

# **AMBULANCE SERVICE**

## **A. INTRODUCTION**

Ambulance Service is an essential service during emergency for transporting patients from houses, accident sites and hospitals. It is used for transporting the patient with care from one hospital to another hospital also. Ambulances are essential for trauma care. Trauma is an emotional shock producing lasting effect. It may be caused due to heart attacks, road accidents, electrical shock, bomb blast etc., Only hospitals with well equipped ambulances can produce help to such needy patients. Ambulance service can be started by private individuals offering their services to different smaller hospitals or bigger hospitals so that hospitals need not maintain Ambulance Service. Higher investment can be avoided and at the same time the services of ambulances are available whenever required. There is a good scope for starting ambulance services in smaller and bigger towns besides major cities as the number of road accidents, heart attacks and other diseases which require immediate attention are on the increase.

## **B. PRODUCT USES**

The Ambulances should have facilities for stretcher and oxygen plant besides provision for cot and bed. Racks for keeping medicines can also be provided. These are normal requirements for ambulances.

Well equipped ambulances can have full time trauma care team of specialists, blood bank, 24 hour laboratory, well equipped intensive care unit, ventilators, monitors etc., depending on the nature of investment.

## **C. MARKET POTENTIAL**

A look at the medical statistics over the years would reveal the insufficiency of facilities available in India for the ever growing population.

### Ministry of health statistics Achievements Through The Years - 1951-2001

Indicator	1951	1981	2001
Demographic Changes			
Life Expectancy	36.7	54	65.3
Crude Birth Rate	40.8	33.9	25.8
Crude Death Rate	25	12.5	8.5
IMR(Infant Mortality rate)	146	110	70

Epidemiological Shifts			
Malaria (cases in million)	75	2.7	2.2
Leprosy cases per 10,000 population	38.1	57.3	3.74
Small Pox (no of cases)	>44,887	Eradicated	
Guineaworm ( no. of cases)		>39,792	Eradicated
Polio		29709	265
Infrastructure			
SC/PHC/CHC	725	57,363	1,63,181
Dispensaries &Hospitals( all)	9209	23,555	43,322
Beds (Pvt & Public)	117,198	569,495	8,70,161
Doctors(Allopathy)	61,800	2,68,700	5,03,900
Nursing Personnel	18,054	1,43,887	7,37,000

Source: Statistical Outline of India, Tata Service limited, 2003-04.

In 1971, there were 3900 hospitals in India which number had increased to 43000 hospitals in 2001. There are various towns, villages and cities where facilities for diagnostic treatment have to be created afresh.

For better marketing of services, all the hospitals, social service organizations, leading Doctors, Lions & Rotary Clubs have to be contacted and leaflets on Ambulance Service have to be distributed.

## **D. TECHNICAL ASPECTS**

### **1. Installed Capacity**

A smaller unit of Ambulance service with 5 Vans (Maruthi Omni) is proposed. The fleet can be increased depending on the utilization of the vehicles in future.

### **2. Equipments**

The following equipments are required to be purchased.

			Rs. lakhs
• Maruthi Omni Ambulance	- 5 Nos.	-	14.30
• Stretchers	- 5 Nos.	-	0.05
• Oxygen Cylinder arrangement	- 5 Nos	-	0.13
• Others		-	0.10
			<u>14.58</u>

### **3. Location, Land and Building**

It is better to locate the Ambulance Service office in a central place in the town/city. All the hospitals and residents should have easy access. An office with about 500 sq, ft can be arranged on rental basis. A monthly rent of Rs. 4000 and advance of Rs. 40000 are considered.

### **4. Utilities**

#### **Power**

The power required only for office lighting and fans.

#### **Water**

Water is required for human consumption only.

## **Manpower**

Office Assistants	2	4000.00	8000.00
Drivers	5	4000.00	20000.00
			<hr/>
			28000.00
			<hr/>
Salaries per Annum			336000.00

## **5. Implementation Schedule**

If financing arrangements are finalized, the project can be implemented within one month period.

## **6. Assumptions**

The unit would work for 365 days 24 hours per day. First year running is estimated at 150 Kms per day (5 vehicles average 30 Kms per day each) at Rs. 30 per Km. This works out to Rs. 16.43 lakhs per annum

A normal increase of 10% income is assumed every year.

Petrol Cost is estimated at Rs. 2.14 lakhs per annum based on 12 Kms per litre of petrol at the rate of Rs.47 per litre of Petrol

Oil & Lubricants cost works out to 10% of the petrol cost.

Replacement of tyres is estimated to Rs. 25000 per annum.

Insurance premium works out to Rs. 25000 per annum.

Tax works out to Rs. 8000 per annum.

Power charges works out to Rs. 2000/- per month.

Wages & Salaries works out to Rs. 28000/- per month.

Repairs & Maintenance is assumed at Rs. 1000 p.m

Depreciation calculated @ 40% on Vehicle and 10% on others on WDV method.

Admn. Expenses is assumed at Rs. 1000 p.m.

Advertising and sales commission expenses are assumed at the rates of 5% of Gross Income.

Interest on TL is provided at 12% p.a. on reducing balance.

Income tax is provided at 33.99% on profit.

#### **F. LIST OF MACHINERY SUPPLIERS**

MARUTHI OMNI, M/s. A B T, Guindy, Chennai-600 032.

#### **STRETCHER / OXYGEN**

1. Advance Surgicals Pvt. Ltd., 11, Raheja Complex, 834, Mount Road, Chennai-600 002.
2. Apollo Surgical Instrument Co., 834, Mount Road, Chennai-600 002.

## 1. COST OF PROJECT

			Rs. lakhs
Land & Building-Rental Advance (500 sq.ft)			0.25
Plant & Machinery			
-Maruthi Omni Ambu -5 Nos	14.30		
-Stretchers -5 Nos	0.05		
-Oxygen Cylinders -5 Nos	0.13		
- Others	0.10		14.58
Pre-Operative Expenses			0.30
Margin for Working Capital			0.25
<b>Total</b>			<b>15.38</b>

## 2. MEANS OF FINANCE

Capital		4.38
Term Loan		11.00
<b>Total</b>		<b>15.38</b>

## 3. COST OF PRODUCTION & PROFITABILITY STATEMENT

Year	Rs. Lakhs		
	1	2	3
Income from 5 Ambulances			
Daily 150 Kms - Rs. 30 per Km	<b><u>16.43</u></b>	<b><u>18.07</u></b>	<b><u>19.87</u></b>
Petrol	2.14	2.25	2.36
Oil & Lubricants	0.21	0.23	0.24
Drivers Salary & Bata- 5 Nos	2.40	2.52	2.65
Taxi Maintenance & Service Charges	0.07	0.08	0.08
Replacement of Tyres	0.25	0.26	0.28
Insurance	0.25	0.26	0.28
Taxes	0.08	0.08	0.08
Power	0.24	0.25	0.26
Repairs & Maintenance	0.12	0.13	0.13
Depreciation	5.75	3.46	2.08
Cost of Production	11.51	9.51	8.44
Admininstration Salary	0.96	1.01	1.06
Administration Expenses	0.12	0.13	0.13
Sales Commissions Exp.	0.82	0.90	0.99
Interest on Term Loan	1.30	1.06	0.77
<b>Total</b>	<b>14.72</b>	<b>12.61</b>	<b>11.39</b>

Profit Before Tax	1.71	5.46	8.48
Provision for Taxes	0.61	1.95	3.03
Profit After Tax	<b>1.10</b>	<b>3.51</b>	<b>5.45</b>
Add: Depreciation	5.75	3.46	2.08
Total Cash Accruals	6.85	6.97	7.54

#### 4. PROFITABILITY RATIOS BASED ON 80%

<u>Profit Before tax</u>	<u>8.48</u>	
Sales	19.87	43%
<u>Profit before Interest &amp; Tax</u>	<u>9.25</u>	
Total Investment	14.58	63%
<u>Profit after Tax</u>	<u>5.45</u>	
Promoters Capital	4.38	125%

#### 5. CALCULATION OF BREAK EVEN LEVEL

##### FIXED EXPENSES

Drivers Salary & Bata	2.65
Insurance	0.28
Taxes	0.08
Power	0.26
Repairs & Maintenance	0.13
Depreciation	2.08
Admn. Salary	1.06
Administration Exp.	0.13
Sales Commission Exp.	0.99
Interest in Term Loan	0.77
	8.44
Profit before Tax (P)	8.48

BREAK-EVEN LEVEL  $\frac{FC}{FC + P} \times 80\%$   
40% of installed capacity

# **AUTOMOBILE SERVICING STATION**

## **A. INTRODUCTION:**

For the past one and a half decade the passenger car population has been steadily increasing. This is mainly because the Indian economy is now considerably liberalised for all types of industries. India is having around 30 odd passenger car models on the roads developed indigenously and equal number of models in commercial vehicle segment. Even though there has been a decrease in sale of commercial vehicles, the sale of cars and other vehicles has been increasing.

All the international major passenger car manufacturers and two wheeler manufacturers are showing keen interest in the Indian market, and many have come out with new models.

The Indian industry with its cost advantage and fundamental engineering capabilities has become a major source. The manufacturer has to gear up to the expectations in the international market.

The car makers like Ford, GM, Hyundai, Mitsubishi, Peugeot have set up their plants in India with an investment aggregating over Rs.40,000 crores. Many of these plants are located in Chennai. Also the existing car makers - Maruti, Fiat, Hindustan Motors are also bringing new models on the road. Several new brands such as Zen, Alto, Wagon – R, Santro, Accent, Fiat, Palio, Siena, and Indica are popular brands.

The passenger car population in India is 6 cars per thousand which is very low when compared to even neighbouring countries like Pakistan and Srilanka. There is an immediate need to step up this figure to 7 per thousand. The attractive automobile financing schemes have also boosted the demand for cars in India.



The production of cars in the past few years had been as under:

<b>Year</b>	<b>Production of No Cars</b>
2001-02	500301
2002-03	557410
2003-04	782562
2004-05	960487
2005-06	1046133

The estimated Registered Population of the Cars & Jeeps as under:

<b>Year</b>	<b>Registered Motor Vehicles-Cars &amp; Jeeps</b>
1990	2694000
2000	6314000
2001	6942000
2005	7548000

Source: Society of Indian 12000000 in to mobiles

### **B. PRODUCT USES & SPECIFICATIONS:**

An automobile services station not having any specification, has to have minimum facilities to service the vehicles, such as necessary equipments facilitating regular washing, wheel balancing, door servicing etc.

### **C. MARKET POTENTIAL:**

Increased productions of automobiles both in domestic market and world wide have boosted the confidence of auto ancillary units and automobile servicing sector. As the servicing of existing vehicles population is an essential activity, there is large scope in this area given the increasing number of vehicles on the road year after year.

The present car population is around 12 million. With an estimated addition of 10 lakhs cars per annum, automobile sector is gearing up to meet the escalating demands from the growing affluence among Indians.

**D. TECHNICAL ASPECTS:**

**Installed Capacity**

The unit will be undertaking, servicing of cars, wheel alignment and wheel balancing:

No of cars to be serviced	3000 nos. p.a.
No of cars for wheel balancing	4800 nos. p.a.
No of cars for wheel alignment	4800 nos. p.a.

**Plant & Machinery**

	<b>Nos.</b>	<b>Rs.lakhs.</b>
Elgi air compressor Model TC500 with all standard fittings.	1	0.40
Elgi garage Hoist Model PU4 with all standard fittings	1	0.50
Elgi car washer Model 501TW with all standard fittings	1	0.40
Grease Pump Model AH4/STD with all standard fittings	1	0.20
Wall Guage stand	1	3.50
Elgi wall Model type inflator with all standard fittings		
Unipro 4 wheel alignment system	1	12.00
Balco Computerised wheel balancing	1	
<b>Total</b>		<b>17.00</b>

**Process of Servicing:**

Door Servicing, Car Washing, Wheel Balancing & Wheel Alignment will be undertaken.

**Raw Materials & Consumables per car**

Black oil	0.75 litres
Diesel	0.75 litres
Grease	1 kg.
Soap water	

Total consumables For 3000 cars Rs.6.00 lakhs. The service centre does not require any regular raw materials or consumables. The stocks of lubricants like grease, oil etc. will have to be maintained.

**Land & Building:**

Work Shed	500 sqft.
Service Station	300 sqft.
Addition shed for parking cars	300 sqft.
Office room	500 sqft.

**Utilities**

**Electricity :** As the servicing equipments are mainly hydraulically operated the power consumption is low. Connected power load will be 2.0 HP (1.5 KW) and a servicing per car 4 KW. (5.5 KW hrs x 8 hrs x 300 days) 13200 KWhrs.

**Water :** Water is required for car washing and human consumption.

**Effluent treatment :** Not required.

**Man Power Requirement:**

<b>Production</b>	<b>Nos</b>	<b>Rs./Month</b>	<b>Total Salary p.m.</b>
1. Supervisor	1	5000	5000
2. Skilled labour	2	4000	8000
3. Semi skilled labour	2	3000	6000
4. Manager	1	7000	7000
5. Helper	2	2500	5000
			<b>31000</b>
Add: Benefits 20%			6200
Total			<b>37200</b>

Total Wages & Salaries per annum Rs.4.46 lakhs.

**7. IMPLEMENTATION SCHEDULE:**

All the equipments required for setting up of automobile service stations are available locally from reputed suppliers and these can be procured within a month. When all the other infrastructural facilities are made ready, project can be implemented within two months' time.

## **FINANCIAL ASPECTS**

<b>1. COST OF PROJECT</b>	<b>[Rs.lakh]</b>
Building (Advance)	1.00
Plant & Machinery	15.00
Contingencies	1.50
Other Misc. assets	0.50
Pre-Operative expenses	1.00
Margin for Working Capital	0.50
<b>Total</b>	<b>19.50</b>

## **2. MEANS OF FINANCE**

Capital	7.20
Term Loan	12.30
<b>Total</b>	<b>19.50</b>

## **3. COST OF PRODUCTION & PROFITABILITY STATEMENTS**

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
Installed Capacity (No.)			
- Car Servicing	3000	3000	3000
- Wheel Balancing	4800	4800	4800
- Wheel Alignment	4800	4800	4800
Utilisation	60%	70%	80%
Production/Service (No.)			
- Car Servicing	1800	2100	2400
- Wheel Balancing	2880	3360	3840

- Wheel Alignment	2880	3360	3840
Service charge per job			
- Car Servicing( Including Water wash)	Rs.450		
- Wheel Balancing Rs.45/Wheel	Rs.180		
- Wheel Alignment Rs.50/Wheel	Rs.200		
Total Value (Rs.lakhs)			
- Car Servicing	8.10	9.45	10.80
- Wheel Balancing	5.18	6.05	6.91
- Wheel Alignment	5.76	6.72	7.68
	<b>19.04</b>	<b>22.22</b>	<b>25.39</b>
Consumables	3.00	3.50	4.00
Power	0.38	0.44	0.50
Wages &			
Salaries	2.74	2.88	3.02
Repairs & Maintenance	0.24	0.26	0.29
Depreciation	4.13	3.09	2.32
Cost of			
Production	10.49	10.17	10.13
Admin. & General			
expenses	3.60	3.78	3.97
Interest on Term Loan	1.48	1.29	0.92
Interest on Working			
Capital	0.00	0.00	0.00
<b>Total</b>	<b>15.57</b>	<b>15.24</b>	<b>15.02</b>
Profit Before Tax	3.47	6.98	10.37
Provision for tax	1.28	2.57	3.81
Profit After Tax	<b>2.19</b>	<b>4.41</b>	<b>6.56</b>
Add: Depreciation	4.13	3.09	2.32
Cash Accruals	6.32	7.50	8.88

#### 4. WORKING CAPITAL:

	Months Consumptions	Values	%	Margin Amount	Bank Finance
Expenses	0.50	0.50	100%	0.50	0.00
		<b>0.50</b>		<b>0.50</b>	<b>0.00</b>

## 6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

<u>Profit after Tax</u>	6.56	
Sales	25.39	26%
<u>Profit before Interest and Tax</u>	11.29	
Total Investment	19.50	58%
<u>Profit after Tax</u>	6.56	
Promoters Capital	7.20	91%

## 7. BREAK EVEN LEVEL

Fixed Cost (FC):	[Rs.lakhs]
Wages &	
Salaries	3.02
Repairs & Maintenance	0.29
Depreciation	2.32
Admin. & General	
expenses	3.97
Interest on TL	0.92
	<b>10.52</b>
Profit Before Tax (P)	10.37
BEL	$\frac{FC \times 100}{FC + P}$
=	$\frac{10.52}{20.89} \times 80 \times 100$
	40% of installed capacity

## MACHINERY SUPPLIERS

1. M/s T.V Sundaram Iyengar & sons ltd, Tools & Garage Equipments, 54 Mount Poonamallee Road, St.Thoams Mount, Chennai 600 018
2. M/s.Elgi Equipments Ltd., Elgi Industrial Complex, Trichy Road, Coimbatore - 641018
3. M/s.Ramraj Industries, 15/56-D, Alagesan Road, Mettupalayam Road, Coimbatore 641043.
4. M/s.Manjeet Eng. Industries, 71/1, Najafgarh Road, New Delhi 110015
5. M/s.Kanvar Eng. Industries, 207-A/4, Than Singh Nagar, St.No.10, Anand Parbat, New Delhi 110005.

# BOOK LENDING LIBRARY

## **A. INTRODUCTION**

Despite the advent of TV and other visual media, the reading habit of the people has not been affected adversely. The text books, novels, comics and other educational books have been popular among all students and others alike. Housewives also constitute a major target group for novels in regional languages and weeklies. The Lending Library in a residential area very well attracts many readers and it has regular customers.

## **B. SERVICES & SPECIFICATION**

The Lending Library should have a large collection of all readable books and magazines in different languages. The Library should be equipped with good staff for attending to the customers' requirements.

## **C. MARKET POTENTIAL**

Literacy is a reasonably good indicator of development in a society. Spread and diffusion of literacy is generally associated with essential trait of today's civilization such as modernization, urbanization, industrialization, communication and commerce.

For the purpose of census, anyone aged seven and above, who can both read and write with a reasonable level of understanding in any language, is treated as literate.

As per 2001 Census, the overall literacy rate of India is 65.38%. The male literacy rate is 75.96% and female literacy rate is 54.28%.

The literacy rate in the country has been increasing year after year. The population growth rate and literacy growth rate had been as under.

	<b>1971</b>	<b>1981</b>	<b>1991</b>	<b>2001</b>
Population (in million)	548	683	846	1037
Literacy rate	34.5%	43.6%	52.2%	65.4%



The urbanisation rate also has been increasing year after year and as a result the reading habit and requirement of books and periodicals in urban areas have been increasing.

	<b>1971</b>	<b>1981</b>	<b>1991</b>	<b>2001</b>
Rural Population (in million)	439	524	629	752
Urban Population (in million)	109	159	218	285

With several states implementing schemes on total literacy, the literate population will be increasing year after year and reading habit among population will also improve to acquire new knowledge, update knowledge and have entertainment through reading books. Therefore, there is a tremendous scope for several book lending libraries to be set up in different parts of the country.

All major residential areas housing middle and upper class families need presence of book and magazine lending libraries. If the library is located closer to schools & colleges, novels, comic and supplementary educational reading text books have to be collected and stored. If it is in middle of residential area, women magazines, weeklies, novels should be larger in number.

#### **D. TECHNICAL ASPECTS**

##### **1. Installed Capacity**

To start with, Book Lending Library can enroll about 1200 Members. From each member an initial non-refundable deposit of Rs.300 can be collected. The monthly rental charges can be collected on an average of Rs.10 per book. At this rate the Lending Library will have a total income of Rs.3.84 lakhs per annum.

##### **2. Equipments**

The Library requires several books to be purchased in different languages. A mix of old books and new books can be purchased. The following services are essentially required.

### 3. **Books & Periodicals (initial)**

To start with, to serve 1000 members initially the book lending library will have about 3 books per customer in reserve. A mix of old books and new books have to be purchased. This will cost about Rs.150 per book on an average (Rs.50 per old book and Rs.250 per new book). The initial book cost will be about Rs.4,50,000. Every year additional books have to be purchased and accumulated.

### 4. **Equipments**

The following equipments are required.

	<b>Rs.</b>
▪ Racks, Book Shelves	40,000
▪ Books	4,60,000
▪ Lights & Fans	6,000
▪ Bicycle for home delivery	3,000
▪ Name Board & Misc. Expenses	4,000
	<b>5,13,000</b>

### 5. **Land and Building**

An area of 500 sq.ft is sufficient to start with. This can be taken on rental basis at Rs.5 per sq.ft monthly rent is considered Rs.2500 per month. The Advance will be about Rs.25,000.

### 6. **Utilities**

#### **Power**

The Electricity is required only for lights & fans.

#### **Water**

Water is required for human consumption only.

## **Manpower**

Library Assistants	2	4000.00	8000.00
Delivery Boy	1	3000.00	3000.00
			<hr/> <b>11000.00</b> <hr/>
<b>Salaries per</b>			
<b>Annum</b>			<hr/> <b>132000.00</b> <hr/>

## **7. Implementation Schedule**

If financing arrangements are available, the project can be implemented within a month's time.

## **8. Assumptions**

The Lending Library can be started with own capital and later by enrolling members, deposits can be collected which will be sufficient to pay back part of promoter's initial contribution.

- To start with 1200 members have to be enrolled.
- The income is estimated at Rs.10 per 10 days (Rs.30 per member per month for 3 rotations of books).
- Power charges works out to Rs.2000/- per month.
- Wages & Salaries works out to Rs.11000/- per month.
- Subscriptions to Magazines & periodicals is estimated to Rs.3000 p.m.
- Travelling & Conveyances is estimated at Rs.1000 p.m.
- Repairs & Maintenance is assumed at Rs.3000 per annum.
- Depreciation calculated @ 20% on Books & Equipments on WDV method.
- Office Rent assumed at Rs.4000/- p.m.
- Every year, out of profits, fresh books have to be procured and new members have to be enrolled to increase the income.

## **F. LIST OF BOOKS & EQUIPMENT SUPPLIERS**

Books & equipments, which are required for library are readily available in local market.

<b>1. COST OF PROJECT</b>	<b>Rs. lakhs</b>
Land & Building-Rental Advance (500 sq.ft)	0.40
Books & Equipments	5.13
Pre-Operative Expenses	0.30
Margin for Working Capital	0.10
<b>Total</b>	<b>5.93</b>
<b>2. MEANS OF FINANCE</b>	
Capital	2.08
Deposits from Members	3.85
<b>Total</b>	<b>5.93</b>

<b>3.COST AND PROFITABILITY</b>		<b>Rs. Lakhs</b>		
<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	
No. of Members	1200.00	1320.00	1452.00	
<b>Income from Lending Library</b>	<b>4.32</b>	<b>4.75</b>	<b>5.23</b>	
Power	0.24	0.25	0.26	
Wages & Salaries	1.32	1.39	1.46	
Rent	0.48	0.49	0.50	
Subscription of Magazine & periodicals	0.36	0.38	0.40	
Travelling & Conveyance	0.12	0.13	0.13	
Repairs & Maintenance	0.03	0.03	0.03	
Administration Expenses	0.30	0.32	0.33	
Depreciation	1.03	0.82	0.66	
	<b>3.88</b>	<b>3.80</b>	<b>3.77</b>	
<b>Total</b>	<b>3.88</b>	<b>3.80</b>	<b>3.77</b>	
Profit Before Tax	0.44	0.95	1.46	
Provision for Taxes	0.00	0.32	0.50	
Profit After Tax	<b>0.44</b>	<b>0.63</b>	<b>0.96</b>	
Add: Depreciation	1.03	0.82	0.66	

Total Cash Accruals	1.47	1.45	1.62
---------------------	------	------	------

**4. PROFITABILITY RATIOS BASED ON 80%**

<u>Profit Before tax</u>	<u>1.46</u>	28%
Sales	5.23	
<u>Profit before Interest &amp; Tax</u>	<u>1.46</u>	25%
Total Investment	5.93	
<u>Profit after Tax</u>	<u>0.96</u>	46%
Promoters Capital	2.08	

**5. CALCULATION OF BREAK EVEN LEVEL**

**FIXED EXPENSES**

Power	0.26
Wages & Salaries	1.46
Rent	0.50
Subscription of Magazine & periodicals	0.40
Travelling & Conveyance	0.13
Repairs & Maintenance	0.03
Depreciation	0.66
	<b>3.44</b>
Profit Before tax (P)	1.46

$$\text{BREAK-EVEN LEVEL} = \frac{\text{FC}}{\text{FC} + \text{P}} \times 80\%$$

**70%** of installed capacity

# CALL TAXIS

## **A. INTRODUCTION**

Call Taxis provide immediate access to public taxi services at reasonable fares without waiting for a longtime. These taxis are interconnected by wireless communication system so that caller will have an immediate access to a taxi from where he is contacting. For 'dropping' facilities and 'pick up' facilities Call Taxis are very convenient as they do not involve waiting time. Other than cities, in smaller towns also Call Taxi services can be provided with a wireless network keeping the taxis engaged all the time.

## **B. PRODUCT USES**

This is a service industry in which there is no specification for standard of service. However, the taxis should be accessible to persons calling any time from any location.

## **C. MARKET POTENTIAL**

Transport, Communication and Healthcare are claiming a major chunk of household expenditure in India, while the proportion spent on food, housing and other items is less. The combined spending on communication, transport and healthcare by Indian households over the 7 year period between 1996 and 2003 had grown by a compounded annual growth rate of 4.8 percent. In 1996, Transport & Communication was 15.54% of the household expenditure. This had increased to 19.26% in 2001.

Call Taxis concept survive on quality of service for transportation with a good network of communication. In several cities and towns Call Taxis can be introduced and there is a large potential for this.

## **D. TECHNICAL ASPECTS**

### **1. Installed Capacity**

A small Call Taxi unit with 5 Maruthi Omni vehicles will be a viable proposal. These vehicles can go in small lines and carry luggage also.

## 2. Vehicles & Equipments

The following items of vehicles and equipments are required to start a Call Taxi centre.

(Rs. lakhs)

Maruthi Omni 5 Nos @ Rs. 2.50		12.50
Wireless System/Push to talk system		0.50
Computer & Office equipments		0.60
<b>Total</b>		<b>13.60</b>

## 3. Land and Building

The unit can be preferably centrally located in a town or city where there is an immediate access to all the routes and corners of the town. An office area of 500 sq.ft is sufficient to accommodate office, Computer, Rest room for drivers, etc. This can be taken on a rental basis.

## 4. Utilities

### **Power**

The office requires electricity for light and computer. The wireless is operated with battery.

### **Water**

Water is required for human consumption only.

### **Manpower**

Manager	1	6000.00	6000.00
Office Assistants	1	4000.00	4000.00
Accountant	1	4000.00	4000.00
Attendants	2	2500.00	2500.00
Drivers	5	4000.00	20000.00
			<b>36500.00</b>

Add Benefits	7300.00
<b>Total</b>	<b>43800.00</b>

Annually Rs.5.26 lakhs.

Drivers bata are considered separately

## 5. Implementation Schedule

The project can be implemented in a month's period, If financing arrangements are made.

## 6. Assumptions

The unit would work for 365 days, 24 hours a day. The average running kilometer per car is estimated at 150 Kms. The average rate is Rs.10.00 per km.

A normal increase of 5% in income is provided every year.

Petrol Cost is estimated at current rates based on average mileage of 12 km per litre of petrol. The petrol rate is assumed at Rs.47.00 per litre.

Oil & Lubricants is works out to 10% of the petrol cost.

Drivers and other staff salary is assumed at Rs.5.75 lakhs per annum. Bata is considered separately at Rs.1500.00 per month.

Maintenance and service charges is estimated at Rs30000 per annum.

Replacement of tyres is estimated to Rs.20000 per annum.

Insurance premium works out to Rs.20000 per annum.

Vehicle Tax works out to Rs.10000 per annum.



Electricity charges works out to Rs.1500/- per month.

Annual Maintenance is assumed at Rs.1.00 lakh per annum.

Depreciation calculated @ 40% on Taxi and 25% on others on WDV method.

Admn. Expenses is assumed at Rs.3000 p.m.

Selling expenses are assumed at the rates of Rs.60000 per annum

Interest on TL is provided at 12% p.a. on reducing balance.

Income tax is provided at 33.99% on net profit.

#### **F. LIST OF VEHICLE SUPPLIERS**

MARUTHI OMNI, M/s. A B T, Guindy, Chennai-600 032.

#### **OTHER EQUIPMENTS SUPPLIERS**

1. M/s. V LINK SYSTEMS, Apollo Dubai Plaza, S3, II Floor, No. 100, Mahalingapuram Main Road, Nungambakkam, Chennai – 600 034.

2. Tata TeleServices Ltd, Thiru vika Road, Chennai - 600014

3. Reliance Communications, Chennai

<b>1. COST OF PROJECT</b>	<b>[Rs.lakhs]</b>
Building (Advance)	0.40
Taxis 5 Nos.	12.50
Wireless system	0.50
Computer & Office equipments	0.60
Pre-Operative expenses	0.50
Working Expenses	0.25
<b>Total</b>	<b>14.75</b>
<b>2. MEANS OF FINANCE</b>	
Capital	4.55
Term Loan	10.20
<b>Total</b>	<b>14.75</b>

### **3. COST OF OPERATION & PROFITABILITY STATEMENTS**

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Annual Income</b>			
Income from 5 vehicles daily 150 kms @ Rs.10 per km	27.38	28.75	30.19
<b>Expenditures</b>			
Petrol	10.72	11.26	11.82
Oil & Lubricants	1.07	1.13	1.18
Wages & Salary (including drivers salary)	5.76	6.05	6.35
Drivers Bata - 5 Nos.	0.90	0.95	1.00
Maintenance & Service charges	0.30	0.32	0.34
Replacement of Tyres	0.24	0.25	0.26
Insurance	0.20	0.21	0.22
Taxes	0.10	0.11	0.12
Electricity charges	0.18	0.19	0.20
AMC for communication	0.24	0.25	0.26
Depreciation	5.53	3.39	2.10
Admin, & General expenses	0.96	1.01	1.06
Sales promotion expenses	0.60	0.63	0.66
Interest on Term Loan	1.22	1.07	0.77
Total expenses	28.02	26.82	26.34
Profit Before Tax	-0.64	1.93	3.85
Provision for tax	0.00	0.00	0.67
<b>Profit After Tax</b>	<b>-0.64</b>	<b>1.93</b>	<b>3.18</b>
Add: Depreciation	5.53	3.39	2.10
Cash Accruals	4.89	5.32	5.28

#### 4. PROFITABILITY RATIOS BASED ON THIRD YEAR OPERATION

Profit after Tax	3.18	
<hr/>		
Income	30.19	11%
Profit before Interest and Tax	4.62	
<hr/>		
Total Investment	14.75	31%
Profit after Tax	3.18	
<hr/>		
Promoters Capital	4.55	70%

#### 5. BREAK EVEN LEVEL

##### Fixed Cost (FC):

[Rs.lakhs]

Wages & Salary	6.35
Maintenance & Service charges	0.34
Insurance	0.22
Taxes	0.12
Electricity charges	0.20
AMC charges	0.26
Depreciation	2.10
Admin. & General expenses	1.06
Interest on TL	0.77

**11.42**

Profit Before Tax (P) 3.85

FC x 100 11.42

BEL =  $\frac{FC \times 100}{FC + P} = \frac{11.42}{11.42 + 3.85} \times 100.00$   
 75% of installed capacity

# **CRECHE / BABY SITTING CENTRE**

## **A. INTRODUCTION**

The necessity of creche has arisen due to increase in number of working women. Now-a-days women folk are getting more and more educated and they want to take up employment to supplement the family monthly income. As a result, they are not able to look after their children in the age group 1 to 4, at the pre-school stage. During this time they require more care during day time particularly for feeding and playing. This is being looked after by crèches. In all semi-urban, urban and other major cities the demand for crèche is going up.

## **B. SERVICE SPECIFICATION & USES**

This is a service industry. There is no general standard prescribed for providing crèche service. But a crèche should have hygienic atmosphere for sanitation, resting, feeding and playing.

## **C. MARKET POTENTIAL**

The birth rate in India is about 2% per annum. In Chennai city the population as per 2001 census was about 64,25,000. The 2% birth rate per annum works out to 1,28,500 children per annum. There are about 29 urban centres which are district capitals. The total population of the State is about 560 lakhs in Tamilnadu. Besides this, there are several smaller towns. In all cities and towns there are working women whose population is increasing year after year. Therefore, the demand for crèche is growing at a faster rate.

## **D. TECHNICAL ASPECTS**

### **1. Installed capacity**

A small crèche / Baby sitting centre can be started with an initial accommodation of 25 children. Later on, depending upon the inflow of children the capacity can be increased by adding further space and equipments.

## **2. Equipments**

The following equipments are required to be purchased

	<b>Value (Rs.)</b>
Small Chairs	12000
Cots	20000
Toys, Music Systems, TV/VCR	35000
Books, Black Board	6000
Studying articles	10000
<b>Total</b>	<b>83000</b>

## **3. Process**

Trained Ayas can be employed to look after the children for feeding, playing, sleeping, nursery rhymes recitations and attending personal sanitation. Food items to be provided to the children are taken as an item to be brought in by the parents. The crèche is not envisaging the supplying of food to the children for the purpose of this project report.

## **4. Building**

A rented house with 1000 sqft. area will be sufficient to accommodate 25 children initially. There will be sufficient space for playing, sleeping, eating etc. The monthly rent is assumed at Rs.8000 and advance payment will be about Rs.80,000.

## **5. Utilities**

### **Power:**

The electricity is required for lighting as well as for operating Music systems, TV, VCT etc. Domestic connection is sufficient.

### **Water:**

Water for consumption has to be made available. For 25 children at least 2000 litres may be made available.

**Transport:**

For bringing the children to the crèche and for picking them up the parents have to arrange for transport. It is not taken as an expenditure of the crèche.

**Man power:**

The crèche can employ 2 Ayas who are experienced in dealing with children. A trained person can handle 25 children. A monthly salary of Rs.2500 is provided for each.

**6. Implementation Schedule**

If suitable location is identified, the project can be implemented within a month. The residents of nearby residential areas can be informed about the availability of the crèche by distributing printed bit notices.

**7. ASSUMPTIONS**

- The Capacity of the crèche is estimated at 25 children
- Charge per child is estimated at Rs.800 per month.
- Salaries per month are estimated at Rs.5000.
- Rent is considered at Rs.8000 per month.
- Power charge is estimated at the current rate which works out to Rs.6000 per annum.
- Washing bed linen & replacement expenses are estimated at Rs.12,000/- per annum.
- Chemicals & Disinfectants are estimated at Rs.6000 per annum.
- Administrative and General expenses are estimated at Rs.1000 per month (Rent will be paid separately)
- Interest on Term Loan borrowing is estimated at 12% p.a.
- Income tax is provided at 33.99% on taxable income.

## **LIST OF FURNITURE SUPPLIERS**

1. Supreme Furnitures, Hunters, No.42, Sembudoss Street, Chennai 600 001.
2. Ajanta Furniture, No.265, Roypettah High Road, Royapettah, Chennai 600 014.

## **LIST OF TOYS SUPPLIERS**

1. Landmark, Apex Plaza, No.3, Nugambakkam High Road, Chennai 600 034.
2. Playtime agencies, Cisons Complex, No.150, Montieth Road, Chennai 600 008.

## **FINANCIAL ASPECTS**

### **1. COST OF PROJECT**

**Rs.lakhs**

Land and Building (Advance)	0.80
Equipments	0.83
Pre-Operative expenses	0.05
Working Expenses	0.05
	<b>1.73</b>

### **2. MEANS OF FINANCE**

Capital	1.13
Term Loan	0.60
	<b>1.73</b>

### **3. COST OF SERVICE & PROFITABILITY STATEMENTS**

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Income per annum</b>	<b>2.40</b>	<b>2.52</b>	<b>2.65</b>
(No. of children 25, Rs.800 pm./children)			
Salaries	0.60	0.63	0.66
Rent	0.96	1.01	1.06
Electricity	0.06	0.06	0.06
Washing & replacement	0.12	0.13	0.14

Chemicals disinfectants	0.06	0.06	0.06
Admin, & General expenses	0.12	0.13	0.14
Interest on Term Loan	0.07	0.06	0.05
Total expenses	1.99	2.08	2.17
Profit Before Tax	0.41	0.44	0.48
Provision for tax	0.00	0.00	0.00
<b>Profit After Tax</b>	<b>0.41</b>	<b>0.44</b>	<b>0.48</b>

#### 4. PROFITABILITY RATIOS BASED ON 80% UTILISATION

Profit after Tax	0.48	18%
Income	2.65	
Profit before Interest and Tax	0.53	31%
Total Investment	1.73	
Profit after Tax	0.48	42%
Promoters Capital	1.13	

#### 5. BREAK EVEN LEVEL

<b>Fixed Cost (FC):</b>	<b>Rs.lakhs</b>
Wages & Salaries	0.66
Rent	1.06
Admin. & General expenses	0.14
Interest on TL	0.05
	<b>1.91</b>
Profit Before Tax (P)	0.48
BEP = $\frac{FC \times 100}{FC + P}$	$\frac{1.91}{1.91 + 0.48}$
	80% of installed capacity



# **DEPARTMENTAL STORES (MINI) SUPER MARKET**

## **A. INTRODUCTION**

Gone are those days when one had to go through different shops in search of various household products. Nowadays all the items required for every family are available under a single roof! The consumer can now select from a large variety of brands of a particular item from one place. He need not stop at different places to purchase any product. The setting up of super markets at various strategic locations in cities and towns provides ample scope for the traders to market all products under one shop and it helps the consumer select and buy all his requirements from one place.

## **B. PRODUCT SPECIFICATION & USES**

There is no product specification for Departmental stores. The goods and commodities which are generally dealt in should be of high quality.

## **C. MARKET POTENTIAL**

Retailing in India is well poised for a boom on account of surging domestic consumption and sophisticated consumerism. Today organized and modern retail together forms around 9 per cent of total retailing in the country. The figure is much higher for the U.S and the U.K and relatively higher too for neighboring Asian countries like China, South Korea, Indonesia, Philippines, Thailand and Malaysia.

The performance of the retail sector has been driven by better delivery models and selection of proper location catering to every class of customers. The size of the organized and modern retailing industry put together is around \$ 29 billion. According to AT Kearney's 2006 report, the organized retail sector in India is poised to grow at 35 per cent compounded annual growth rate (CAGR) for the next few years. However, the sector continues to remain fragmented and the neighborhood kirana store still dominates. As much as 98 per cent of the outlets are smaller than 500 square feet in

area. This means India's per capita retailing space is about 2 odd square feet compared to 16 square feet in the U.S The country has more that 12 million retail outlets and needs a structured retailing industry in the modern sense of the term.

The private consumption expenditure of Indian public has gone up significantly from 1999-00 to 2005-06 as per details given below. The total expenditure as well as per capita expenditure have both gone up.

#### **PRIVATE CONSUMPTION EXPENDITURE (At Current Prices)**

Particulars	Total		Per capita		Growth rate
	2005-06	1999-00	2005-06	1999-00	1999-05
	Rs. Crores		Rs		%
Food, beverage etc	816,855 (34.9)	647,011 (51.5)	7,379	6,464	2.2
Of which: cereals, pulses etc	143,988 (6.9)	188,831 (15.0)	1,301	1,886	-6.0
Sugar & gur	47,494 (2.4)	36,986 (2.9)	429	369	2.5
Oils & oilseeds	48,834 (2.4)	30,518 (2.4)	441	305	6.4
Fruits, vegs & tubers	183,993 (8.9)	124,071 (9.9)	1,662	1,239	5.0
Milk & products	136,137 (6.6)	103,681 (8.2)	1,230	1,036	2.9
Beverages, pan, tobacco etc	74,751 (3.6)	54,071 (4.3)	675	540	3.8
Clothing & foot wear	104,406 (11.8)	66,292 (5.3)	943	662	6.1
Rent, fuel & power	244,258	143,558	2,206	1,434	7.4

	(11.8)	(11.4)			
Transport & common	396,393 (19.1)	164,524 (13.1)	3,581	1,644	13.9
Others	510,167 (24.6)	236,156 (18.8)	4,609	2,359	11.8
<b>Total</b>	<b>2,072,079</b> <b>(100.0)</b>	<b>1,257,541</b> <b>(100.0)</b>	<b>18,718</b>	<b>12,563</b>	<b>6.9</b>

Source: Statistical Outline of India. Tata Service Ltd. 2006-07

Note: Figures in brackets show percentages to total

### **Compound rate.**

It may be seen from the above that the per capita expenditure has been more in food, beverages, clothing footwear, milk & products etc. The per capita expenditure on households is increasing substantially.

The growing Indian middle class with its rising consumption is behind the growth in recent years. The middle class population is placed around 480 million with monthly household income (MHI) ranging from \$ 150 to \$ 1000. This burgeoning middle class is expected to push consumption in a big way in the coming years. The average household income in urban areas has grown in retail.

The economy is undergoing a change in the age profile of spenders and the total number of young spenders is expected to increase sharply in future. A younger population translates to higher propensity to spend and more consumption. More than 52 per cent of the population is less than 25 years of age! These factors will drive the growth of organized retail in urban areas and to a limited extent in rural areas. The country is already witnessing a retail revolution of all sorts.

Organized retail in India is expected to grow at 35 per cent for the next five years. Because of its current nascent stage and the investments planned in this sector by existing and new players, it is estimated that the organized retail market will be 20 per cent of total retailing by 2008.

Considering this background, there is a good scope for new departmental stores being set up. Supplies can be made to households and restaurants / hotels as well.

## **D. TECHNICAL ASPECTS**

### **1. Installed capacity**

The proposed unit is a small Departmental store with an area of 1000 sq. ft. The volume of products can be increased or decreased with respect to area available and availability of working capital for storage of materials.

### **2. Equipments**

The following items of Equipments are required

<b>Items</b>	<b>[Rs.lakhs]</b>
Interiors	2.50
Racks	3.80
Computes for billing	0.30
Air Conditions (4 Nos.)	1.50
Electricals & Fittings	0.50
Platform scale	0.12
Electronic weighing scale	0.15
Deep Freezer	0.40
Delivery van	1.20
Vacuum cleaner	0.07
Labeler	0.07
Miscellaneous	0.39
<b>Total</b>	<b>11.00</b>

### 3. Materials

Material (goods and commodities) list is enclosed separately

### 4. Land & Building

A Building area of 1000 sq. ft. is sufficient to start a small Departmental Store. A monthly rent of Rs.8,000 is considered. An advance of Rs.80,000 is required. Besides this, for godown purpose another area of 500 sq. ft. may be required for storing materials before they are displayed in store. This will also cost about Rs.2000 per month and an advance of Rs.20,000.

### 5. Utilities

#### **Power:**

The shop is connected with necessary power connection. Air conditioners and computers can be operated.

#### **Water:**

Water required for human consumption is estimated at 500 litres per day

#### **Man power:**

Category	Nos.	Monthly	Total
Manager	1	7000	7000
Account Assistants	2	4000	8000
Supervisor	1	5000	5000
Workers	15	3000	45000
			<b>65000</b>
Add : 20% benefits			13000
			<b>78000</b>
Total salary per annum (Ra.lakhs)			Rs.9.36 lakhs

### 6. Implementation Schedule

As the Materials are available easily, if financing arrangements are made, the project can be implemented in a month's time.

## **7. ASSUMPTIONS**

- Total sales per annum is estimated at Rs.180 lakhs at the rate of Rs.20.00 lakhs per month.
- Cost of materials is estimated at 87% of Sales value.
- Power charge is estimated at the Rs.8,000 per month. The average margin of various items to be dealt in is 13%.
- Wages & Salaries is estimated at Rs.9.36 lakhs per annum.
- Repairs & Maintenance is estimated at Rs.5000 per month.
- Depreciation is calculated on WDV method
- General & Adm. expenses is Rs.30000 per month, which includes Building rent and other expenses. Selling expenses is estimated at 1% on sales value
- Interest on Term Loan & working capital borrowings are estimated at 12% p.a. The bank finance requirement is about Rs. 14.77 lakhs against stock –in- trade.
- Income tax is provided at 33.99% on taxable income.

## **LIST OF EQUIPMENT SUPPLIERS**

### **Computer Billing**

1. Methodex Inpres Ltd., 3<sup>rd</sup> floor, No.824 EVR Peryar Raod, Chennai 600 010.
2. Beam-Soft Pvt. Ltd.,No.A9, Sangatha Alacrity, MGR Nagar, Velachery,

### **Air Conditioner**

1. Voltas, Aironics Corporation, No.5, Krishnaswamy Avenue, Luz Church, Mylapore, Chennai 600 004.
2. Carrier, BSR Enterprises, No.25, Nathamuni Street, T.Nagar, Chennai 600 017.

### **Labelling Equipment**

1. Imprint Labels, No.14, Mahalaxmi Nagar East Ext., Adambakkam, Chennai 600 088.
2. Pooja Marketing, No.20/35, Nathamuni St., T.Nagar, Chennai 600 017.

### **Groceries / Provisions whole sale dealers**

1. K. Natesa Iyer & Co, 5, Anna Pillai Street, Chennai – 600 001.
2. Santhosh Provisions, 331, T.H. Road, Chennai-600 005.
3. Poorna Traders, 7, Acharappan Lane, Chennai-600 001.

<b>1. COST OF PROJECT</b>	<b>[Rs.lakhs]</b>
Building - Advance	1.00
Equipments	11.00
Other Misc. assets	0.00
Pre-Operative expenses	0.50
Margin for WC	4.92
<b>Total</b>	<b>17.42</b>

<b>2. MEANS OF FINANCE</b>	
Capital	9.17
Term Loan	8.25
<b>Total</b>	<b>17.42</b>

### **3. COST OF PRODUCTION & PROFITABILITY STATEMENTS**

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
Sales per month (Rs.lakhs)	20.00	22.00	24.20
Sales per annum (Rs.lakhs)	240.00	264.00	290.40
Materials Purchase Cost (87% of Sales Value)	208.80	229.68	252.65
Add: Stock in Trade opening	0.00	19.69	23.51
	208.80	249.37	276.16
Less: Stock in Trade	19.69	23.51	26.04
Total Cost of Sales	189.11	225.86	250.12
Power	0.96	1.01	1.06
Wages & Salaries	9.36	9.83	10.32
Repairs & Maintenance	0.60	0.63	0.66
Depreciation	2.75	2.06	1.55
Total Cost of Sales	202.78	239.39	263.71
Admin, & General expenses	3.60	3.78	3.97
Selling expenses	2.40	2.64	2.90
Interest on Term Loan	0.99	0.87	0.62
Interest on Working Capital	1.77	1.77	1.77
<b>Total</b>	<b>211.54</b>	<b>248.45</b>	<b>272.97</b>
Profit Before Tax	28.46	15.55	17.43
Provision for tax	9.67	5.29	5.92
Profit After Tax	18.79	10.26	11.51
Add: Depreciation	2.75	2.06	1.55
Cash Accruals	21.54	12.32	13.06



#### 4. WORKING CAPITAL:

	Months Consumptions	Values	%	Margin Amount	Bank Finance
Stock in Trade	1.25	19.69	25%	4.92	14.77
<b>Total</b>		<b>19.69</b>		<b>4.92</b>	<b>14.77</b>

#### 6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

<u>Profit after Tax</u>	11.51	
Sales	290.40	4%
<u>Profit before Interest and Tax</u>	19.82	
Total Investment	32.19	62%
<u>Profit after Tax</u>	11.51	
Promoters Capital	9.17	126%

#### 7. BREAK EVEN LEVEL

##### Fixed Cost (FC):

[Rs.lakhs]

Wages & Salaries	10.32
Power	1.06
Repairs & Maintenance	0.66
Depreciation	1.55
Admin. & General expenses	3.97
Interest on working capital	1.77
Interest on TL	0.62

**19.95**

Profit Before Tax (P)

17.43

$\frac{FC \times 100}{FC + P}$	19.95	80
BEP =	19.95+	17.43
	43%	of installed capacity

# **FAST FOOD PARLOUR**

## **A. INTRODUCTION:**

In the present day world, people are heading towards fast food restaurants, for the purpose of snacking. Fast food is selling like real hot cakes especially amongst the younger generation. Though fast food is not a very healthy option to go in for, still people are opting for it because today fast foods have become an integral part of fad trend.

The Hoteliers claim that their food prices are fixed not to make any substantial profit but just to make both ends meet. Their overhead costs are high. In fast food restaurant, the overheads can be kept to the minimum, and the prices of the food served can be kept low due to low labour force and low overheads, and other minimum infrastructure like furniture etc.

Considering the growth in floating population in the cities and fast moving life people prefer to spend bare minimum time in the restaurants. In this context, fast food parlors are the most suitable alternative.

## **B. PRODUCT USES & SPECIFICATIONS:**

There is no product specification for fast food restaurant. The standards are determined by ultimate consumers who are regular visitors to a restaurant.

## **C. MARKET POTENTIAL:**

The proposed parlour should be in a central place, so that it can cater to the requirements of middle class, and other upper and lower middle income groups. The motto of the parlour should be to maintain a high standard of food and warm and quick service to the customs at affordable rates. The project should be conceived with the aim of providing basic necessities to the customers. All South Indian vegetarian dishes and other fast moving north Indian dishes should be provided to the customers.

## **D. TECHNICAL ASPECTS:**

### **1. Plant & Machinery :**

In order to provide adequate facilities the following equipments and furniture are required to be maintained.

	Nos
1. Steam Boiler SBC 6	1
2. Diesel Burner Blower	1
3. Rice Cooking Vessel 10 kg.	1
4. Hall/Veg. Vessel 10 kg.	1
5. Idly Cooking Plant IP 100	1
6. Gas Cooking Range 3 in 1	1
7. Gas Cooking Range 2 in 1	1
8. Dosaplate 4 x 21/2 x 34"	1
9. Workable with 3 shelves	6
10. Wortable with sink	1
11. Washing sink 3 in 1	1
12. Dish handling table	1
13. Cleansing Rack 4 in 1	2
14. Wet grinder 10 ltrs.	1
15. Wet grinder 5 ltrs.	1
16. Dirty Collection trolley	2
17. Deepfreezer 3 doors	1
18. Pipeline valve fittings	LS
19. Aluminium Glading	LS
20. Paw Bajji Counter	1
21. Bhel puri counter	1
22. Samosa hotcase	1
23. Juice counter	1
24. 8 hole hotcase	1
25. 2 hole hotcase	1
26. Service counter with 7 hole bainmarie	1
27. Potato peeler	1
28. Milk Boiler	1



**Effluent treatment** : No harmful effluents envisaged.

**Man Power Requirement:**

<b>Production</b>		<b>Rs./Mont h</b>	<b>Total</b>
1. Cooks	3	4000	12000
2. Assistants	3	3000	9000
3. Waiters	10	3000	30000
4. Supervisors	2	5000	10000
5. Cleaners	3	2500	7500
			<b>68500</b>
			Add: Benefits 20%
			13700
			<b>Total</b>
			<b>82200</b>
			Annually
			Rs.9.86 lakhs.
<b>Administrative</b>			
1. Manager	1	7000	7000
			Add: Benefits 20%
			1400
			<b>Total</b>
			<b>8400</b>
			Annually
			Rs.1.01 lakh.

**7. IMPLEMENTATION SCHEDULE:**

The machines are available from the suppliers indigenously. The project can be implemented within a month.

**8. ASSUMPTIONS**

1. Sales per day at 100% Rs.24000 Sales per annumRs.84.00 lakhs
2. Occupancy/Utilisation Year1-60%, Year2-70%and Year3-80%
3. Material cost 50 % of the sales revenue
4. Power charges Rs.5000 per month
5. Repairs and Maintenance Rs.36000 per annum
6. Depreciation normal rates at written down value method
7. Administration and general expenses Rs.12000 per month.

8. Interest on Term Loan 12% p.a.

9. Income tax is provided at 33.99% on taxable income.

**LIST OF MACHINERY & EQUIPMENT SUPPLIERS:**

1. ARV Engineering Industries Pvt. Ltd., No.6, Amaravathi Nagar Main Road, Kurinji, Arumbakkam, Chennai 600106.

2. M/s.Classic Canteen Systems, PK5, Sidco Industrial Estate, Ekkattuthangal, Chennai - 600 097.

3. M/s.Micro Engineering Works, 32, Teynampet Ramasamy Mudali Street, Chennai 600106.

**FINANCIAL ASPECTS**

**1. COST OF PROJECT**

**[Rs.lakhs]**

Land & Building (Advance)	0.50
Equipment & Furniture	11.00
Pre-Operative expenses	0.50
Margin for WC	0.50
<b>Total</b>	<b>12.50</b>

**2. MEANS OF FINANCE**

Capital	4.50
Term Loan	8.00
<b>Total</b>	<b>12.50</b>

**3. COST OF PRODUCTION & PROFITABILITY STATEMENTS** [Rs.lakhs]

Details of Income:

Rate assumed per hour	Rs.1,500
No. of hours per day	16 hours
Income per day	Rs.24,000
No. of days p.a.	350 days
Income per annum (Rs.lakhs)	Rs.84.00 lakhs

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
Income per annum -100% (Rs.lakhs)	84.00	84.00	84.00
Utilisation	60%	70%	80%
Income per annum	<b>50.40</b>	<b>58.80</b>	<b>67.20</b>
Raw Materials	25.20	29.40	33.60
Power	0.60	0.42	0.48

Wages & Salaries	10.87	11.41	11.98
Repairs & Maintenance	0.36	0.40	0.44
Depreciation	1.65	1.40	1.19
Cost of Production	38.68	43.03	47.69
Admin. & General expenses	1.44	1.51	1.59
Selling expenses	0.00	0.00	0.00
Interest on Term Loan	0.96	0.84	0.60
Interest on Working Capital	0.00	0.00	0.00
<b>Total</b>	<b>41.08</b>	<b>45.38</b>	<b>49.88</b>
Profit Before Tax	9.32	13.42	17.32
Provision for tax	3.17	4.56	5.89
Profit After Tax	<b>6.15</b>	<b>8.86</b>	<b>11.43</b>
Add: Depreciation	1.65	1.40	1.19
Cash Accruals	7.80	10.26	12.62

#### 4. WORKING CAPITAL:

	Months	Values	%	Margin	Bank
	Consumptions			Amount	Finance
Expenses	1.00	0.50	100%	0.50	0.00
		0.50		0.50	0.00

#### 6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

<u>Profit after Tax</u>	=	<u>11.43</u>	17%
Sales		67.20	
<u>Profit before Interest and Tax</u>	=	<u>17.92</u>	143%
Total Investment		12.50	
<u>Profit after Tax</u>	=	<u>11.43</u>	254%
Promoters Capital		4.50	

#### 7. BREAK EVEN LEVEL

<b>Fixed Cost (FC):</b>					
			<b>[Rs.lakhs]</b>		
Wages & Salaries			11.98		
Power			0.48		
Repairs & Maintenance			0.44		
Depreciation			1.19		
Admin. & General expenses			1.59		
Interest on TL			0.60		
			<b>16.28</b>		
Profit Before Tax (P)			17.32		
BEL	$\frac{FC \times 100}{FC + P}$	=	$\frac{16.28}{33.60}$	x	$\frac{80}{100}$ x 100
=			39%		of installed capacity





# LAUNDRY

## A. INTRODUCTION:

Washing of fabrics is a regular activity for garment exporters. The fabrics have to be washed before they are cut and stitched. Sometimes garments are washed after stitching also according to buyers' requirement. There are about more than 500 nos. of garment export units in around Chennai and exports worth Rs.1500.00 crores take place from Chennai. This is increasing year after year and this provides ample scope for job work for washing.

## B. PRODUCT USES & SPECIFICATIONS:

This is a service industry. There is no standard specification for washing. The standards are fixed by the customers by general practice followed. The washing is being done by garment exporters, hotels, hospitals, railways etc.

## C. MARKET POTENTIAL:

Garment exporters, establishments like hotels, hospitals, and railways require regular washing of cloth / clothes. The Railways provide bed sheets, face towels and bedding materials (mattresses) to travellers in AC coaches. These are to be washed every day and the daily requirement is in large quantities. A well equipped unit to handle large varieties of fabrics and other washable items can take up more and more of job works.

The following figures of garment exports also reveal that the numbers of garments exported are increasing year after year providing scope for ancillary business like washing

<b>Years</b>	<b>Export of garments value (Rs. in crores)</b>
1996	16,710
1997	17,764

1998	20,834
1999	22,915
2000	25,852
2001	22,000
2002	21,421
2003	22,750
2004	24,179
2005	28,000
2006	34,324

Source: AEPC

Every year, new export targets are being fixed and there is a large scope for this. The requirement of washing in domestic market is so large that an estimate cannot be made so easily. The demand for washing in cities and towns is emanating from hotels, hospitals, hostels and other establishments.

#### **D. TECHNICAL ASPECTS:**

##### **Installed Capacity**

The installed capacity is estimated at 2000 kgs of textile material per day representing about 6000 pieces per day. On this basis the installed capacity works out to 192000 pieces per annum of 320 days working.

##### **Plant & Machinery**

<b>Sl</b>	<b>Particulars</b>	<b>Nos.</b>	<b>Rs. lakhs</b>
1	Industrial Washing (100 kgs.)	1	1.80
2	Hydro Extractor (50 kgs.)	1	1.40
3	Tumble dryer	1	1.50
4	Electrical Iron Box with tables	8	0.80

	<b>Total</b>		<b>5.50</b>
--	--------------	--	-------------

## **Cleaning/Washing Process:**

The process of washing involves the following sequence of operations.

I

Weighing of detergents and other chemicals as per Determined quantity for a batch

I

Feeding of detergents and other mix to the industrial washing machine—feeding fabrics garments to the industrial washing machine

I

Washing operation takes place by stirring process and circulation in the washing machine

I

Circulating water and cleaning the materials in the washing machine

I

Drying out water and transferring washed material to Hydro extractor

I

Squeezing of material and removal of water in the Hydro extractor

I

Transferring squeezed material to the electrical tumble dryers

I

Drying the material in the dryers

I

Transferring the material to Ironing tables fitted with electrical Iron boxes

I

Manually ironing the materials

I

Folding and Dispatching

## **Raw Materials**

There is no requirement of raw materials. The clothes are supplied by the parties who are entrusting job work. The unit has to purchase consumable materials like, detergent and washing materials, chemicals both for export and local market i.e., 50% for export and 50% for domestic market.

**Land & Building:** A factory shed with an area 3000 sq. ft on rental basis is sufficient

### **Utilities**

**Electricity:** Power requirement is 20 H.P. which is sufficient for operation

**Water:** Water is required is about 5000 litres per day. A bore well and an overhead tank with a capacity of 5,000 litres is adequate for the purpose.

### **Man Power Requirement:**

	<b>Production</b>	<b>Nos</b>	<b>Rs./ Month</b>	<b>Total Salary p.m.</b>
1	Supervisors	1	5000	5000
2	Skilled operators	2	4000	8000
3	Semi-skilled workers	2	3000	6000
				<b>19000</b>
	Add: Benefits 20%			3800
	<b>Total</b>			<b>22800</b>

Total Wages & Salaries per annum (Rs.lakhs)      Rs.2.74 lakhs

### **7. IMPLEMENTATION SCHEDULE:**

The Plant & Machinery required for industrial washing is available from local manufacturers and machinery can be installed in two months' period. The production can commence after a week's trial.

### **8. ASSUMPTIONS:**

1. The installed capacity is 1500 garments washing per day (double shift)  
4.50 lakhs garments p.a. Rs.4.00 per garment.
2. Utilisation assumed is 60%, 70%, & 80% for first 3 years.
3. Materials (Consumables for washing) is assumed at Re.0.30 per piece.

4. Power is calculated for 20 HP for 16 hours @ Rs.5.00 per unit.
5. Repairs & Maintenance is assumed at Rs.2500 per month.
6. Depreciation is calculated at 15% on WDV method.
7. Admn. & General expenses are calculated at Rs.30000 pm which includes transport and delivery charges.
8. Interest on TL is calculated at 12% p.a., Term Loan will be paid back in 5 years.
9. Working capital facility is not provided.
10. Income tax is provided at 33.99% on profits.

### **MACHINERY SUPPLIERS**

1. M/s.Veesew Machines, 11, Thiruvalluvar Street, Villivakkam, Chennai - 600049. Phone: 6266933.
2. M/s.Lucky Engineering Works, 779-A, Faridpuri, West Patel Nagai, New Delhi - 110008.
3. M/s.Layer Instrumentation, 3, Chokkalingam Nagar, Vellala Teynampet, Chennai - 600086.

### **RAW MATERIALS**

#### **Detergents**

1. M/s.United Chemical & Detergents, 167, Govindappanaicken Street, Chennai - 600001.
2. M/s.N.R.G. Chemical Private Ltd., 67, Bazulla Road, Chennai - 600017

## FINANCIAL ASPECTS

### 1. COST OF PROJECT

Rs. lakhs

Land & Building (Advance)	2.40
Plant & Machinery	5.50
Other Misc. assets	0.10
Pre-Operative expenses	0.20
Margin for WC	0.18
<b>Total</b>	<b>8.38</b>

### 2. MEANS OF FINANCE

Capital	4.25
Term Loan	4.13
<b>Total</b>	<b>8.38</b>

### 3. COST OF PRODUCTION & PROFITABILITY STATEMENTS

Rs.lakhs]

Years	1	2	3	4	5
Installed Capacity (Nos.)	450000	450000	450000	450000	450000
Utilisation	60%	70%	80%	80%	80%
Production/Sales (Nos.)	270000	315000	360000	360000	360000
Selling Rate					
- Local Rs.4.00 per piece	10.80	12.60	14.40	14.40	14.40
Total Value (Rs.lakhs)	<b>10.80</b>	<b>12.60</b>	<b>14.40</b>	<b>14.40</b>	<b>14.40</b>
Materials (Consumables)	0.81	0.95	1.08	1.08	1.08
Power	2.15	2.51	2.87	2.87	2.87
Wages & Salaries	2.74	2.88	3.02	3.17	3.33
Repairs & Maintenance	0.30	0.33	0.36	0.40	0.44
Depreciation	0.83	0.70	0.60	0.51	0.43
Cost of Production	6.83	7.37	7.93	8.03	8.15
Admin. & General expenses	3.00	3.15	3.31	3.48	3.65
Selling expenses	0.00	0.00	0.00	0.00	0.00
Interest on Term Loan	0.50	0.43	0.31	0.31	0.31
Interest on Working Capital	0.03	0.03	0.03	0.03	0.03
Total	10.36	10.98	11.58	11.85	12.14
Profit Before Tax	0.45	1.62	2.82	2.55	2.26
Provision for tax	0.00	0.55	0.96	0.87	0.77

Profit After Tax	<b>0.45</b>	<b>1.07</b>	<b>1.86</b>	<b>1.68</b>	<b>1.49</b>
Add: Depreciation	0.83	0.70	0.60	0.51	0.43
Cash Accruals	1.27	1.77	2.46	2.19	1.92
Repayment of Term Loan	0.00	1.03	1.03	1.03	1.04

#### 4. WORKING CAPITAL:

	Months	Values	%	Margin	Bank
	Consumptions			Amount	Finance
Materials -Consumables	1.00	0.07	25%	0.02	0.05
Debtors	0.25	0.23	25%	0.06	0.17
Expenses	1.00	0.10	100%	0.10	0.00
		<b>0.40</b>		<b>0.18</b>	<b>0.22</b>

#### 6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

<u>Profit after Tax</u>	=	<u>1.86</u>	13%
Sales		14.40	
<u>Profit before Interest and Tax</u>	=	<u>3.16</u>	37%
Total Investment		8.60	
<u>Profit after Tax</u>	=	<u>1.86</u>	44%
Promoters Capital		4.25	

#### 7. BREAK EVEN LEVEL

Fixed Cost (FC):	<b>Rs. lakhs</b>	
Wages & Salaries	3.02	
Repairs & Maintenance	0.36	
Depreciation	0.60	
Admin. & General expenses	3.31	
Interest on TL	0.31	
	<b>7.60</b>	
Profit Before Tax (P)	2.82	
BEL =	$\frac{FC \times 100}{FC + P}$	= $\frac{7.60}{10.42} \times \frac{80}{100} \times 100$
		58% of installed capacity



# **OLD AGE HOME**

## **A. INTRODUCTION**

The life expectancy in India has increased significantly after independence, particularly in the last 2-3 decades, due to availability of better medical facilities, improved health consciousness and increase in standard of living of the people. The percentage of aged persons has been steadily increasing. The old parents are not able to live with their children because of several reasons. There is, therefore, a huge demand for Old Age Homes where the elder citizens can live peacefully and safely for their life time . Instead of living independently and separately in houses without any safety and care, the elderly persons can live happily in these old age homes. In several cities, towns and rural areas there is a huge demand for Old Age Homes.

## **B. SERVICE USAGE & SPECIFICATIONS.**

There is are no standards prescribed for Old Age Homes. However, minimum facilities for staying, food, sleeping, recreation, reading etc. are required in healthy atmosphere. A consulting doctor can visit the old age home on a weekly basis for regular check up and specific consultation by inmates.

## **C. MARKET POTENTIAL**

The life expectancy in India was 45.6 years in 1971 which had increased to 58.2 years in 1991. In Tamilnadu it was 65 years in 2001. The demand for Old Age Home emanates from the elderly population in the society. The number of people above the age of 60 was 6.2 crores in 1996 which had increased to 7.06 crores in 2001. Due to various reasons the elderly people are not able to live independently without any support. In many cases the children may be employed else where and they are not able to support the parents directly. Such persons are willing to get admitted in Old Age Homes.

## **D. TECHNICAL ASPECTS**

### **1. Capacity Proposed**

The capacity proposed is accommodation of 50 senior citizens. About 50 persons can live in 25 rooms, two persons in one room. Besides living room, the old age home will have recreation hall, dining hall, kitchen, store, library, consulting doctor's room, etc.

### **2. Equipments**

In order to equip the Old Age Home, the following items are to be procured.

<b>Sl.</b>	<b>Item</b>	<b>Value (Rs. lakhs)</b>
1.	Furniture – Hall, Dining etc.,	3.00
2.	Chairs	0.80
3.	Kitchen equipments: Vessels, Cookers, Mixer, Grinder, Plates vessels etc.	2.80
4.	Crockery	2.00
5.	Recreation: Carrom / Health club equipment	1.60
6.	Television	0.40
7.	VCR	0.30
8.	Music system	0.30
9.	Books – Library – Reading Room	1.80
10.	Washing Machines	1.50
11.	Cot and Furniture – Rooms	3.20
	<b>Total</b>	<b>17.70</b>

### **3. Materials**

The materials which are required to be consumed in Old Age Home are provisions, groceries, vegetables, toiletries, medicines, chemicals, washing soap, detergents, etc. These can be purchased on a monthly basis. All these items can be procured from regular suppliers.

A tie-up can be arranged with a local doctor for weekly consultation at the Old Age Home. The cost of minor medicines can be incurred from Monthly charges collected from inmates. Additional extra medicines for special treatment required can be incurred by them separately.

#### 4. Building

For living rooms an area of 7000 sq. ft will be required. In addition to this Hall (2000 sq. ft), Dining Hall (1000 sq. ft), Kitchen (500 sq. ft), Store (300 sq. ft), Library (500 sq. ft) and Doctor room (200 sq. ft). The building can be rented or constructed.

#### 5. Utilities

**Power:** Electricity is required for lighting, cooking etc.

**Water:** Good potable water should be available. The water requirement per day will be about 15000 litres.

**Transport:** Transport facilities can be hired for bringing provisions vegetables etc.

#### Man power:

Category	Nos.	Monthly	Total
Manger	1	6000	6000
Attendants	2	2500	5000
Cooks	2	3000	6000
Assistant	2	2500	5000
Ayas	3	2500	7500
			<b>29500</b>
Add : 20% benefits			5900
			<b>35400</b>
Total salary per annum (Rs .lakhs)			Rs.4.25 lakhs

#### 6. Implementation Schedule

As the equipments are available easily, if financing arrangements are made, the project can be implemented in 1 month time.

## 7. ASSUMPTIONS

- The accommodation capacity is assumed at 50 persons, two persons per room. Charge per month per person Rs.4000/-, this workout to Rs.24.00 lakhs per annum.
- Cost of food material and other consumables are assumed at Rs.250 per person. This works out to Rs.1.56 lakhs per annum.
- Cost of chemicals and consumables is estimated at Rs.0.60 lakh per annum.
- Power charge is estimated at the current rate which works out to Rs.0.36 lakh per annum i. e Rs.3000 per month.
- Wages & Salary is estimated at Rs.4.25 lakhs per annum.
- Doctor's consultancy fees is charge at Rs.50 per person. This expense works out to Rs.0.30 lakh per annum.
- Medicine cost is estimated at Rs.500 per person.
- Subscription to periodicals cost is estimated at Rs.120 per person.
- Recreation & parties expenses are estimated at Rs.0.60 lakh per annum.
- Depreciation is calculated on WDV method
- Administrative & General expense is Rs.3.60 lakhs per annum, which includes rent.
- Interest on Term Loan borrowing is estimated at 12%.

	<b>[Rs. lakhs]</b>
<b>1. COST OF PROJECT</b>	
Building (Advance)	5.60
Equipments	17.70
Other Misc. assets	0.00
Pre-Operative expenses	0.50
Working Expenses	0.30
<b>Total</b>	<b>24.10</b>
<b>2. MEANS OF FINANCE</b>	
Capital	10.80
Term Loan	13.30
<b>Total</b>	<b>24.10</b>

### **3. COST OF PRODUCTION & PROFITABILITY STATEMENTS**

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
Income per annum (50 No. x Rs.4000 x 12 months)	24.00	25.20	26.46
Food Materials & Consumables	1.56	1.64	1.72
Chemicals disinfectants	0.60	0.63	0.66
Electricity	0.36	0.38	0.40
Salaries	4.25	4.46	4.68
Consulting Doctor fees	0.30	0.32	0.34
Medicines etc.	3.00	3.15	3.31
Subscription periodicals	0.72	0.76	0.80
Recreation & parties	0.60	0.63	0.66
Depreciation	2.73	2.32	1.97
Admin, & General expenses	3.60	3.78	3.97
Interest on Term Loan	1.60	1.40	1.00
Total expenses	19.32	19.47	19.51
Profit Before Tax	4.68	5.73	6.95
Provision for tax	0.00	0.00	0.00

Profit After Tax	4.68	5.73	6.95
------------------	------	------	------

#### 6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

Profit after Tax	6.95	
<hr/> Income	<hr/> 26.46	26%
Profit before Interest and Tax	7.95	
<hr/> Total Investment	<hr/> 24.10	33%
Profit after Tax	6.95	
<hr/> Promoters' Capital	<hr/> 10.80	64%

#### 7. BREAK EVEN LEVEL

##### Fixed Cost (FC):

[Rs.lakhs]

Wages & Salaries	4.68
Doctor fees	0.34
Electricity	0.40
Depreciation	1.97
Admin. & General expenses	3.97
Interest on TL	1.00
	<hr/> <b>12.36</b>

Profit Before Tax (P)	6.95
-----------------------	------

$$\text{BEL} = \frac{\text{FC} \times 100}{\text{FC} + \text{P}}$$

$\frac{12.36}{12.36 + 6.95} = 64\%$  of installed capacity

#### LIST OF SUPPLIERS

##### FURNITURE SUPPLIERS

1. Supreme Furnitures, The Hunters, No.42, Sembudoss Street, Chennai 600 001.
2. Ajanta Furniture, No.265, Roypettah High Road, Royapettah, Chennai 600 014.

##### KITCHEN EQUIPMENT SUPPLIERS

1. Poppat Jamal & Sons, No.161, Mount Raod, Chennai 600 002.
2. Pushp Marketing Co., No.298, Roypettah High Road, Royapettah, Chennai 600 014

# **MEDICAL DIAGNOSTIC CENTRE**

## **A. INTRODUCTION**

There was a time when stethoscope was the only diagnostic tool in the hands of a medical practitioner. With the advancement of scientific technology, more advanced diagnostic methods have come into existence. In order to achieve the goal of health for all, more diagnostic clinics, hospitals and doctors have into existence in every rural, semi-urban and urban centres. There is good scope for setting up new clinical laboratory and modern diagnostic centres with all latest equipments in different parts of the country.

## **B. PRODUCT SPECIFICATION & USES**

This is a service industry. The standards are already fixed by Medical Associations & Equipment suppliers and Medical Practitioners for conducting various tests.

## **C. MARKET POTENTIAL**

In spite of the progress made, a high proportion of the population, especially in rural areas, continues to suffer and die from preventable diseases, pregnancy and child birth related complications as well as malnutrition. In addition to old unresolved problems, the health system in the country is facing more and more threats and challenges. The rural public health care system in many States and regions is in an unsatisfactory state leading to pauperization of poor house holds on account of expensive private sector health care.

Healthcare has emerged as one of the largest service sectors in India. In 2004, national healthcare spending equalled about 5.2 per cent of nominal GDP, or about US\$ 34.9 billion. It was expected that Healthcare spending in India would rise by 12 per cent per annum through 2005 – 09 (in rupee terms) and scale up to about 5.5 per cent of GDP, or US\$60.9 billion, by 2009. Other estimates were that by 2012, healthcare spending could contribute 8 per cent of GDP and employ around 9 million people. A survey by NCAER, an independent economics research agency, suggests that per – capita

expenditure on healthcare rises with higher education levels. Households that have higher education levels tend to spend more per illness than households with lower education levels. In the domestic market, health spending will be sustained by two demographic trends: increased life expectancy and an ageing population. Life expectancy, which averaged 63.3 years in 2000 – 04, was expected to increase to 65.1 years in 2005 – 09. The proportion of the population aged 65 years and over was also on the rise, and was expected to increase from 4.7 per cent in 2000 to 5.3 per cent in 2005 and to 5.8 per cent in 2010. Although the rate of ageing in India is slower than the developed world, the population level makes any increase significant in terms of absolute numbers and, therefore, in terms of market potential also. The contribution of the private healthcare sector is on the rise, with investments from the corporate sector steadily growing since the mid 1990s. In the last few years, number of new players have entered the healthcare delivery sector, and set up specialty and super-specialty centres. In the government sector, the states provide bulk of healthcare.

#### Health Parameters: Actual and Projected

<b>Particulars</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Life expectancy, average (years)	64	64.3	64.7	65.1	65.4	65.8
Health care spending (Rs bn)	1,582	1,763	1,967	2,216	2,463	2,771
Healthcare spending (US\$ bn)	34.9	40.4	45.7	52.1	56	60.9
Healthcare spending (% of GDP)	5.2	5.3	5.3	5.4	5.4	5.5
Healthcare spending (US\$ per head)	32	37	41	46	49	53

(Sources: US Census Bureau; Economist Intelligence Unit)

India's health policy emphasises the preventive, promotional and rehabilitative aspects of health care and seeks to provide primary health care to the entire population. Although India has a rich source of qualified and experienced doctors, the best in the World, health care has not still reached all. For achieving the objective of "Health for all"



the number of doctors has to be increased. Several Hospitals with most modern diagnostic equipments, treatment facilities and other monitoring facilities have to be set up to provide medical facilities meeting the requirements of the people. The needy patients are hailing from different state of social life and their expected requirements of medical care have to be duly met by setting up hospitals which can provide all these facilities at reasonable costs. Several cities and towns are already having such hospitals, but still there are large unequipped locations, to be filled up by setting up more clinical labs.

In 1971, there were 3900 hospitals in India which had increased to 43000 hospitals in 2001. There are various towns, villages and cities where facilities for diagnostic treatment are yet to be provided.

## **D. TECHNICAL ASPECTS**

### **1. Installed capacity**

The proposed Diagnostic centre can be started with low investment with facilities for normal clinical tests such as X-ray, Clinical pathology, Histopathology, Microbiology, Biochemistry. With additional higher investment, facilities for tests covering Ultrasonograms, Echo, Doppler, Radiology, Endoscopy etc. can be introduced.

This project profile is confined to setting up of a small lab which can conduct the following tests.

#### **HAEMATOLOGY**

- Haemoglobin
- Haematocrit
- RBC Count
- WBC Count
- Metamyelocytes
- Bandforms
- Neutrophils

- Lymphocytes
- Eosinophils
- Monocytes
- Basophils
- Platelets Count
- ESR
- Coag Time
- Bleeding Time
- Clot Retraction Time
- Peripheral Smear
- Absolute Eosin Count

## **BIOCHEMISTRY**

- GTT
- Blood Sugar AC
- Blood Sugar PC 2 hr
- Blood Sugar Random
- Phosphorus
- Blood Urea
- S Creatinine
- S Cholesterol
- HDLc
- LDLc
- Triglycerides
- S Bilirubin Total
- Direct
- Indirect
- S GOT
- SGPT
- Calcium
- S Protein

- S Albumin
- Globulin
- Acid Phosphatase
- Alk Phosphatase
- S Sodium
- S Potassium
- S Chloride
- S Uric Acid
- S Amylase

### **SEROLOGY**

- Blood Group & Rh type
- Widal Test
- STO
- STH
- SPAH
- SPBH
- VDRL
- ASO Titre
- Hbs Ag
- Rheumatoid Factor
- L E Cell test
- Mantoux Test

### **ALL URINE TESTS**

- ALL MICROSCOPY TESTS
- PREGNANCY TEST
- SPUTUM
- MOTION
- SEMEN
- CSF

## 2. Equipments

The following equipments are required to start the centre.

Sl.	Item	Value (Rs. lakhs)
a.	X-Ray 100	2.90
b.	ECG Machine	0.70
c.	Pathological Lab: Microscope, Centrifugal Hot air oven, Incubator single pan balance, Photometer etc.	0.80
d.	Mircorbiology Lab: Antifungal, Bio-chemistry Analyser, Photo calorie meter, Semi auto analyser etc.	0.80
c.	Other Misc. equipment UPS etc.	0.80
d.	Furniture, fittings and interiors	1.00
	<b>Total</b>	<b>7.00</b>

## 3. Materials

### Chemicals & Consumables

	No. of Test/annum	Rate	Value [Rs. lakhs]
X-Rays	6000	Rs.65	3.90
Clinical Testing (Re-agents & Chemicals test kits)	60000	Rs.20	12.00
<b>Total</b>			<b>15.90</b>

## 4. Land & Building

A building area of about 1000 sq. ft. is required, which can be taken on lease basis. The Rent is assumed at Rs.8000 p.m. This is sufficient to install following rooms and testing labs. The advance will be in the range of Rs.0.80 lakh.

- Waiting Hall
- Blood Collection Centre
- Analytical Lab
- X-Ray centre
- Dark Room. Etc.

## 5. Utilities

**Power:** A single phase connection is sufficient to operate the clinical lab equipments.

**Water:** Water is required for cleaning, washing X-ray films process and for human consumption. This is estimated at 2000 litres per day.

### Man power:

Category	Nos.	Monthly	Total
X-ray Technician	1	4000	4000
Assistant	1	3000	3000
Lab Chemist	1	3000	3000
Assistant	2	3000	6000
Receptionist	1	3000	3000
Billing Assistant	1	3000	3000
			<b>22000</b>
Add : 20% benefits			4400
			<b>26400</b>
Total salary per annum (Rs.lakhs)			Rs.3.17 lakhs

## 6. Implementation Schedule

As the equipments are available easily, if financing arrangements are made, the project can be implemented in 1 month's time.

## 7. ASSUMPTIONS

- Income of Medical diagnostic centre at 100% utilisation is given below:

	No.of Test/day	No. of Test p.a	Rate Per test	Total value [Rs.lakhs]
X-Rays	20	6000	Rs.120	7.20
Chemical & Pathological Test (Bio-chemistry, Clinical Pathology Micro-Biology)	200	60000	Rs.50	30.00
<b>Total</b>				<b>37.20</b>

- During first year capacity utilization is assumed at 60%, this will be increased to 70% and 80% in subsequent years.
- Cost of chemicals and consumables is estimated at Rs.15.90 lakhs at 100% utilisation capacity.
- Power charge is estimated at the current rate which works out to Rs.0.12 lakh per annum i.e Rs.1000 per month at 60% capacity utilization.
- Wages & Salary is estimated at Rs.3.17 lakhs per annum.
- Depreciation is calculated on WDV method.
- Administrative & General expense is Rs.10000 per month which includes rent of Rs. 8000 p.m.
- Interest on Term Loan is estimated at 12% p.a.
- Income tax is provided at 33.99% on taxable income.

#### **LIST OF EQUIPMENT SUPPLIERS & MATERIAL SUPPLIERS**

1. Scientific Sales & Service Corporation, No.35, Genga Reddy Street, Chennai - 8.
2. Wipro GE Medical Systems Ltd., No.15/9, Jaganathan Road, Nugambakkam, Chennai 600 034.
3. Kody Medical Electronic Ltd., Type II No.37, Vikramsarabanu Industrial State, Old Mahabalipuram Road, Chennai 600 041.

## COST OF PROJECT AND MEANS OF FINANCE

1. COST OF PROJECT	[Rs.lakhs]
Land and Building (Advance)	0.80
Equipments	7.00
Pre-Operative expenses	0.50
Working Expenses	0.50
<b>Total</b>	<b>8.80</b>

### 2. MEANS OF FINANCE

Capital	3.55
Term Loan	5.25
<b>Total</b>	<b>8.80</b>

### 3. COST OF SERVICE & PROFITABILITY STATEMENTS

Years	1	2	3
Income per annum at full capacity	37.20	37.20	37.20
Occupancy/capacity utilisation	60%	70%	80%
<b>Income per annum</b>	<b>22.32</b>	<b>26.04</b>	<b>29.76</b>
Chemicals & Consumables	9.54	11.13	12.72
Electricity	0.12	0.13	0.14
Wages & Salaries	3.17	3.33	3.50
Depreciation	1.88	1.41	1.05
Admin, & General expenses	1.20	1.26	1.32
Interest on Term Loan	0.63	0.55	0.39
Total expenses	16.54	17.81	19.12
Profit Before Tax	5.78	8.23	10.64
Provision for tax	1.96	2.80	3.62
<b>Profit After Tax</b>	<b>3.82</b>	<b>5.43</b>	<b>7.02</b>

#### 4. PROFITABILITY RATIOS BASED ON 80% UTILISATION

$\frac{\text{Profit after Tax}}{\text{Income}}$	$\frac{7.02}{29.76}$	24%
$\frac{\text{Profit before Interest and Tax}}{\text{Total Investment}}$	$\frac{11.03}{8.80}$	125%
$\frac{\text{Profit after Tax}}{\text{Promoters Capital}}$	$\frac{7.02}{3.55}$	198%

#### 5. BREAK EVEN LEVEL

<b>Fixed Cost (FC):</b>	<b>[Rs.lakhs]</b>
Wages & Salaries	3.50
Depreciation	1.05
Admin. & General expenses	1.32
Interest on TL	0.39
	<b>6.26</b>
Profit Before Tax (P)	10.64

$$\text{BEL} = \frac{\text{FC} \times 100}{\text{FC} + \text{P}} = \frac{6.26}{6.26 + 10.64} \times \frac{80}{100} \times 100$$

30% of installed capacity



# **TIFFIN SUPPLY CENTRE**

## **A. INTRODUCTION**

In cities, urban and semi-urban centres the working population depends upon tiffin supply centres for lunch and other snacks. Supplying various tiffin items to commercial establishment, industries and other offices is a lucrative business. There is a continuous demand and people prefer such tiffin centres to hotels as such tiffin centres provide homely food.

## **B. PRODUCT SPECIFICATION & USES**

All types of South Indian dishes such as Idli, Dosa, Vadai, Pongal and also North Indian dishes such as Poori, Chapatti, Roti, Nan etc. can be supplied along with vegetable side dishes.

## **C. MARKET POTENTIAL**

In every city, town and other suburban centres people who are working in factories, office, and private establishments are on the increase. A proper midday tiffin / meal is a must for every one. In Tamilnadu alone there are 29 Cities / towns having population above 8 lakhs and in each centre such tiffin supply centres are required to cater to the ever increasing demand. Before starting such tiffin centres a cluster of offices in the town have to be located by a primary survey, so that tiffin can be primarily supplied. Direct market survey and direct contacts can be established with prospective customers visiting each and every office, commercial organisation and business establishment.

## **D. TECHNICAL ASPECTS**

### **1. Installed capacity**

The proposed tiffin supply centre can initially cater to about 200 persons. The average selling price per tiffin is estimated at Rs.30. At this rate the daily sales is calculated at Rs.6000. Annual sales for 300 working days is estimated at Rs.18.00 lakhs. The sales can be increased with additions to cooking vessels, man power and materials.

## 2. Equipments

The following equipments are proposed to be purchased.

Sl.	Item	Value (Rs.)
a.	Gas cylinder with stove	6000
b.	Diesel stove with 2-3 burner	5000
c.	Tiffin Hot cases 250	37500
d.	Big pans, spoons, Kadai, Buckets, Knife, Jugs etc.	12000
c.	Tricycle.	5000
d.	Misc. items	8500
	<b>Total</b>	<b>74000</b>

## 3. Raw Materials

The materials required for tiffin centre are provisions, vegetables and miscellaneous items. These can be procured from local shops, whole sale purchase can be made to reduce the cost.

## 4. Building

An area of 400 sq. ft. can be taken on lease basis. The rent is assumed at Rs.3200 and advance is estimated at Rs.32,000

## 5. Utilities

### Power:

The normal electricity is required for lighting gas cylinders are required for cooking.

### Water:

Water is required for cooking. Potable water should be available from nearby sources.

### Transport:

For transportation of prepared tiffin to offices and other establishments, tri-wheeler can be employed.

### Man power::

Category	Nos.	Monthly	Total
Supervisor	1	4000	4000
Cooks	2	3000	6000
Assistant/delivery	2	2500	5000
			<b>15000</b>
Add : 20% benefits			3000
			<b>18000</b>
Total salary per annum (Ra.lakhs)			Rs.2.16 lakhs

### 6. Implementation Schedule

As the equipments are available easily, if financing arrangements are made, the project can be implemented in 1 months time.

### 7. ASSUMPTIONS

- Income of Tiffin supply centre is estimated at Rs.18 lakhs per annum, which could cater to 200 persons at the rate of Rs.30/- per person per day. This centre will work for 300 days per year
- Cost of materials is estimated at Rs.9.00 lakhs per annum, which is half of the total income.
- Power charge is estimated at the current rate, which works out to Rs.0.09 lakh per annum i.e. Rs.1500 per month.
- Wages & Salary is estimated at Rs.2.16 lakhs per annum.
- Repairs & maintenance is estimated at Rs.500 per month.
- Depreciation is calculated on WDV method
- Selling & General expense is Rs.1.20 lakh per annum.
- Interest on Term Loan borrowing is estimated at 12%.
- Income tax is provided at 33.99% on taxable income.

## **COST OF PROJECT AND MEANS OF FINANCE**

	[Rs. lakhs]
<b>1. COST OF PROJECT</b>	
Building (Advance)	0.32
Equipments	0.74
Other Misc. assets	0.00
Pre-Operative expenses	0.05
Working capital	0.02
<b>Total</b>	<b>1.13</b>

### **2. MEANS OF FINANCE**

Capital	0.58
Term Loan	0.56
<b>Total</b>	<b>1.13</b>

### **3. COST OF PRODUCTION & PROFITABILITY STATEMENTS**

<b>Years</b>	<b>1</b>	<b>2</b>	<b>3</b>
Income per annum	18.00	19.80	21.78
Food Materials & Consumables	9.00	9.90	10.89
Electricity	0.18	0.19	0.20
Wages & Salaries	2.16	2.27	2.38
Repair & Maintenance	0.06	0.06	0.06
Depreciation	0.19	0.14	0.10
Total cost	11.59	12.56	13.63
Selling & General expenses	1.20	1.26	1.32
Interest on Term Loan	0.07	0.06	0.04
Total expenses	12.86	13.88	14.99
Profit Before Tax	5.14	5.92	6.79
Provision for tax	1.75	2.01	2.31
Profit After Tax	3.39	3.91	4.48

## 6. PROFITABILITY RATIOS BASED ON 80% UTILISATION

Profit after Tax	4.48	21%
<hr/> Income	<hr/> 21.78	
Profit before Interest and Tax	6.83	604%
<hr/> Total Investment	<hr/> 1.13	
Profit after Tax	4.48	779%
<hr/> Promoters Capital	<hr/> 0.58	

## 7. BREAK EVEN LEVEL

<b>Fixed Cost (FC):</b>	<b>[Rs.lakhs]</b>
Wages & Salaries	2.38
Repairs & Maintenance	0.06
Depreciation	0.10
Interest on TL	0.04
<b>Total</b>	<hr/> <b>2.58</b>
Profit Before Tax (P)	<hr/> 6.79

$$\text{BEP} = \frac{\text{FC} \times 100}{\text{FC} + \text{P}} = \frac{2.58}{2.58 + 6.79}$$

28% of installed capacity

## LIST OF EQUIPMENT SUPPLIERS

1. Poppat Jamal & Sons, No.161, Mount Raod, Chennai 600 002.
2. Pushp Marketing Co., No.298, Roypettah High Road, Royapettah, Chennai 600 014

# **TRAVEL AGENCY**

## **A. INTRODUCTION**

A Travelling Agent's services are well recognised by persons who are often travelling by car, train, bus or by air. Travelling Agent makes the travel a pleasure by arranging the travel ticket in advance at economic rates and offering good facilities during travel. With more and more people on travel for various reasons, the services of travelling agents are most sought after.

## **B. SERVICE SPECIFICATION & USES**

There is no Indian agency which has prescribed a standard of service for travel agents. The International Air Transport Association (IATA) is the world organisation of scheduled airlines, which has prescribed certain requirements for one travelling agent to become an IATA approved agent. The details are set out in the Travel Agents Handbook and Guide to Automation which is published by IATA. The rules have been developed by airlines and travel agents and approved by all of the IATA member airlines. Any one wanting to become an IATA approved agent should obtain a copy of the handbook. The IATA specifications deal with the premises, staffing, financial, security, name, business standards, management and general sales agency of the travel agency

## **C. MARKET POTENTIAL**

In India, according to a recent survey conducted, it has been observed that travel, transport and communication and health care expenditure is forming a comparatively larger proportion of household expenditure compared to food, housing and other items of expenditure. The travel industry is becoming more prominent with the implementation of fast trains, more buses and air transport routes & flights. The new roads and rail routes are also laid every year. The number of foreign tourists arriving in India also has exceeded 3.92 million per year. Besides this, domestic travel industry is also gaining importance with people going in for sightseeing, pilgrimage besides normal business purposes.

The projection for India for 2020 by the world tourism organization is 50 million. The figures indicate great potential for the travel industry.

## **D. TECHNICAL ASPECTS**

### **1. Installed capacity**

A small travel agency with train & air ticket bookings can be started. The air tickets can be booked initially as a sub-agent to other IATA approved agent. Later the travel agency can qualify for an IATA approved agent.

Initially, the train ticketing can be started along with sub-agency, for air tickets from other airline companies. The capacity is envisaged at 50 tickets per day for train and air ticket sales value of about Rs.15,000 to Rs.20,000 per day.

### **2. Equipments**

Travel agency office requires good communication system, telephones, fax etc, which will cost as follows.

	<b>Rs. lakhs</b>
Office equipments – Telephone, Fax, Computer	1.50
Furniture	1.50
Other Misc. assets	1.00
<b>Total</b>	<b>4.00</b>

### **3. Building**

A rented building with 500 sq.ft area is sufficient to start a travel agency. The rent is assumed at Rs.4000 per month. An advance of Rs.40,000 is considered.

### **4. Utilities**

**Power:** Ordinary lighting load is sufficient to operate the office.

**Water:** Water is required only for human consumption.

**Man power:** The travel agency can employ 2 experienced staff. A monthly salary of Rs.4000 is provided for each employee.

## **5. Implementation Schedule**

If suitable location is identified, and the finance is arranged, the project can be implemented within one month's time.

## **6. ASSUMPTIONS**

- No. of train tickets booking per day is estimated 50 tickets, this works out to 15,000 tickets per annum. Service charge rate is estimated at Rs.25 per ticket.
- Air ticket booking value is estimated at Rs.50 lakhs per annum. Service charge rate is estimated at 3%.(Sub-agency from other agents)
- Salary for 2 employee is assumed at Rs.4000/- per month each.
- Rent is provided at Rs.0.48 lakh per annum.
- Power charge is estimated at the current rate which works out to Rs.0.12 lakh per annum.
- Printing & stationery expenses are assumed at Rs.0.60 lakh per annum.
- Travelling & conveyance expenses are estimated at Rs.30000 per annum.
- Telephone charge is assumed at Rs.24,000 per annum.
- Other Misc. expenses are estimated at Rs.30,000 per annum.
- Depreciation is calculated at WDV method.

## **EQUIPMENT SUPPLIERS**

Office equipment suppliers are locally available.

## **LIST OF FURNITURE SUPPLIERS**

1. Supreme Furniture, Hunters, No.42, Sembudoss Street, Chennai 600 001.
2. Ajanta Furniture, No.265, Royapettah High Road, Royapettah, Chennai 600 014.



## COST OF PROJECT AND MEANS OF FINANCE

1. COST OF PROJECT	[Rs.lakhs]
Land and Building (Advance)	0.48
Equipments	4.00
Pre-Operative expenses	0.50
Working Expenses	0.50
<b>Total</b>	<b>5.48</b>
2. MEANS OF FINANCE	
Capital	5.48
Term Loan	0.00
<b>Total</b>	<b>5.48</b>

The entire finance is considered as promoter contribution.

The Travel Agency does not enjoy any priority for finance by bankers

## 3. COST OF SERVICE & PROFITABILITY STATEMENTS

Years	1	2	3
<b>Income details</b>			
No. of Train tickets booking	15000	15750	16538
Air Ticket booking value (Rs.lakhs)	50.00	50.00	50.00
Service charges rate:			
For Train ticket booking	Rs.25 per ticket		
For Air ticket booking	3% of ticket value		
Service charge income: (Rs.lakhs)			
From Train ticket booking -- (a)	3.75	3.94	4.13
From Air ticket booking -- (b)	1.50	1.50	1.50
<b>Total Income per annum (a+b)</b>	<b>5.25</b>	<b>5.44</b>	<b>5.63</b>
<b>Expenditures</b>			
Salaries	0.96	1.01	1.06
Rent	0.48	0.50	0.53
Electricity	0.12	0.13	0.14
Printing & Stationery	0.60	0.63	0.66

Travelling & Conveyance	0.30	0.32	0.34
Telephone charges	0.24	0.25	0.26
Other misc. expenses	0.30	0.32	0.34
Depreciation	0.40	0.36	0.32
Total expenses	3.40	3.52	3.65
Profit Before Tax	1.85	1.92	1.98
Provision for tax	0.03	0.04	0.05
<b>Profit After Tax</b>	<b>1.82</b>	<b>1.88</b>	<b>1.93</b>

#### 4. PROFITABILITY RATIOS BASED ON 80% UTILISATION

$\frac{\text{Profit after Tax}}{\text{Income}}$	$\frac{1.93}{5.63}$	34%
$\frac{\text{Profit before Interest and Tax}}{\text{Total Investment}}$	$\frac{2.30}{5.48}$	42%
$\frac{\text{Profit after Tax}}{\text{Promoters Capital}}$	$\frac{1.93}{5.48}$	35%

#### 5. BREAK EVEN LEVEL

<b>Fixed Cost (FC):</b>	<b>[Rs. lakhs]</b>
Wages & Salaries	1.06
Rent	0.53
Depreciation	0.32
	<u>1.91</u>
Profit Before Tax (P)	<u>1.98</u>
BEL = $\frac{FC \times 100}{FC + P}$	$\frac{1.91}{1.91 + 1.98}$
	49% of installed capacity