

Profile No.: 68

NIC Code: 43213

NEON SIGN BOARD

1. INTRODUCTION

The Neon sign board is one of the most popular and attractive media of advertisement widely used by industrial and commercial firms to popularize their products among the general public. The neon sign board that is installed on tall buildings attracts the attention of people even from distant places and hence it is ideally suited for advertisement in busy places like big town and cities.

2. PRODUCTS AND ITS APPLICATION

Neon Sign Boards are installed on tall buildings situated in busy areas to grab attention of target audience. It is attractive and appealing advertising boards play a significant role in building brand image in the market. It is available in both customized and standard forms as per the requirements of the client.

3. DESIRED QUALIFICATION FOR PROMOTER

The Promoter should have preferably a basic degree in plastic engineering/ processing or a degree/ diploma in engineering / or a degree in chemistry. Experience of at least two to three years in plastic industry is desirable.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

With the expansion of trade and industry the competition in every field is growing day by day. After liberalization of economic policy, variety of foreign goods are available everywhere at cheap rates creating tough competition for industrial and consumer goods in the Local market and advertisement has become very essential for the success

of any business activity. As such it is found to have scope for starting new small scale units for the manufacture of neon sign boards to meet the growing demand.

5. RAW MATERIAL REQUIREMENTS

- Fluorescent coated Lead glass tube 8 mm to 12mm Dia
- Lamp Electrodes
- High voltage Transformer 7500 V - O - 7500 V
- Argon/Neon gas
- Acrylic Sheet 6'x4'
- M.S. Angle, Flat and Sheet
- Hard ware materials L.S.
- Painting material L.S.
- Miscellaneous items

6. MANUFACTURING PROCESS

The Neon tubular lamp that is used in the Neon Sign Board is a cold cathode type discharge lamp in which discharge takes place between two electrodes placed at the ends of the tube. In long tubular lamps used for advertisement Purposes, several thousand volts are applied between electrodes for which supply is given through a high voltage transformer having high leakage reactance.

The Neon lamp of different colors are used for advertisement purposes and the desired color is produced either by filling lamp with suitable as or by using glass tubes coated with suitable fluorescent material as per the requirements. Now a day's latter method is generally adopted for producing Neon lamp of different colors.

7. MANPOWER REQUIREMENT

Sr. No.	Particulars	Nos	Salary
1	Manager	1	12000
2	Neon sign Technician	1	10000
3	Accountant	1	10000
4	Skilled worker	4	28000
5	Semi-skilled worker	8	56000
6	Helper	8	48000
7	Watchman	2	12000
	Total	25	176000

8. IMPLEMENTATION SCHEDULE

Sr. No.	Particulars	Time Period
1	The Time requirement for preparation of Project report	Two months
2	Time requirement for selection of Site	One month
3	Time required for registration as Small Scale Unit	One Week
4	Time required for acquiring the loan Machinery procurement, erection and commissioning	Three Months
5	Recruitment of labourer etc.	One month
6	Trial runs	Three Months

9. COST OF PROJECT

Sr. No.	Particulars	Rs. In lakhs
1	Land and Building	35.00
2	Plant and Machinery	16.92
3	Miscellaneous Assets	3.45
4	P & P Expenses	2.35
5	Contingencies @ 10% on land and building and plant and machinery	5.50
6	Working capital margin	43.26
	Total	106.48

10. MEANS OF FINANCE

Sr. No.	Particulars	Rs. (lakhs)
1	Promoter's contribution	31.944
2	Bank Finance	74.536
	Total	106.48

11. WORKING CAPITAL CALCULATION

Sr. No.	Particulars	Rs. lakhs	Stock Period days	Promoter Margin	Margin Amt.	Bank Finance
1	Salaries and wages	1.76	30	1	1.76	-
2	Raw material and packaging material	42.5	30	0.5	21.25	21.25
3	Utilities	0.65	30	0.5	0.325	0.325
4	Debtors	49.73	30	0.4	19.892	29.838
	Total	94.64			43.227	

12. LIST OF MACHINERY REQUIRED

Sr. No.	Particulars	Rs. lakhs
1	Bombarding transformer	1.00
2	Agency Transformer	0.40
3	Vacuum pump	0.30
4	Gas Filling Unit	3.00
5	Gas plant	7.50
6	High frequency Vacuum Tester	0.25
7	Tipping, Torches, Splicing torches, ribbon burners etc.	0.45
8	Hand sheering machine	0.58
9	Hand operated sheet bending machine	0.90
10	Arc welding Transformer	0.36
11	Spot welding machine	2.00
12	Bench Drilling machine 13 mm Dia	0.14
13	Bench Grinder	0.04
14	Wheel valves, pressure Gauges, hand tools	0.20
	Total	16.92

13. PROFITABILITY CALCULATIONS

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
(A)	Sales Realization per annum	43509375	49725000	55940625	55940625	55940625
(B)	Cost of Production					
1	Raw material per annum	35700000	40800000	45900000	45900000	45900000
2	Utilities	543200	620800	698400	698400	698400
3	Salaries	2112000	2280960	2449920	2618880	2787840
4	Repairs and maintenance	200000	220000	240000	260000	280000
5	Selling expenses (3% on sales value)	1305281	1491750	1678219	1678219	1678219
6	Administrative Expenses (other expenses)	350000	400000	450000	500000	550000
	Total	40210481	45813510	51416539	51655499	51894459
(C)	Profit before interest & depreciation	3298894	3911490	4524086	4285126	4046166
	depreciation	778800	778800	778800	778800	778800
	Profit Before term loan and tax	2520094	3132690	3745286	3506326	3267366
	Interest on term loan (11%)	790614	702768	585640	468512	351384
	Profit before tax	1729480	2429922	3159646	3037814	2915982
	Tax (30%)	518843.9	728976.6	947893.9	911344.3	874794.7
	Total Profit	1210636	1700945	2211752	2126470	2041188

14. BREAKEVEN ANALYSIS

Fixed Cost (FC):	Rs. In lakhs
Wages & Salaries	21.12
Repairs & Maintenance	2
Depreciation	7.79
Admin. & General expenses	3.5
Interest on Term Loan	7.91
Total	42.32

Fixed Cost: 42.32

Profit After Tax: 12.11

BEP = FC x 100/FC+P

42.32/54.43 x 70/100 x 100

54.43%