

PROJECT PROFILE

ON

HOT CASES

PRODUCT : HOT CASE

PRODUCTION CAPACITY : 12000 NOS.

MONTH & YEAR OF

PREPARATION : MARCH,2011

PREPARED BY:
(UP-DATED)

ELECTRONICS DIVISION
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PROJECT PROFILE ON HOT CASES

PRODUCT AND ITS USE:

In the present era, domestic electrical appliances are very popular. These are convenient and time saving. Hot case is also a domestic electrical appliance and used to keep the food warm for a longer period.

MARKET POTENTIAL:

Now –a-days domestic electrical appliances are no longer considered as luxury items. Hence, these items are preferred by most of the families. In some part of India temperature remains low during whole year, so hot case plays vital role in these places to keep the food warm. Therefore, hot cases have wide scope and also good scope for export of these items to other countries.

BASIS AND PRESUMPTIONS:

1. The unit is proposed to work on a single shift basis of 8 hrs., duration and the percentage of capacity utilization is 75% and 25 working days per month.

2. The unit is expected to achieve the rated capacity utilization within 12 months period of time.
3. The labour and wages is taken as per the prevailing market rate.
4. Interest rate is taken as 16%
5. Operating period of the project is expected to be 16 years.
6. Cost of Plant & Machinery and Raw Material etc. are taken as per the prevailing market rate.
7. The land price is taken as Rs. 500/- per sq. mtrs. And building construction(Semi Permanent type) cost is Rs. 2500 per Sq. mtrs. BEP for the scheme has been calculated on full capacity utilization.

The project preparation cost etc. whenever required could be considered under preoperative expenses. It is also proposed that all components like heating elements, lugs, switches etc. are to be procured from other industries & unit will do the assembly and testing of subassembly and packing.

TIME SCHEDULE FOR PRODUCTION:

1. SSI provisional registration- 1 week
2. Project report preparation- month
3. Acquisition of land- 1 month
4. Sanction of loan from financial institutions-3 months
5. Acquisition of plant & machinery-3 months
6. Arrangement of power-1 month
7. Appointment of staff and labour-1 month
8. Erection and installation-1 month

9. Procurement of raw material- 1 month

10. Trial production- 1 month

Some of the above items like SSI Registration, arrangement of finance, Acquisition of plant & machinery, Appointment of staff etc. are done simultaneously so that the production is started within one year from the acquisition of land.

MANUFACTURING PROCESS:

The sequence of operation of assembly of hot cases is as under:

- Assembly of Plate
↓
- Fixing of lugs
↓
- Assembly of heating element
↓
- Fixing of thermostat
↓
- Assembly of pilot lamp & knobs
↓
- Assemble of side walls
↓
- Fixing of door hinges
↓

➤ Vibration Test



➤ Final Testing



➤ Packing

QUALITY CONTROL AND STANDARDS:

Quality of a product plays a vital role in survival and growth of an industry, Quality control in the manufacturing of domestic electrical appliances is very important keeping in view the risk involved in using the substandard items. Govt. has also introduced the quality control order insisting the manufactures of domestic electrical appliances to manufacture products as per specification. The IS specification followed while manufacturing hot cases are:

IS:4150/1967

IS:302/1977

IS:4185/1967

POWER REQUIREMENT: 5 KVA

LAND AND BUILDING:

Land 400 Sq. Meter @ Rs. 500/- per sq. mtr. = 2,00,000/-

Building built up area 200 sq. mtr. @ 2500/- per sq. mtr. = 5,00,000/-

POLLUTION CONTROL REQUIREMENT:

No Pollution Control Certificate is required for manufacturing of Electric HOT CASES and registration of the unit.

ENERGY CONSERVATION REQUIREMENT:

1. Use of energy saver (20w) in place of fluorescent tube 40 watt.
2. Periodic maintenance of different electrical equipment.
3. Adoption of energy conserving technologies, production aids and testing facilities.
4. Optimum use of electrical energy during testing HOT CASES.

LIGHTING:

1. Proper selection of layout of lighting system.
2. Timely switch on and off of the system
3. Use of electronics choke in place of wire wound choke
4. Proper maintenance of the lighting system such as periodical cleaning of tubes and fixture.

MACHINERY AND EQUIPMENT:

MACHINERY:

Sr. No.	Name of item	Qty.	Value.
1.	Oven	1	30,000/-
2.	Grinder	1	10,000/-

3.	Drilling machine(portable) ½’’	1	10,000/-
4.	Gas welding equipment with accessories	1	10,000/-
5.	Welding transformer 500 Amp.	1	15,000/-
6.	Spray painting eqpt. With spray gun and other accessories	1	15,000/-
7.	Sheet cutting machine	1	25,000/-
8.	Sheet bending machine	1	5000/-
	TOTAL		1,20,000/-

TESTING EQUIPMENTS:-

Sr. No.	Name of item	Qty.	Value.
1.	Multimeter (Digital)	1	7,500/-
2.	Megger 1000 Volts DC	1	10,000/-
3.	Variable Auto X-mer 0-440 volt 100 Amp.	1	5,000/-
4.	High Voltage tester 0-10 KV	1	12,000/-
5.	Testing panel with Ammeter Voltmeter & Multimeter.	1	12,000/-
	TOTAL		46,500/-
A)	Electrification and installation charge approximately 10% of machinery and eqpt. Cost		= 16,650/-
B)	Cost of office eqpt. Working tables etc.		= 15,000/-
C)	Pre-operative expenses(Project Cost, Non refundable if any.)		= <u>5,000/-</u>
			36,650/-

TOTAL FIXED INVESTMENT

1)	Land and Building	= 7,00,000/-
2)	Machinery and eqpt.	= 1,66,500/-
3)	Preliminary & prospective expenses such as Consultancy fees, electricity bill, tools etc.	= <u>36,650/-</u>
		9,03,150/-

WORKING CAPITAL (PER MONTH)

A)STAFF AND LABOUR

Sr. No.	Name	No.	Salary	Value.
1.	Manager	1	15,000/-	15,000/-
2.	Clerk/Store keeper	1	6000/-	6000/-
3.	Accountant	1	6000/-	6000/-
4.	Peon	1	2500/-	2500/-
			TOTAL	29,500/-

B)TECHNICAL MAN-POWER

Sr. No.	Name	No.	Salary	Value.
1.	Supervisor	1	6,000/-	6,000/-
2.	Skilled worker	3	5000/-	15,000/-
3.	Unskilled worker	8	4000/-	32,000/-
4.	Semi skilled worker	8	2500/-	20,000/-
5.	Helper	5	2500/-	12,500/-
			TOTAL	85,500/-

Total wages and salaries perquisites =29,500/-+85,500/- = 1,15,000/-

RAW MATERIAL (PER MONTH)

Sr. No.	Name of item	Qty.	Rate(Rs.)	Value.
1.	Thermostat	1000	60/-	60,000/-
2.	Switches	1000	20/-	20,000/-
3.	Element	1000	90/-	90,000/-
4.	M.C. Sheet	2000	25/-	50,000/-
		Kg.		
5.	Aluminum Sheet	800	200/-	1,60,000/-
		Kg.		
6.	Pilot lamp	1000	8/-	8,000/-
7.	Handles	1000	30/-	30,000/-
8.	Connector with flexible wire	1000		
9.	Insulation material	LS	} 70/- Per Set	70,000/-
10.	Hardware	LS		

11. Misc. items(Paints.) etc.	LS	
		TOTAL 4,88,000/-

UTILITIES:

1. Electricity – 2000 units consumed @ Rs 5/- per unit	=10,000/-
2. Water ----- 500/-	=
3. Gas etc. -----	= 1,000/-
	<u>11,500/-</u>

OTHER CONTINGENT EXPENSES:

Postage and stationery	= 5,000/-
Repair and maintenance	= 6,000/-
Transport	= 10,000/-
Adv. & Publicity	= 10,000/-
Insurance	= 1,000/-
	<u>32,000/-</u>

TOTAL RECURRING EXPENES (P.M.)

1. Personnel	= 1,15,000/-
2. Raw material	= 4,88,000/-
3. Utilities	= 11,500/-
4. Other expenses	= 32,000/-
	TOTAL 6,46,500/-

TOTAL CAPITAL INVESTMENT

Fixed capital	= 9,03,150/-
Working capital for (03)three months	=
	<u>19,39,500/-</u>

TOTAL 28,42,650/-

FINANCIAL ANALYSIS

A)	Cost of production/year		
1)	Cost of production/year (recurring cost)	=	77,58,000/-
2)	Depreciation on machinery, fixtures & eqpt. 10%	=	16,650/-
	Of total cost		
3)	Depreciation on office eqpt. @ 20%	=	3,000/-
4)	Interest on total investment @ 15% per annum	=	<u>4,26,398/-</u>
	Total	=	82,04,048/-

B. TURN OVER (PER ANNUM)

<u>Sr. No.</u>	<u>Name of item</u>	<u>Qty.</u>	<u>Rate</u>	<u>Total(Rs.)</u>
1.	Hot case	12000	Rs 1000/-	1,20,00,000/-

C.NET PROFIT

= Sales –cost of production

=1,20,00,000/- - 82,04,048/-

= 37,95,952/-

D.NET PROFIT RATIO

$$\frac{\text{Net profit}}{\text{Annual Turnover}} = \frac{37,95,952}{1,20,00,000} = 31.63 \%$$

D) RATE OF RETURN ON TOTAL CAPITAL INVESTMENT

$$= \frac{\text{Net profit}}{\text{Total capital investment}} = \frac{37,95,952}{28,42,600}$$

$$= 133.53 \%$$

F) BREAK EVEN POINT

$$\text{B.E.P.} = \frac{\text{Annual fixed cost}}{\text{Annual fixed cost} + \text{Annual Profit}}$$

Annual fixed cost

1) Total depreciation	=	19,650/-
2) Interest on investment	=	4,26,308/-
3) 40% of personnel	=	46,000/-
4) 40% of utilities	=	4,600/-
5) 40% of other expenses	=	<u>12,800/-</u>
		5,09,358/-

$$\text{BREAK EVEN POINT} = \frac{5,09,358}{5,09,358 + 37,95,952}$$

$$= 118.30 \%$$

ADDRESSES OF RAW MATERIAL AND PLANT & MACHINERY SUPPLIERS:

- 1. M/s Philips India Ltd., 68, Najafgarh Road, new Delhi.**
- 2. M/s Rajdhani Tele. Products P. Ltd., FA Road, Kumarpara, Guwahati Assam**
- 3. M/s Assam Electricals, Tinsukia Assam**
- 4. M/s Electronics Appliances, Janna Bhawan, Asaf Ali road, New Delhi.**

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5. **M/s Prem Engg. Works, Okhla Indl. Estate, New Delhi.**
6. **M/s Osho Home Appliances, Baddi, Solan (HP)**
7. **M/s Stesalit Limited, Indl. Area, Baddi Solan (HP)**

No. : 91(1) Electronics/Action Plan/2010-11
Date: 31-03-11

SPEED POST

To
The Development Commissioner
Micro , Small & Medium Enterprises,
Nirman Bhawan ,N.Delhi.-03

Kind Attn.: Sh. A.K Verma Dy. Dir.(Electronics Div.)
Subject: Product Specific status report under Action Plan 2010-11.

Sir,

Electronics Division of MSME-DI,SOLAN has prepared product specific status report on U.P.S & Inverter industries in Himachal Pradesh under action plan 2010-11.The hard

copy of product specific status report on U.P.S & Inverter industries is enclosed herewith for perusal & necessary action at your end please.

Faithfully

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Encl.: As above
Gr-I(Electronics)

Director

Encls: As above

Copy to: Ms. Shakti Rani Asst. Dir.(NMCP) for n.a. pl.

Yours

(Ajay Bajpai

Asstt. Dir

for

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No. : 91(1) Electronics/Action Plan/2010-11
Date: 31-03-11

SPEED POST

To,
The Development Commissioner
Micro , Small & Medium Enterprises,
Nirman Bhawan ,N.Delhi.-03

Kind Attn.: Smt. Shakti Rani Asst. Dir. (MSME Div.)
Subject: Project Profile Prepared under Action Plan 2010-11.

Sir,

Electronics Division of MSME-DI,SOLAN has updated a Project Profile on Hot Cases as allotted to this Institute under action plan 2010-11.The hard copy of the project Profile is enclosed herewith for necessary action at your end please.

Faithfully

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Encl.: As above
Gr-I(Electronics)

Director

Yours

(Ajay Bajpai

Asstt. Dir

for

