

PROJECT REPORT
OF
SPLASH CAR HUB

OFFICE:

Survey No. 53/11,
Tirurangadi Taluk
Malappuram

LOCATION OF THE UNIT

MALAPPURAM

ABSTRACT OF THE PROJECT

NAME OF THE UNIT : SPLASH CAR HUB

LOCATION : MALAPPURAM

OFFICE ADDRESS : SURVEY NO. 53/11,

TIRURANGADI TALUK

MALAPPURAM

CONSTITUTION : PARTNERSHIP FIRM

PAN : AEIFS 6400 G

NATURE OF BUSINESS : CAR WASHING & INCIDENTAL SERVICES

COST OF PROJECT (LAKHS) : 30 LAKHS

MEANS OF FINANCE : BORROWED FUND & OWN FUND

INTRODUCTION

A proven industry, Car washing has proven to be an excellent investment for over 50 years. The vehicles we purchase today are a reflection of ourselves as well as a major investment - and we want to keep them clean.

Because we lead busy lives, we allow professionals to wash our cars. These professionals are achieving profits of up to 60% on their investment. They are reinvesting in multiple sites, exploring cross marketing profit centers and reaping the rewards of an entirely cash business; with no receivables, no franchise fees and little labor.

M/s SPLASH CAR HUB will be providing customers with the following services, Car Washing, Car detailing, Teflon, Steamwash, Undercoating, Polishing, Painting etc..

SERVICES & ITS APPLICATIONS

The customer needs to drive into an enclosure, and drive out with a washed car in just about five minutes. All this while he keeps sitting inside the car.

The time may vary a bit according to the facility chosen—a quick wash, normal wash, under chassis wash, or triple foam wax.

For customers, the charges will depend on the service chosen. While a plain car wash will cost about Rs 200. waxing will come to Rs 50-100. Interior cleaning, including manual polishing of the dashboard, washing or vacuuming the mats and seat cleaning, will cost another Rs 50-100.

INDUSTRY OUTLOOK & TRENDS

With servants, maids or drivers doing the needful, a lot of you may ask why a mechanised car wash at all. And, whether people would be willing to shell

out extra and come to a car wash station. Domestic helps often use the same cloth for all the cars leaving scratches on the high finish painted surface.” Automatic car wash is touch-free as high-speed water jets are used here. For families where both the spouses are working, or those owning more than one car, hiring a domestic help may be difficult. Moreover, a car wash is needed only 2-4 times a month and not every day. The car wash system is especially suited for premium cars. More and more people in India are going for premium cars, and are not very comfortable to leave its maintenance in the hands of domestic helps.

Some people prefer to get their cars washed when it goes for servicing. However, as most families in India own a single car, giving away the car for one complete day causes a lot of inconvenience. Also, some garages use diesel to remove oily stains, which in the long run can degrade the paint finish and the rubber parts.

LOCATION FEASIBILITY

The profitability of individual firms depends on favorable location and efficient operations,” says the First Research report. It is estimated that over 80 per cent of the customers come from within a 10-mile radius of the location. Conduct surveys and collect data about different localities regarding the population and the number of cars. Also, take into consideration certain conditions, such as a busy street, no-exit restrictions, traffic signal, shopping mall, or a car service station.

M/s SPLASH CAR HUB has chosen its location after considering above facts, treating location as an additional profit center.

The Centre is proposed to set up at Chettipadi in Malappuram District, well connected by roads and rail. The easily accessibility of the Centre is an added advantage.

MARKET POTENTIAL & ISSUES IF ANY

The First Research report points out that the demand of a car wash “is driven by new car sales and growth in consumer income”. Higher disposable income is now a reality in India and consumers no longer mind paying a little extra if they are sure of world-class services

Though there is no direct survey that indicates the potential of the car wash market in India, it's a fact that the number of cars hitting the Indian streets is increasing every year. SIAM data shows that domestic sales of passenger cars in 2006-07 was 10,76,408, up from 882,208 in 2005-06, a jump of 22.01 per cent. More recent figures say that domestic passenger car sales for April 2007 stood at 82,394 up from 74,542 in April 2006.

MARKETING STRATEGY

M/s SPLASH CAR HUB is planning to have tie-ups with car rental companies and travel agencies, specially the ones with premium fleets. Modern parking lots may also be interested in this service.”

Advertise in local newspapers, or local cable channels.

Give add-ons to maximise profit. As in any other business, customer satisfaction will be the key here too. Happy customers will mean positive referrals and more business. Car wash owners around the world have maximised profits through various ways—by creating bizarre theme washes like an amusement park experience for kids e.t.c.

The revenues from our business will be complemented if we provide services like car insurance, accessories, Internet facility, and car finance.

A café or a gift shop can attract more customers. “Sitting inside while the car is being washed is a good experience, especially for kids. They like sipping a soft drink while watching the water being splashed on the car.

COMPETITION IN THE MARKET:

With deep knowledge and experience of problems and potentials in the market, they will be able to meet the challenges in the market by offering quality service, at affordable rates with the help of state of the art, latest and highly sophisticated equipment's.

MANAGERIAL ASPECTS

The business is constituted as a Partnership Firm **M/s SPLASH CAR HUB, with the object of carrying Automobile Car Washing services and incidental services** that can be easily carried along with the main object (Copy of Firm Registration certificate attached). The firm is constituted with the following partners, who agreed to share the profit and losses equally.

1. MIDHUN T
2. VINAYAK S
3. NIVEDITH
4. BINESH KARUVATH

Partnership deed executed on the 1st January , 2021 is attached herewith.

MANPOWER REQUIREMENTS

Sr.No	Particulars	Monthly salary	No.S	Annual Salary (Rs.in Lakhs)
1	Manager	15,000	1	1.8
2	Operation Staff	10,000	6	7.2
3	Assistant	8,000	1	0.96
	Total			9.96

COST OF PROJECT

Sr.No	Particulars	Rs.in. Lakhs
1	Plant & Machinery	20.00
2	Furniture, Electrical Installations	7.00
3	Other Assets	3.00
	Total	30.00

MEANS OF FINANCE

Sr.No	Particulars	Rs.in. Lakhs
1	Promoter's contribution	10.00
2	Bank Finance	20.00
	Total	30.00

LIST OF MACHINERY REQUIRED

1. Computer System and Accessories , including Software
2. Effluent Treatment Plant
3. Modern Service Station Equipment
4. Eicher Engine etc

All the machines and equipment are available from local manufacturers,
Quotation from Vendors attached separately

DETAILS OF THE PROFITABILITY OF THE PROJECT

Rupees in '000

Years	2021	2022	2023	2024	2025	2026
REVENUE FROM OPERATION						
Sales	275.50	2865.65	3008.93	3109.83	3220.81	3542.89
Revenue from Incidental Service	30.50	232.15	243.76	268.13	294.95	324.44
TOTAL(A)	306.00	3097.80	3252.69	3377.96	3515.75	3867.33
EXPENDITURE						
Raw Materials & Other Direct Expense	107.10	1029.23	1138.44	1182.29	1230.51	1353.57
Administration and other operational expenses	20.00	120.00	132.00	145.20	159.72	175.69
Depreciation	75.00	438.00	373.00	317.00	269.00	229.00
Interest	15.83	173.36	140.54	104.46	64.81	21.21
TOTAL(B)	217.93	1760.59	1783.98	1748.95	1724.04	1779.47
Net Profit Before Tax (A-B)	88.07	1337.21	1468.71	1629.01	1791.71	2087.86
Income Tax	26.42	401.16	440.61	488.70	537.51	626.36
Net Profit After Tax	61.65	936.05	1028.09	1140.31	1254.20	1461.50
NP RATIO	0.20	0.30	0.32	0.34	0.36	0.38

Notes:

- 1) The basis for calculation of production capacity has been taken on single shift basis on 75% efficiency.
- 2) The maximum capacity utilization on single shift basis for 300 days a year. During second year and third year of operations the capacity utilization is 60% and 80% respectively. The unit is expected to achieve full capacity utilization from the fourth year onwards. Please note that, during the first year, firm has been working for only 2 months.
- 3) The salaries and wages, cost of raw materials, utilities, rents, etc. are based on the assumed rates for calculation purposes. These cost factors are likely to vary with time and location.
- 4) Interest on loan has been taken at the rate of 9.5% on an average. This rate may vary depending upon the policy of the financial institutions/agencies from time to time.
- 5) The cost of machinery and equipment's refer to a particular make / model and prices are approximate.

BREAKEVEN ANALYSIS

Sr.No	Particulars	Value in '000
1	Revenue from Operations (S)	2902.92
2	Variable Cost (VC)	1294.29
3	Fixed costs incl. interest (FC)	212.14
4	$BEP = FC/S-VC \times 100$	13.19%

DEBT SERVICE COVERAGE RATIO

Rupees in '000

	Particulars	2021	2022	2023	2024	2025	2026
A	Cash Generated from Operation						
a.	Net Profit	61.65	936.05	1028.09	1140.31	1254.20	1461.50
b.	Depreciation	75.00	438.00	373.00	317.00	269.00	229.00
c.	Interest on Term Loan	15.83	173.36	140.54	104.46	64.81	21.21
	Total [A]	152.48	1547.41	1541.64	1561.77	1588.01	1711.72
B	DEBT SERVICE REQUIREMENT						
	Repayment of Term Loan	26.17	330.68	363.50	399.58	439.24	440.83
	Interest on Term Loan	15.83	173.36	140.54	104.46	64.81	21.21
	Total [B]	42.00	504.04	504.04	504.04	504.40	462.04
	D.S.C.R.	3.63	3.07	3.06	3.10	3.15	3.70
	A/B						
	Average D.S.C.R.	3.29					

FINANCIAL POSITION

Rupees in '000

	2021	2022	2023	2024	2025	2026
EQUITIES & LIABILITIES						
CAPITAL ACCOUNT	1040.00	931.00	932.00	1017.00	1181.00	1386.00
TERM LOAN	1974.00	1643.00	1280.00	880.00	441.00	-
TRADE PAYABLEs (A)	36.00	42.00	44.00	49.00	51.00	53.00
TOTAL	3049.00	2616.00	2255.00	1946.00	1673.00	1439.00
ASSETS						
PROPERTY, PLANT & EQUIPMENT	2925.00	2487.00	2114.00	1797.00	1528.00	1299.00
CURRENT ASSETS						
CASH AND BANK	49.00	54.00	66.00	74.00	70.00	65.00
OTHER CURRENT ASSETS	75.00	75.00	75.00	75.00	75.00	75.00
CURRENT ASSETS(B)	124.00	129.00	141.00	149.00	145.00	140.00
TOTAL	3049.00	2616.00	2255.00	1946.00	1673.00	1439.00
Current Ratio	3.44	3.07	3.20	3.04	2.84	2.64