

**PROJECT PROFILE ON BREAK SHOE ASSEMBLING UNIT**

**1. INTRODUCTION**

Break shoe is a small rubber piece mounted on steel in such a way that it reduces the wheel speed whenever required by the vehicle driver. Different vehicle has different type of break shoe and concern would assemble all such shoes.

**2. MARKET DEMAND**

Break shoes are required during manufacturing of vehicle as well as these are required after certain intervals (4-5 year) depending upon the quality and use of these shoes. As per estimates, the annual demand of the district is around 10 to 12 lakhs pieces.

**PRODUCTION TARGETS**

Basis of estimation: 300 Working Days in a Year  
Single Shift basis  
8 hours per shift

	<b>Break Shoes</b>
Quantity (Nos)	300000
Value (Rs)	1200000

**3. MANUFACTURING PROCESS**

Rubber piece is cut into size and grinded from one side so that it would easily reduce the velocity of vehicle. This rubber shoe fixed according to the specification of particular vehicle and sold in the market after packaging.

**4. QUALITY CONTROL STANDARDS**

Quality of the product must be as per BIS standard and requirement of particular vehicle.

## 5. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	500
3.	Total area	Sq. Ft.	1000
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	1000

## 6. MACHINERY AND EQUIPMENT

S.N	Description	Qty.	Value (Rs.)
1.	Stand Grinder	1	50000
2.	Stand Drill Machine	1	
3.	Hand Sheet Cutter & Folding Press	1	
4.	Hand Tools	1	
5.	Sales Tax, Freight & Insurance etc.		5000
	Total		55000

## 7. RAW MATERIAL (PER MONTH)

S.N	Particulars	Quantity (Kg)	Value (Rs)
1.	Rubber sheet	L.S.	25000
2.	Steel/ Aluminium Sheet		20000
3.	Packaging Material		2000
		Total	47000

## 8. STAFF & LABOUR (PER MONTH)

S.N	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			16000
			Plus perquisites @ 30% of salaries	4800
	TOTAL			20800

## 9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	1000
2.	Electricity Charges	1000
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	1000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	1000
8.	Stationery	1000
9.	Repairs & Maintenance's	1000
	Total	8000

## 10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	47000
2	Salaries & Wages	20800
3	Other Expenses	8000
	Total	75800

## 11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	55000
Working capital for one month	75800
Total	130800

## 12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	909600
Depreciation on machinery & equipment	5000
Interest on total investment @ 10%	13000
Total	927600

## 13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Nos)	Value (Rs.)
1.	Break Shoes	300000	1200000
	Total		1200000

## 14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	272400
2.	% of Profit on Sales	22.70%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	345600
3.2	Annual Sales	1200000
3.3	Annual Variable Cost	564000
3.4	Break Even Point	54.34%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \%$$

### 15. Manufactures/ Suppliers of Machinery

1	Huma Traders Near Shajanabad Thana, Bhopal
2	Small traders of plant & equipments in the district.

### 16. Suppliers of Raw Materials

From Local rubber and metal supplier of the area.

### 17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

### 18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Auto Parts Shops of the area.
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP