

Custom Neon Signs



PROJECT PROFILE NEON SIGN BOARD

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1. INTRODUCTION

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

In Uttarakhand, with the growing commercial and hospitality sectors in cities like Dehradun, Haldwani, Nainital, Rishikesh, etc., there is an increasing demand for eye-catching signage. Neon sign boards are popular for their visibility and aesthetic appeal, making them ideal for businesses such as restaurants, hotels, and entertainment venues². Additionally, the tourism industry in Uttarakhand can benefit from neon signage to attract visitors to local attractions and businesses.

2. PRODUCTS AND THEIR APPLICATION

Neon Sign Boards are installed on tall buildings or pillars in busy areas to grab the target audience's attention. Attractive and appealing advertising boards play a significant role in building brand image in the market. It is available in customized and standard forms per the client's requirements.

3. DESIRED QUALIFICATION FOR PROMOTER

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

4. INDUSTRY OUTLOOK AND TREND

The industry outlook for this industry is very encouraging. The increasing demand from industrial and commercial firms to advertise their product has resulted in high growth of

this industry, about 20 to 22%, in light of the expansion of trade and industry and investment in the economy by foreign players. The trend for this industry appears very positive and profitable.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

With the expansion of trade and industry, the competition in every field is growing daily. After the liberalization of economic policy, a 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 essential for the success of any business activity. As such, it is found to have scope for starting new small-scale units to manufacture neon sign boards to meet the growing demand.

The neon signboard business in Uttarakhand is showing promising growth. With increasing urbanization and the expansion of commercial and hospitality sectors, there is a rising demand for vibrant and eye-catching signage. Neon signs are particularly popular for their visibility and aesthetic appeal, making them ideal for businesses such as restaurants, hotels, and entertainment venues. The trend towards retro aesthetics and customized signage is also driving market growth. However, competition from existing providers and the need for skilled labor are challenges that must be addressed.

6. 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
- Hardware materials L.S.
- Painting material L.S.
- Miscellaneous items

7. MANUFACTURING PROCESS

The Neon tubular lamp used in the Neon Sign Board is a cold cathode-type discharge lamp in which discharge occurs 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.

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

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of the month in the year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed (Owner and Production Manager)	1	-	-	-
2	Skilled Labour	1	12	0.1	1.2
3	Un-Skilled Labour	3	12	0.08	2.88
4	Helper	2	12	0.06	1.44
5	Sales and Marketing Person	1	12	0.12	1.44
6	Neon sign Technician	1	12	0.2	2.4
Total					9.36

9. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	1 Acquisition Of premises	2
2	Construction (if applicable)	2
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1.5
5	Recruitment of the required workforce	1

6	Total time required (some activities shall run concurrently)	9
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10. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Building (Rented)	0.12
3	Plant & Machinery	13.65
4	Equipment and Furniture Exp.	0.97
5	Misc. Fixed Asset	0.02
6	Preoperative & Preliminary Exp.	0.21
7	Working Capital	637.16
Total Project Cost		652.13

11. MEANS OF FINANCE

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	261.10
2	Bank Finance	391.65
	Total	652.76

12. WORKING CAPITAL CALCULATION

Sr. No	Item	Stock holding Months	INR
1	Raw material stock	2	265625
2	Finished goods stock	2	54000000
3	Sales on credit	0.5	9450000
Total			63715625

13. LIST OF MACHINERY REQUIRED

MACHINERY

Sr. No	Particulars	Unit	Price per Unit(Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Bombarding transformer	1	1.00	1.00
2	Agency Transformer	1	0.40	0.40
3	Vacuum pump	1	0.30	0.30

4	Gas Filling Unit	1	2.50	2.50
5	Gas plant	1	7.00	7.00
6	Hand shearing machine	1	0.60	0.60
7	Arc welding Transformer	1	0.35	0.35
8	Spot welding machine	1	1.50	1.50
Total Amount				13.65

FURNITURE & EQUIPMENT

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Tools (Tipping, Torches, Splicing torches, ribbon burners, etc.)	0	0.50	0.50
2	Furniture and Set Up (Work Table, Storage shelves, Packaging Station, etc.)	0	0.00	0.25
3	Wheel valves, pressure Gauges, hand tools	-	0.00	0.20
4	Others (Labelling Equipment, Gloves, Masks, etc.)			0.02
Total Rs.				0.97

An indicative and illustrative list of machinery manufacturers for this project is given below.

- Toshniwal Brothers Pvt. Ltd. Chennai
- Hind Vacuum Co. Ltd. Bangalore
- Key Engineer Works, New Delhi

14. PROFITABILITY CALCULATIONS

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realisation	3240.00
B.	Cost of production	
i)	Raw materials	15.94
ii)	Utilities	0.37
iii)	Manpower Cost (Salaries/wages)	10.56
iv)	Administrative expenses	0.31
v)	Packaging Cost	0.50
vi)	Material Lost Cost	0.10
vii)	Selling & distribution expenses	0.84
viii)	Repairs & maintenance	0.10

ix)	Rent	0.75
x)	Interest	48.54
xi)	Misc. expenses	0.00
	Total (B)	78.00
	Gross profit/loss (A – B)	3162.00
	Less: Depreciation	1.51
C.	PBIT	3160.49
D	Income-tax	-
E	Net profit/loss	3160.49
F.	Repayment (Annual)	-48.11
G	Retained surplus (E-F)	3208.60

The underlying assumptions for probability calculation are: -

The plant's installed capacity is assumed to be 1200000 sq ft per annum. First-year capacity utilization is taken at 70%. The raw material price is Rs. 85/- per KG.

15. BREAKEVEN ANALYSIS

Fixed cost	
Land & Building Rent	0.75
Depreciation	1.51
Interest	48.54
Workforce	3.17
Total Fixed cost	53.96
Variable cost	
Raw materials	15.94
Utilities	0.37
Workforce	7.39
Administrative expenses	0.31
Selling & distribution expenses	0.84
Total Variable cost	24.85
Contribution margin	20%

16. STATUTORY/GOVERNMENT APPROVALS

- **Business Registration:** Register your business with the Registrar of Companies (ROC) under the Companies Act, 2013.
- **GST Registration:** Obtain a Goods and Services Tax (GST) registration if your annual turnover exceeds the threshold limit.
- **Trade License:** Acquire a trade license from the local municipal corporation or district administration.
- **Environmental Clearance:** Obtain environmental clearance from the Ministry of Environment, Forest and Climate Change if your project involves significant ecological impact.
- **Building Plan Approval:** Get approval for your building plan from the local municipal authority or development authority.
- **Electrical Connection:** Apply for an electricity connection from the Uttarakhand Power Corporation Limited (UPCL).
- **Water Connection:** Apply for a water connection from Uttarakhand Jal Sansthan.
- **Labor Laws Compliance:** Register under the Shop and Establishment Act and comply with labor laws, including registration with the Employees' State Insurance Corporation (ESIC) and the Employees' Provident Fund Organisation (EPFO).
- **Fire Safety Clearance:** Obtain a clearance from the local fire department.
- **Import/Export Code (IEC):** Apply for an Importer Exporter Code (IEC) if you plan to import raw materials or export finished products

17. BACKWARD & FORWARD LINKAGES

There are no specific backward or forward linkages related to techno-economic advantages or synergies for this type of project. However, in the future, after achieving specific growth, entrepreneurs may consider backward linkage and good customer relations with

local businesses such as restaurants, hotels, retail stores, and entertainment venues that can purchase neon sign boards for advertising and decoration.

18. TRAINING CENTRE AND COURSES:

There are several institutions providing facilities and training courses on production/marketing for the proposed project. These are the Central Institute of Plastic Engineering and Technology (CIPET), the Indian Institute of Packaging Management (IIPM), the Plastic and Rubber Institute (PRI), Indo German Tool Room (IGTR), etc.

The Udyamimitra portal (link: www.udyamimitra.in) can also be accessed for handholding services, viz., application filling/project report preparation, EDP, Financial Training, Skill Development, mentoring, etc.

Entrepreneurship programs that help run businesses successfully are also available from institutes like the Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.