SI-03

# KHADI & VILLAGE INDUSTRIES COMMISSION
# PROJECT PROFILE FOR GRAMODYOG ROZGAR YOJANA

## TYRE VULCANIZING

Due to wear and tear, friction, the life of the tyres decreases. It needs new rubber coating on the surface, thereby the life of the tyre increases with less investment. The tyres prolong their durability as new tyre cost more due to increase in automobiles. The scheme is eligible for entrepreneurs who comes out from the ITI.

**1. Name of the Activity : Tyre Vulcanizing**

**2. Project Cost :**

(a) Capital Expenditure

| | | | |
|---|---|---|---|
| Land | : | Own | |
| Building Shed 250 sq.ft. | : | Rs. | 50000.00 |
| Equipment (Air Compressor, Electric Vulcaniser, Jacks, Tools etc..) | : | Rs. | 50000.00 |
| Total Capital Expenditure | | Rs. | 100000.00 |
| (b) Working Capital | | Rs. | 15000.00 |
| **TOTAL PROJECT COST** | **:** | **Rs.** | **1 15000.00** |

**3. Estimated Annual Service : (Value in í000)**

| Sl.No. | Particulars | Capacity | Rate | Total Value |
|---|---|---|---|---|
| 1. | Tyre Vulcanizing | | | 91.50 |
| | **TOTAL** | | | **91.50** |

| | | | |
|---|---|---|---|
| **4. Raw Material** | **:** | **Rs.** | **10000.00** |
| **5. Labels and Packing Material** | **:** | **Rs.** | **0.00** |
| **6. Wages (Skilled & Unskilled)** | **:** | **Rs.** | **60000.00** |

| | | | | |
|---|---|---|---|---|
| 7. | **Salaries** | : | Rs. | **0.00** |
| 8. | **Administrative Expenses** | : | Rs. | **0.00** |
| 9. | **Overheads** | : | Rs. | **5000.00** |
| 10. | **Miscellaneous Expenses** | : | Rs. | **500.00** |
| 11. | **Depreciation** | : | Rs. | **7500.00** |
| 12. | **Insurance** | : | Rs. | **1000.00** |

**13. Interest (As per the PLR)**

(a) Capital Expenditure Loan : Rs. 13000.00

(b) Working Capital Loan : Rs. 1950.00

**Total Interest : Rs. 14950.00**

**14. Working Capital Requirement**

**Fixed Cost : Rs. 14500.00**

**Variable Cost : Rs. 76950.00**

**Requirement of Working Capital per Cycle : Rs. 15242.00**

**15. Estimated Cost Analysis**

| Sl. No. | Particulars | Capacity Utilization (Rs. in í000) | | | |
|---|---|---|---|---|---|
| | | **100%** | **60%** | **70%** | **80%** |
| 1. | **Fixed Cost** | 14.50 | 8.70 | 10.15 | 11.60 |
| 2. | **Variable Cost** | 77.00 | 46.20 | 53.90 | 61.60 |
| 3. | **Cost of Production** | 91.50 | 54.90 | 64.05 | 73.20 |
| 4. | **Projected Sales** | 125.00 | 75.00 | 87.50 | 100.00 |
| 5. | **Gross Surplus** | 33.50 | 20.10 | 23.45 | 26.80 |
| 6. | **Expected Net Surplus** | 26.00 | 13.00 | 16.00 | 19.00 |

**Note:**

1. All figures mentioned above are only indicative and may vary from place to place.
2. If the investment on Building is replaced by Rental Premises-
   (a) Total Cost of Project will be reduced.
   (b) Profitability will be increased.
   (c) Interest on Capital Expenditure will be reduced.