

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Car Washing Unit

PROJECT REPORT

Of

CAR WASHING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Car Washing Unit**.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]

CAR WASH UNIT



INTRODUCTION

WHAT IS A CAR WASH SYSTEM?

Automatic car washing system is very common in developed countries. Car washing system is usually associated with fuel filling stations. It consists of large machines with automated brushes controlled by program logical controllers. Automatic car washing system is fully automated with different stages of foaming, washing, drying and brushing.

PROCESS OF AN AUTOMATIC CAR WASH SYSTEM

The first automatic car washes appeared in the late 1930s. Automatic car washes consist of tunnel-like buildings into which customers (or attendants) drive. Some car washes have their customers pay through a computerized POS (point of sale unit), also known as an "automatic cashier". The mechanism inputs the wash PLU into a master computer or a tunnel controller automatically. When the sale is automated, after paying the car is put into a line-up often called the stack or queue.

After pulling up to the tunnel entrance, an attendant usually guides the customer onto the track or conveyor. At some washes, both tires will pass over a tire sensor, and the system will send several rollers. The tire sensor lets the wash know where the wheels are and how far apart, they are. On other systems the employee may guide the customer on and hit a 'Send Car' button on the tunnel controller, to manually send the rollers which push the car through. When the customer is on the conveyor, the attendant will instruct the customer to put the vehicle into neutral, release all brakes, and refrain from steering. The rollers come up behind the tires, pushing the car through a detector, which measures vehicle length, allowing the controller to tailor the wash to each individual vehicle. The equipment frame, or arches, vary in number and type. A good car wash makes use of many different pieces of equipment and stages of chemical application to thoroughly clean the vehicle.

HOW TO OPEN A CAR WASH BUSINESS?

Opening a car wash business can be a fun, interesting, and profitable business for somebody with business smarts and perseverance. With the right location, good marketing, and top-notch service, you can draw in numerous customers who need their cars washed quickly, efficiently, and at a good price. However, opening a car wash business also requires a significant investment, good planning, and attention to detail in order to make your business profitable.

- Research the car wash business
- Investigate the competition in your area
- Draw up a detailed business plan
- Find the investment capital to open a car wash
- Choose the location for your car wash business
- Buy Equipment
- Market your business
- Hire employees
- Add services

PROJECT FINANCIALS OF A CAR WASH UNIT

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	1.45	1.99	2.74	3.51
Add: Additions	0.99	-	-	-	-
Add: Net Profit	1.11	1.94	3.25	4.53	5.95
Less: Drawings	0.65	1.40	2.50	3.75	5.00
Closing Balance	1.45	1.99	2.74	3.51	4.46
CC Limit	3.00	3.00	3.00	3.00	3.00
Term Loan	5.26	3.94	2.63	1.31	-
Sundry Creditors	0.20	0.23	0.26	0.29	0.32
TOTAL :	9.90	9.15	8.62	8.11	7.78
APPLICATION OF FUND					
Fixed Assets (Gross)	6.57	6.57	6.57	6.57	6.57
Gross Dep.	0.97	1.79	2.49	3.09	3.60
Net Fixed Assets	5.60	4.78	4.08	3.48	2.97
Current Assets					
Sundry Debtors	2.81	2.15	2.43	2.73	3.05
Stock in Hand	0.70	0.80	0.91	1.02	1.14
Cash and Bank	0.78	1.42	1.19	0.87	0.62
TOTAL :	9.90	9.15	8.62	8.11	7.78
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale(Car Washing)	28.13	32.18	36.45	40.95	45.68
Total (A)	<u>28.13</u>	<u>32.18</u>	<u>36.45</u>	<u>40.95</u>	<u>45.68</u>
<u>B) COST OF SALES</u>					
Raw Material Consumed	8.44	9.65	10.94	12.29	13.70
Electricity Expenses	1.80	1.98	2.16	2.34	2.52
Repair & Maintenance	0.14	0.16	0.18	0.20	0.23
Labour & Wages	11.22	11.44	12.59	13.85	15.23
Depreciation	0.97	0.82	0.70	0.60	0.51
Cost of Production	<u>22.56</u>	<u>24.06</u>	<u>26.57</u>	<u>29.28</u>	<u>32.19</u>
Add: Opening Stock /WIP	-	-	-	-	-
Less: Closing Stock /WIP	-	-	-	-	-
Cost of Sales (B)	22.56	24.06	26.57	29.28	32.19
C) GROSS PROFIT (A-B)	5.56 19.77%	8.11 25.22%	9.88 27.11%	11.67 28.51%	13.48 29.52%
D) Bank Interest (Term Loan)	0.64	0.52	0.38	0.23	0.09
ii) Interest On Working Capital	0.33	0.33	0.33	0.33	0.33
E) Salary to Staff	2.64	2.90	3.19	3.51	3.87
F) Selling & Adm Expenses Exp.	0.84	2.41	2.73	3.07	3.20
TOTAL (D+E)	<u>4.45</u>	<u>6.17</u>	<u>6.64</u>	<u>7.15</u>	<u>7.48</u>
G) NET PROFIT	1.11 3.9%	1.94 6.0%	3.25 8.9%	4.53 11.1%	6.00 13.1%
H) Taxation	-	-	-	-	0.05
I) PROFIT (After Tax)	1.11	1.94	3.25	4.53	5.95

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution@10%	0.99	-			
Net Profit	1.11	1.94	3.25	4.53	6.00
Depreciation & Exp. W/off	0.97	0.82	0.70	0.60	0.51
Increase In Cash Credit	3.00				
Increase In Term Loan	5.91	-	-	-	-
Increase in Creditors	0.20	0.03	0.03	0.03	0.03
TOTAL :	12.17	2.79	3.98	5.15	6.54
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	6.57	-	-	-	-
Increase in Stock	0.70	0.10	0.11	0.11	0.12
Increase in Debtors	2.81	- 0.67	0.29	0.30	0.32
Repayment of Term Loan	0.66	1.31	1.31	1.31	1.31
Taxation	-	-	-	-	0.05
Drawings	0.65	1.40	2.50	3.75	5.00
TOTAL :	11.39	2.15	4.21	5.48	6.80
Opening Cash & Bank Balance	-	0.78	1.42	1.19	0.87
Add : Surplus	0.78	0.65	- 0.23	- 0.32	- 0.25
Closing Cash & Bank Balance	0.78	1.42	1.19	0.87	0.62

COMPUTATION OF PROVIDING CAR WASHING SERVICES**Services to be Provided****Car Washing Service**

Full Capacity per day		15.00	Cars
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Car washing per Annum		4,500.00	Cars
Year		Capacity	Car Washing Service
		Utilisation	
I		50%	2,250
II		55%	2,475
III		60%	2,700
IV		65%	2,925
V		70%	3,150

COMPUTATION OF SALES

Particulars	I	II	III	IV	V
Total Car washing per Annum	2,250.00	2,475.00	2,700.00	2,925.00	3,150.00
	-	-	-	-	-
Average Rate of Car Washing	1,250.00	1,300.00	1,350.00	1,400.00	1,450.00
Sale (in Lacs) Car washing	28.13	32.18	36.45	40.95	45.68

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
<u>Raw Material</u>					
(25 Days requirement)	0.70	0.80	0.91	1.02	1.14
Closing Stock	0.70	0.80	0.91	1.02	1.14

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	0.70		
Less:			
Sundry Creditors	0.20		
Paid Stock	0.51	0.05	0.46
Sundry Debtors	2.81	0.28	2.54
Working Capital Requirement			3.00
Margin			0.33
MPBF			3.00
Working Capital Demand			3.00

BREAK UP OF LABOUR

Particulars				
		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		12,500.00	2.00	25,000.00
Unskilled Worker		10,000.00	6.00	60,000.00
				85,000.00
Add: 10% Fringe Benefit				8,500.00
Total Labour Cost Per Month				93,500.00
Total Labour Cost for the year (In Rs. Lakhs)			8	11.22

BREAK UP OF SALARY

Particulars			
		Salary	No of
		Per Month	Employees
			Total
			Salary
Administrative Staff		10,000.00	2
Total Salary Per Month			20,000.00
Add: 10% Fringe Benefit			2,000.00
Total Salary for the month			22,000.00
Total Salary for the year (In Rs. Lakhs)			2
			2.64

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation			15.00%	10.00%	
Opening Balance	Own/Rented	-	-	-	-
Addition	-	-	6.17	0.40	6.57
	-	-	6.17	0.40	6.57
TOTAL	-	-	6.17	0.40	6.57
Less : Depreciation	-	-	0.93	0.04	0.97
WDV at end of Ist year	-	-	5.24	0.36	5.60
Additions During The Year	-	-	-	-	-
	-	-	5.24	0.36	5.60
Less : Depreciation	-	-	0.79	0.04	0.82
WDV at end of IIInd Year	-	-	4.46	0.32	4.78
Additions During The Year	-	-	-	-	-
	-	-	4.46	0.32	4.78
Less : Depreciation	-	-	0.67	0.03	0.70
WDV at end of IIIrd year	-	-	3.79	0.29	4.08
Additions During The Year	-	-	-	-	-
	-	-	3.79	0.29	4.08
Less : Depreciation	-	-	0.57	0.03	0.60
WDV at end of IV year	-	-	3.22	0.26	3.48
Additions During The Year	-	-	-	-	-
	-	-	3.22	0.26	3.48
Less : Depreciation	-	-	0.48	0.03	0.51
WDV at end of Vth year	-	-	2.74	0.24	2.97

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter		5.91	5.91	0.16	-	5.91
	IInd Quarter	5.91	-	5.91	0.16	-	5.91
	IIIrd Quarter	5.91	-	5.91	0.16	0.33	5.58
	Ivth Quarter	5.58	-	5.58	0.15	0.33	5.26
					0.64	0.66	
II	Opening Balance						
	Ist Quarter	5.26	-	5.26	0.14	0.33	4.93
	IInd Quarter	4.93	-	4.93	0.14	0.33	4.60
	IIIrd Quarter	4.60	-	4.60	0.13	0.33	4.27
	Ivth Quarter	4.27		4.27	0.12	0.33	3.94
					0.52	1.31	
III	Opening Balance						
	Ist Quarter	3.94	-	3.94	0.11	0.33	3.61
	IInd Quarter	3.61	-	3.61	0.10	0.33	3.29
	IIIrd Quarter	3.29	-	3.29	0.09	0.33	2.96
	Ivth Quarter	2.96		2.96	0.08	0.33	2.63
					0.38	1.31	
IV	Opening Balance						
	Ist Quarter	2.63	-	2.63	0.07	0.33	2.30
	IInd Quarter	2.30	-	2.30	0.06	0.33	1.97
	IIIrd Quarter	1.97	-	1.97	0.05	0.33	1.64
	Ivth Quarter	1.64		1.64	0.05	0.33	1.31
					0.23	1.31	
V	Opening Balance						
	Ist Quarter	1.31	-	1.31	0.04	0.33	0.99
	IInd Quarter	0.99	-	0.99	0.03	0.33	0.66
	IIIrd Quarter	0.66	-	0.66	0.02	0.33	0.33
	Ivth Quarter	0.33		0.33	0.01	0.33	-
					0.09	1.31	
	Door to Door Period	60	Months				
	Moratorium Period	6	Months				
	Repayment Period	54	Months				

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	2.07	2.77	3.95	5.12	6.46
Interest on Term Loan	0.64	0.52	0.38	0.23	0.09
Total	2.71	3.29	4.33	5.36	6.55
<u>REPAYMENT</u>					
Repayment of Term Loan	0.66	1.31	1.31	1.31	1.31
Interest on Term Loan	0.64	0.52	0.38	0.23	0.09
Total	1.30	1.84	1.69	1.55	1.40
DEBT SERVICE COVERAGE RATIO	2.09	1.79	2.55	3.46	4.66
AVERAGE D.S.C.R.			2.86		

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	KW	20	
Electricity Charges	per unit	7.50	
Total Working Days		300	
Electricity Charges			3.60

Add : Minimim Charges (@ 10%)

(B) DG set

No. of Working Days		300	days
No of Working Hours		-	Hour per day
Total no of Hour		-	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		-	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		-	
Add : Lube Cost @15%		-	
Total		-	

Total cost of Power & Fuel at 100% 3.60

Year	Capacity	Amount (in Lacs)
-	50%	1.80
-	55%	1.98
-	60%	2.16
-	65%	2.34
-	70%	2.52

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	28.13	32.18	36.45	40.95	45.68
Less : Op. WIP Goods	-	-	-	-	-
Add : Cl. WIP Goods	-	-	-	-	-
Total Sales	28.13	32.18	36.45	40.95	45.68
Variable & Semi Variable Exp.					
Raw Material & Tax	8.44	9.65	10.94	12.29	13.70
Electricity Exp/Coal Consumption at 85%	1.53	1.68	1.84	1.99	2.14
Wages & Salary at 60%	8.32	8.61	9.47	10.42	11.46
Selling & administrative Expenses 80%	0.68	1.93	2.19	2.46	2.56
ii) Interest On Working Capital	0.33	0.33	0.33	0.33	0.33
Repair & Maintenance	0.14	0.16	0.18	0.20	0.23
Total Variable & Semi Variable Exp	19.43	22.37	24.94	27.68	30.42
Contribution	8.70	9.81	11.51	13.27	15.26
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.27	0.30	0.32	0.35	0.38
Wages & Salary at 40%	5.54	5.74	6.31	6.94	7.64
Interest on Term Loan	0.64	0.52	0.38	0.23	0.09
Depreciation	0.97	0.82	0.70	0.60	0.51
Selling & administrative Expenses 20%	0.17	0.48	0.55	0.61	0.64
Total Fixed Expenses	7.59	7.87	8.26	8.74	9.26
Capacity Utilization	50%	55%	60%	65%	70%
OPERATING PROFIT	1.11	1.94	3.25	4.53	6.00
BREAK EVEN POINT	44%	44%	43%	43%	42%
BREAK EVEN SALES	24.55	25.80	26.17	26.98	27.71

FINANCIAL INDICATORS					
PARTICULARS	I	II	III	IV	V
TURNOVER	28.13	32.18	36.45	40.95	45.68
GROSS PROFIT	5.56	8.11	9.88	11.67	13.48
G.P. RATIO	19.77%	25.22%	27.11%	28.51%	29.52%
NET PROFIT	1.11	1.94	3.25	4.53	6.00
PAT/SALES RATIO	3.93%	6.04%	8.90%	11.05%	13.14%
CURRENT ASSETS	4.29	4.37	4.54	4.63	4.80
CURRENT LIABILITIES	3.19	3.22	3.25	3.28	3.32
CURRENT RATIO	1.34	1.36	1.39	1.41	1.45
TERM LOAN	5.26	3.94	2.63	1.31	-
TOTAL NET WORTH	1.45	1.99	2.74	3.51	4.46
DEBT/EQUITY	3.63	1.98	0.96	0.37	-
TOTAL NET WORTH	1.45	1.99	2.74	3.51	4.46
TOTAL OUTSIDE LIABILITIES	8.45	7.16	5.88	4.60	3.32
TOL/TNW	5.84	3.60	2.15	1.31	0.74
PBDIT	3.04	3.62	4.66	5.69	6.93
INTEREST	0.97	0.85	0.71	0.56	0.42
INTEREST COVERAGE RATIO	3.13	4.24	6.57	10.07	16.50
WDV	5.60	4.78	4.08	3.48	2.97
TERM LOAN	5.26	3.94	2.63	1.31	-
FACR	1.07	1.21	1.55	2.65	-

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxx
- District : xxxxxx
Pin: xxxxxx State: xxxxxxxx
Mobile xxxxxx
- 5 Product and By Product : **Car Washing Service**
- 6 Name of the project / business activity proposed : **Car Washing Unit**
- 7 Cost of Project : Rs.9.9 Lakhs
- 8 Means of Finance
Term Loan Rs.5.91 Lakhs
KVIC MARGIN MONEY As per Project Eligibility
Own Capital Rs.0.99 Lakhs
Working Capital Rs.3 Lakhs
- 9 Debt Service Coverage Ratio : 2.86
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 43%
- 13 Employment : 10 Persons
- 14 Power Requirement : 20 KW
- 15 Major Raw materials : Car Wash Chemicals, Car Care Products, Rubbing & Waxing, Paint Protection, Alloy treatment, Engine Coating etc
- Estimated Annual Sales Turnover (Max Utilized Capacity)
- 16 Capacity : 45.68 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)	
Particulars	Amount
Land	Own/Rented
Building /Shed 800-1000 sq ft	Own/Rented
Plant & Machinery	6.17
Furniture & Fixtures	0.40
Working Capital Requirement	3.33
Total	9.90

MEANS OF FINANCE

Particulars	Amount
Own Contribution@10%	0.99
Term Loan	5.91
Working Capital	3.00
Total	9.90

General **Special**

Beneficiary Margin Money 10% 5%
(% of Project Cost)

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Steam jet Machines	1	400000	400,000.00
HRC Pro(High pressure) with hose pipe 10 mtrs. Gun with quick connect system	1	86000	86,000.00
Spray Extraction machine	1	39000	39,000.00
Wet & Dry Vacuum machine (Double motor)	2	34000	68,000.00
Dual Action polisher Zentool 21 mm	1	24000	24,000.00
Total Cost			617,000.00

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