00	6800.00
4	Welding Rod Box	150	125.00	18750.00
5	Cutter	25	170.00	4250.00
<b>Total</b>				<b>161800.00</b>

**Wages and salaries  
(B). Personnel**

Monthly

Sl.No	Designation	No.	Wage/Salary per month	Total
1	Expert Worker	5	14000.00	70000.00
	<b>Total</b>	<b>5</b>		<b>70000.00</b>

**(C). Utilities and contingencies for one month**

1. Power charges	:	1500.00
2. Rent	:	4000.00
3. Carriage inward	:	
4. Travel exp / Transport	:	1500.00
5. Repairs and Insurance	:	1000.00
6. Telephone charges	:	1000.00
7. Stationary and postage	:	
8. Miscellaneous expenses	:	1418.00
<b>Total per month</b>	:	<b>10418.00</b>

**Total working capital requirement**

(a) Raw materials for 1 Week	:	38832.00
(b) Wages and salaries for one month	:	70000.00
(c). Utilities and contingencies for one month	:	10418.00
<b>Total working capital requirement of the unit</b>	:	<b>119250.00</b>

**VII. TOTAL CAPITAL**

1. Fixed Capital (V)	:	82750.00
2. Working Capital (VI)	:	119250.00
<b>Total Capital</b>	:	<b>202000</b>

**Sources of Funds :-**

1. Own Capital (12.5%)	:	25250
2. Loan from Bank	:	
(a) Term Loan (75% of F.C)	:	62063
(b) Working Capital Loan (75 %)	:	89437
3. Margin Money Grant from DIC (12.5%)	:	25250
<b>Total</b>	:	<b>202000</b>

**VII COST OF PRODUCTION PER ANNUM**

1. Total recurring expenditure per annum	:	
(a) Raw materials	:	1941600.00
(b) Wages and salaries	:	840000.00
(C). Utilities and contingencies	:	125016.00
2. Depreciation on building if any @ 5%	:	
3. Depreciation on machinery and equipment 15%	:	12412.50
4. Depreciation of office equipment 20%	:	0.00
5. Interest on bank loan @ 14%	:	21210.00
6. Interest on Margin Money loan @ 6% per annum	:	1515.00
7. Other expenses	:	
<b>Total</b>	:	<b>2941753.50</b>

**IX. ESTIMATED RECEIPT (TURNOVER PER ANNUM)**

Sl No	Production / Service	Qty ./ No.	Cost	Value
1	Iron & Steel Fabrication Works in kg	23760	95.00	2257200.00
2	SS Pipe Works	180	3500.00	630000.00
3	GI Pipe Works	240	650.00	156000.00
4	Other Fabrication Activity	LS		125000.00
	<b>Total</b>			<b>3168200.00</b>

X. (a) PROFIT : (IX-VII) : Rs. 2,26,447

Net Profit : Rs. 2,03,722

(b) Net Profit Ratio: :  $\frac{\text{Net Profit} \times 100}{\text{Annual Turnover}} = 6.43$

Break Even Point : Fixed Cost x Operating Capacity x 100 / (Sales - Variable Cost)

Fixed cost : 142153.50

Variable Cost : 2799600.00

BEP in %ge : 38.57

Debt Service Coverage Ratio :  $\frac{(\text{Net Profit} + \text{Depreciation} + \text{Interest on Bank Loan})}{(\text{Loan repayment} + \text{Interest on Bank Loan})}$

Repayment period : 3 years

ie, DSCR : 3.28

XI. RATE OF RETURN ON TOTAL INVESTMENT :  $\frac{\text{Net Profit} \times 100}{\text{Total Investment}} = 112.10$

**XII. ABSTRACT**

1. Fixed Capital	:	82750.00
2. Working Capital	:	119250.00
3. Total Capital	:	202000.00
4. Total Number of Workers	:	5
5. Power Requirement	:	10 HP
6. Annual turnover	:	3168200.00
7. Total direct employment	:	5
8. Anticipated Profit	:	226446.50
9. BEP in %ge	:	38.57
10. DSCR	:	3.28
9. Net Profit Ratio	:	6.43
10. Rate of Return on Investment	:	112.10

**XIII. REMARKS**

Certified that the scheme is technically feasible and economically viable

Source:- Udyami Mitra/Sidbi