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PROJECT REPORT

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PROJECT:

Electric Tandoor Unit

PROJECT REPORT

Of

ELECTRONIC TANDOOR

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Electric Tandoor**.

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.]

PROJECT AT A GLANCE

1	Name of the Entreprenuer		XXXXXXX
2	Constitution (legal Status)	:	XXXXXXX
3	Father's/Spouce's Name		XXXXXXXX
4	Unit Address	:	XXXXXXXX Taluk/Block: District : XXXXX Pin: XXXXX State: E-Mail : XXXXX Mobile XXXXX
5	Product and By Product	:	**ELECTRIC TANDOOR**
6	Name of the project / business activity proposed :		**MANUFACTURING OF ELECTRIC TANDOOR**
7	Cost of Project	:	Rs.14.8 Lacs
8	Means of Finance Term Loan Own Capital Working Capital		 Rs.8.33 Lacs Rs.1.48 Lacs Rs.5 Lacs
9	Debt Service Coverage Ratio	:	2.85
10	Pay Back Period	:	5 Years
11	Project Implementation Period	:	6 Months
12	Break Even Point	:	56%
13	Employment	:	19 Persons
14	Power Requirement	:	8.00 HP
15	Major Raw materials	:	CRC sheet, Nichrome Resistance wire, Ceramic Roofs,Bakelite
16	Estimated Annual Sales Turnover	:	42.75 Lacs
16	Detailed Cost of Project & Means of Finance		

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Owned/leased
Building /shed 2500 Sq Ft)	Owned/Leased
Plant & Machinery	8.00
Furniture & Electricals Fittings	1.25
Working Capital Requirement	5.55
Total	**14.80**

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.48
Term Loan	8.33
Working Capital Finance	5.00
Total	**14.80**

ELECTRIC TANDOOR

INTRODUCTION: -

Tandoor is used to make not only tandoor roti but also non- veg preparations. The traditional tandoor was made by clay in which we used wood fuel to heat it up. Now-a-days people lead fast life. Every member of family is working and Electric tandoor is very handy and convenient. That's why tandoor preparations have not only become popular in whole of this country but also in hotels abroad.

MARKET POTENTIAL: -

The demand for domestic electrical tandoor has been steadily increasing. As a result of the expansion in generation of electrical energy in the country, the electric energy does replace other forms of energy for domestic use. Tandoor is widely used by hotels, restaurants etc.

BASIS AND PRESUMPTIONS

i) The basis for calculation of production capacity has been taken on single shift basis on 50% efficiency.

ii) The maximum capacity utilization on single shift basis for 300 days a year.

During first year and second year of operations the capacity utilization is 50% and 60% respectively.

iii) The salaries and wages, cost of raw materials, utilities, rents, etc. are based on the prevailing rates in and around the place of Unit established. These cost factors are likely to vary with time and location.

iv) Interest on term loan and working capital loan has been taken at the rate of 11% on an average.

This rate may vary depending upon the policy of the financial institutions/agencies from time to time.

v) The cost of machinery and equipment's refer to a particular make / model and prices are approximate.

vi) The break-even point percentage indicated is of Average capacity utilization.

vii) The project preparation cost etc. whenever required could be considered under pre-operative expenses.

viii) The essential production machinery and test equipment required for the project have been indicated.

The unit may also utilize common test facilities available at Electronics Test and Development Centres (ETDCs) and Electronic Regional Test Laboratories (ERTLs) and Regional Testing Centres (RTCs).

IMPLEMENTATION SCHEDULE:

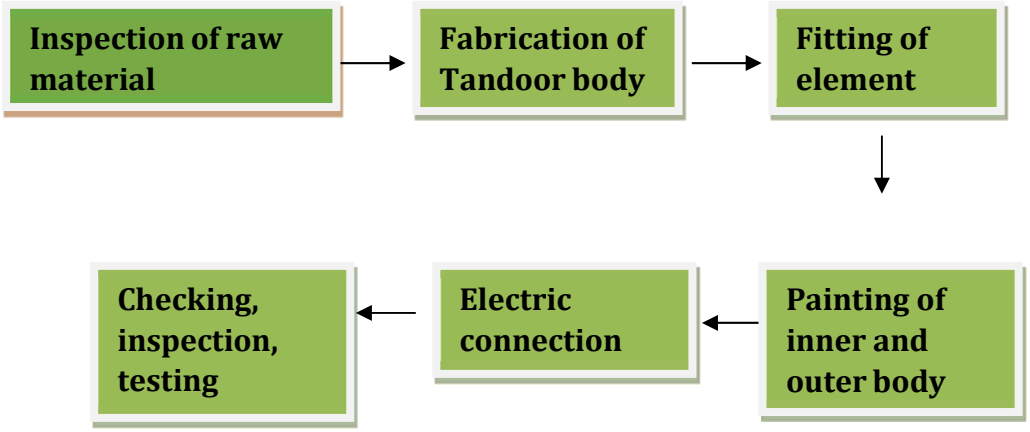
Sr. No.	Particulars	Time Period
1	The Time requirement for preparation of Project report	Two months
2	Time requirement for selection of Site	One month
3	Time required for registration as Small Scale Unit	One Week
4	Time required for acquiring the loan Machinery procurement, erection and commissioning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

LICENSING AND REGISTRATIONS:

- GST Registration
- Udyog Aadhar Registration
- NOC From the Pollution Control Board
- Tradename or Brand Name Registration as may be Required

TECHNICAL ASPECTS: -

PROCESS OF MANUFACTURE



POLLUTION CONTROL

The Government accords utmost importance to control environmental pollution. The small-scale entrepreneurs should have an environmentally friendly attitude and adopt pollution control measures by process modification and technology substitution.

India having acceded to the Montreal Protocol in September, 1992, the production and use of Ozone Depleting Substances (ODS) like Chlorofluore Carbon (CFCs), Carbon Tetrachloride, Halons and methyl Chloroform etc. need to be phased out immediately with alternative chemicals/solvents. A notification for detailed Rules to regulate ODS phase out under the Environment Protection Act, 1986 have been put in place with effect from 19th July 2000

ENERGY CONSERVATION

With the growing energy needs and shortage coupled with rising energy cost, a greater thrust in energy efficiency in industrial sector has been given by the Government of India since 1980s. The Energy Conservation Act, 2001 has been enacted on 18th August 2001, which provides for efficient use of energy, its conservation and capacity building of Bureau of Energy Efficiency created under the Act.

The following steps may help for conservation of electrical energy:

i) Adoption of energy conserving technologies, production aids and testing facilities.

ii) Efficient management of process/manufacturing machineries and systems, QC and testing equipment's for yielding maximum Energy Conservation.

iii) Optimum use of electrical energy for heating during soldering process can be obtained by using efficient temperature-controlled soldering and de-soldering stations.

iv) Periodical maintenance of motors, compressors etc.

v) Use of power factor correction capacitors. Proper selection and layout of lighting system; timely switching on-off of the lights; use of compact fluorescent lamps wherever possible etc.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Capital Account	1.48	1.48	1.48	1.48	1.48
Retained Profit	1.42	3.58	6.55	10.85	17.49
Term Loan	7.00	5.60	4.20	2.80	1.40
Cash Credit	5.00	5.00	5.00	5.00	5.00
Sundry Creditors	0.26	0.33	0.38	0.44	0.49
TOTAL :	**15.16**	**15.98**	**17.61**	**20.57**	**25.86**
APPLICATION OF FUND					
Fixed Assets (Gross)	9.25	9.25	9.25	9.25	9.25
Gross Dep.	1.33	2.46	3.43	4.25	4.96
Net Fixed Assets	7.93	6.79	5.82	5.00	4.29
Current Assets					
Sundry Debtors	3.56	4.55	5.42	6.33	7.26
Stock in Hand	2.36	2.91	3.44	4.00	4.56
Cash and Bank	1.31	1.73	2.92	5.25	9.74
TOTAL :	**15.16**	**15.98**	**17.61**	**20.57**	**25.86**
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
A) SALES					
Gross Sale	42.75	54.62	65.05	75.91	87.16
Total (A)	**42.75**	**54.62**	**65.05**	**75.91**	**87.16**
B) COST OF SALES					
Raw Mateiral Consumed	11.20	14.11	16.46	18.81	21.16
Elecricity Expenses	0.57	0.69	0.80	0.92	1.03
Repair & Maintenance	0.13	0.55	0.65	0.76	0.87
Labour & Wages	12.54	13.79	15.17	16.69	18.36
Depreciation	1.33	1.13	0.97	0.83	0.71
Consumables,packaging and Other Expenses	6.41	6.55	9.11	11.39	13.07
Cost of Production	32.17	36.82	43.16	49.39	55.20
Add: Opening Stock /WIP	-	1.80	2.20	2.62	3.06
Less: Closing Stock /WIP	1.80	2.20	2.62	3.06	3.51
Cost of Sales (B)	30.37	36.42	42.74	48.95	54.75
C) GROSS PROFIT (A-B)	12.38	18.20	22.31	26.96	32.40
	28.95%	**33.33%**	**34.30%**	**35.51%**	**37.18%**
D) Bank Interest (Term Loan)	0.71	0.56	0.40	0.25	0.10
Bank Interest (C.C. Limit)	0.55	0.55	0.55	0.55	0.55
E) Salary to Staff	7.13	7.84	8.62	9.49	10.44
F) Selling & Adm Expenses Exp.	2.57	7.10	9.76	12.15	13.94
TOTAL (D+E)	**10.95**	**16.05**	**19.34**	**22.43**	**25.03**
H) NET PROFIT	1.42	2.15	2.98	4.53	7.38
	3.3%	**3.9%**	**4.6%**	**6.0%**	**8.5%**
I) Taxation	-	-	-	0.23	0.74
J) PROFIT (After Tax)	1.42	2.15	2.98	4.30	6.64

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
SOURCES OF FUND					
Share Capital	1.48	-			
Reserve & Surplus	1.42	2.15	2.98	4.53	7.38
Depreciation & Exp. W/off	1.33	1.13	0.97	0.83	0.71
Increase in Cash Credit	5.00	-	-	-	-
Increase In Term Loan	7.00	-	-	-	-
Increase in Creditors	0.26	0.07	0.05	0.05	0.05
TOTAL :	**16.48**	**3.35**	**4.00**	**5.41**	**8.14**
APPLICATION OF FUND					
Increase in Fixed Assets	9.25	-	-	-	-
Increase in Stock	2.36	0.55	0.54	0.55	0.57
Increase in Debtors	3.56	0.99	0.87	0.91	0.94
Repayment of Term Loan	-	1.40	1.40	1.40	1.40
Taxation	-	-	-	0.23	0.74
TOTAL :	**15.17**	**2.94**	**2.80**	**3.08**	**3.64**
Opening Cash & Bank Balance	-	1.31	1.73	2.92	5.25
Add : Surplus	1.31	0.42	1.19	2.33	4.50
Closing Cash & Bank Balance	**1.31**	**1.73**	**2.92**	**5.25**	**9.74**

COMPUTATION OF MANUFACTURING OF ELECTRIC TANDOOR

Items to be Manufactured ELECTRIC TANDOOR

Manufacturing Capacity Output per day		30.00	Pieces
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		9,000.00	Pieces
Year		Capacity Utilisation	Pieces
IST YEAR		50%	4,500.00
IIND YEAR		60%	5,400.00
IIIRD YEAR		70%	6,300.00
IVTH YEAR		80%	7,200.00
VTH YEAR		90%	8,100.00

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of Raw Material	Unit Rate of	Total CostPer Annum (100%)
CRC Sheet		8000 KG	38.00	304,000.00
Nichrome Resistance Wire		50 KG	1,800.00	90,000.00
Ceramic Roofs		9000 PCS	15.00	135,000.00
Bakelite Handle		9000 PCS	50.00	450,000.00
Thermostat		9000 PCS	140.00	1,260,000.00
Total Raw material in Rs lacs				22.39

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	50%	11.20
IIND YEAR	60%	14.11
IIIRD YEAR	70%	16.46
IVTH YEAR	80%	18.81
VTH YEAR	90%	21.16

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Finished Goods					
(15 Days requirement)	1.80	2.20	2.62	3.06	3.51
Raw Material					
(15 Days requirement)	0.56	0.71	0.82	0.94	1.06
Closing Stock	**2.36**	**2.91**	**3.44**	**4.00**	**4.56**

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			**Total**
			Amount
Stock in Hand			2.36
Sundry Debtors			3.56
		Total	5.92
Sundry Creditors			0.26
Working Capital Requirement			**5.66**
Margin			0.57
MPBF			**5.09**

Working Capital Demand 5.00

BREAK UP OF LABOUR

Particulars		Wages Per Month	No of Employees	Total Salary
Plant Operater		15,000.00	1	15,000.00
Skilled Worker		10,000.00	2	20,000.00
Unskilled Worker		8,000.00	6	48,000.00
Casual Labour		4,500.00	6	27,000.00
				95,000.00
Add: 10% Fringe Benefit				9,500.00
Total Labour Cost Per Month				104,500.00
Total Labour Cost for the year (In Rs. Lakhs)			15	12.54

BREAK UP OF SALARY

Particulars		Salary Per Month	No of Employees	Total Salary
Manager		15,000.00	1	15,000.00
Accountant		12,000.00	1	12,000.00
Store Keeper		10,000.00	1	10,000.00
Sales		8,500.00	2	17,000.00
Total Salary Per Month				54,000.00
Add: 10% Fringe Benefit				5,400.00
Total Salary for the month				59,400.00
Total Salary for the year (In Rs. Lakhs)			4	7.13

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture & Electricals Fittings	TOTAL
Rate of Depreciation			**15.00%**	**10.00%**	
Opening Balance	Owned/Leased		-	-	-
Addition	-		8.00	1.25	9.25
Total			8.00	1.25	9.25
Less : Depreciation	-	-	1.20	0.13	1.33
WDV at end of Ist year	-	-	6.80	1.13	7.93
Additions During The Year	-	-	-	-	-
	-	-	6.80	1.13	7.93
Less : Depreciation	-	-	1.02	0.11	1.13
WDV at end of IInd Year	-	-	5.78	1.01	6.79
Additions During The Year	-	-	-	-	-
	-	-	5.78	1.01	6.79
Less : Depreciation	-	-	0.87	0.10	0.97
WDV at end of IIIrd year	-	-	4.91	0.91	5.82
Additions During The Year	-	-	-	-	-
	-	-	4.91	0.91	5.82
Less : Depreciation	-	-	0.74	0.09	0.83
WDV at end of IV year	-	-	4.18	0.82	5.00
Additions During The Year	-	-	-	-	-
	-	-	4.18	0.82	5.00
Less : Depreciation	-	-	0.63	0.08	0.71
WDV at end of Vth year	-	-	3.55	0.74	4.29

REPAYMENT SCHEDULE OF TERM LOAN 11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	Cl Balance
~~Moratorium~~ Period	Opening Balance						
	Ist Quarter	-	7.00	7.00	-	-	7.00
	Iind Quarter	7.00	-	7.00	0.19	-	7.00
	IIIrd Quarter	7.00	-	7.00	0.19	-	7.00
	Ivth Quarter	7.00	-	7.00	0.19	-	7.00
IST YEAR					0.58	-	
	Opening Balance						
	Ist Quarter	7.00	-	7.00	0.19	0.35	6.65
	Iind Quarter	6.65	-	6.65	0.18	0.35	6.30
	IIIrd Quarter	6.30	-	6.30	0.17	0.35	5.95
	Ivth Quarter	5.95		5.95	0.16	0.35	5.60
					0.71	1.40	
IIND YEAR	Opening Balance						
	Ist Quarter	5.60	-	5.60	0.15	0.35	5.25
	Iind Quarter	5.25	-	5.25	0.14	0.35	4.90
	IIIrd Quarter	4.90	-	4.90	0.13	0.35	4.55
	Ivth Quarter	4.55		4.55	0.13	0.35	4.20
					0.56	1.40	
IIIRD YEAR	Opening Balance						
	Ist Quarter	4.20	-	4.20	0.12	0.35	3.85
	Iind Quarter	3.85	-	3.85	0.11	0.35	3.50
	IIIrd Quarter	3.50	-	3.50	0.10	0.35	3.15
	Ivth Quarter	3.15		3.15	0.09	0.35	2.80
					0.40	1.40	
IVTH YEAR	Opening Balance						
	Ist Quarter	2.80	-	2.80	0.08	0.35	2.45
	Iind Quarter	2.45	-	2.45	0.07	0.35	2.10
	IIIrd Quarter	2.10	-	2.10	0.06	0.35	1.75
	Ivth Quarter	1.75		1.75	0.05	0.35	1.40
					0.25	1.40	
VTH YEAR	Opening Balance						
	Ist Quarter	1.40	-	1.40	0.04	0.35	1.05
	Iind Quarter	1.05	-	1.05	0.03	0.35	0.70
	IIIrd Quarter	0.70	-	0.70	0.02	0.35	0.35
	Ivth Quarter	0.35		0.35	0.01	0.35	0.00
					0.10	1.40	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
CASH ACCRUALS	2.75	3.29	3.94	5.13	7.35
Interest on Term Loan	0.71	0.56	0.40	0.25	0.10
Total	3.46	3.85	4.35	5.38	7.44
REPAYMENT					
Instalment of Term Loan	1.40	1.40	1.40	1.40	1.40
Interest on Term Loan	0.71	0.56	0.40	0.25	0.10
Total	2.11	1.96	1.80	1.65	1.50
DEBT SERVICE COVERAGE RATIO	**1.64**	**1.96**	**2.41**	**3.26**	**4.97**
AVERAGE D.S.C.R.			**2.85**		

COMPUTATION OF SALE

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	225.00	270.00	315.00	360.00
Production	4,500.00	5,400.00	6,300.00	7,200.00	8,100.00
	4,500.00	5,625.00	6,570.00	7,515.00	8,460.00
Less : Closing Stock	225.00	270.00	315.00	360.00	405.00
Net Sale	4,275.00	5,355.00	6,255.00	7,155.00	8,055.00
Sale Price per pcs	1,000.00	1,020.00	1,040.00	1,061.00	1,082.00
Sale (in Lacs)	**42.75**	**54.62**	**65.05**	**75.91**	**87.16**

COMPUTATION OF ELECTRICITY

(A) POWER CONNECTION				
Total Working Hour per day		Hours	8	
Electric Load Required		HP	8	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				114,585.60
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%				1.15
Year		**Capacity**		**Amount**
				(in Lacs)
IST YEAR		50%		0.57
IIND YEAR		60%		0.69
IIIRD YEAR		70%		0.80
IVTH YEAR		80%		0.92
VTH YEAR		90%		1.03

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Double Bench Grinder	1	7,500.00	7,500.00
Sheet Rolling Machine	1	200,000.00	200,000.00
Drill Machine	1	14,000.00	14,000.00
Shearing Machine	1	225,000.00	225,000.00
Power Hacksaw	1	45,000.00	45,000.00
Air compressor with gun for Painting	1	25,000.00	25,000.00
Hand Press No 8'	1	15,000.00	15,000.00
Power Press	1	95,000.00	95,000.00
Tools, Dies and Fixes			25,000.00
Total			651,500.00
GST@18%			117,270.00
Total			768,770.00
Other Electrification			31,230.00
			800,000.00

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