PROJECT PROFILE

ON

Cable Socket (LUGS)

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PART-I

NAME OF THE PRODUCT	:	**Cable Socket (LUGS)**
QUALITY & STANDARD	:	IS:8309 – 1993 Reaffirmed 2008.
PRODUCTION CAPACITY	:	The production capacity of the unit at 75% capacity utilisation.
MONTH & YEAR OF PREPARATION	:	December, 2012.
PREPARED BY	:	**MSME - Development Institute,** Ministry of Micro, Small & Medium Enterprises, Government of India 107, Industrial Estate, Kalpi Road, **Kanpur-208012.** Tele. 2295070, 2295071 & 2295073 (EPBAX) Tele. No. 2295072 (SENET & TRC) Tele/Fax No.: 0512- 2240143 email: dcdi-kanpur@dcmsme.gov.in Website: msmedikanpur.gov.in

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PART-II

A) INTRODUCTION

The Cable Sockets are used as connectors for Cable. The bigger size of Cable can not be connected into equipment or in supply system. So to connect the Cable in supply system or equipment the cable sockets are very important item. These are made from copper pipes.

B) MARKET POTENTIAL

Cable Sockets and Thimbles are very common item and it used in every place wherever Electric supply exists. With rapid industrialization and electrification the demand for this item is every increasing. It is used by Electricity Board. Industries of all type in installation of plant and machinery and by Electrical Power Equipment manufacturing units. There is no such unit in U.P. so the demand for this item is unlimited.

C) BASIS & PRESUMPTIONS

1. The basis for calculation of production capacity is on single shift basis, working of 25 days per month on 75 % efficiency. The required for achieving envisaged capacity utilization is assumed as one year.

2. BEP for the scheme has been calculated on full capacity utilization.

3. Rate of interest has been taken as 15% on an average. This, however, is likely to vary depending upon the financial outlay of the location of the project.

4. Labour wages have been taken on the basis of minimum applicable. There are likely to change depending upon the location of the project.

5. Margin money requirement differs from project or project and type of entrepreneurs such as women, SC/ST, physically handicapped etc. and the minimum margin money usual asked by the financial institutions and banks are 15%. Margin money up to 25% in some cases is also asked. The entrepreneurs may check the margin money requirement from financial institutions for the project.

6. Term of loan differs from one financial institution to another and in general minimum gestation period is normally 6 months and it could be 2 years. Maximum period for repayment of loan is 7 years including gestation period. The entrepreneurs from the concerned financial institutions may find the exact terms and conditions.

7. The cost of machinery and equipments as indicated in the scheme are approximate those ruling at the time of preparation of the scheme. The entrepreneur may check the exact price for specific make and model of the machine selected.

8. Non-refundable deposits, cost of preparation of project report etc. may be considered under preoperative expenses.

9. The provision made in other respects viz; raw materials, utilities, overheads etc. are drawn on the basis of standard variation and output. The cost indicated against each are approximate and based on local market condition and observations. The entrepreneur may find out the exact cost from the concerned sources.

10. The operative period of this project is estimated to be about 10 years considering technology obsolesce

D) IMPLEMENTATION SCHEDULE:

It is estimated that from the conception of the project to commercial production, it may take about two years including purchase of machineries, erection & installation, recruitment of staff and all clearance from different agencies like DIC, financial institutions/banks etc.

E) TECHNICAL ASPECTS:

(i) Process OUTLINE:

Copper pipes of required size and outer diameter are cut to the size and then pressed in power press with the help of relevant set of dies. Afterwards it is machined and internal threads are made. Now the final finish to product is given and sent for electroplating and buffing. Afterwards the product is sent for physical verification and testing and then to packing.

(ii) Quality Control and Standards

The relevant IS specification for Cable Socket (Lugs) is IS:8309 – 1993 Reaffirmed 2008.

(iii) Production Capacity:

Item	Quantity
Cable Socket (Lugs) from 15 Amp to 1000 Amp	12,500 Nos.

(iv) Motive Power:

13 KW for plant & machinery & 2 KW for lighting & fans.

(v) Pollution Control:

NOC is required to be obtained from DIC level.

(vi) Energy Conservation:

The product is totally electrical energy consuming device and everything depends on motor efficiency and design. So motor, i.e. washing motor cum spinning motor are to be at optimum efficiency with minimum frictional losses to have maximum electrical energy conservation.

F) FINANCIAL ASPECTS:

A) Fixed Capital:

(i) Land & Building:

Land 175 Sq. Mtrs. @ Rs. 285/- per Sq. Mtrs.	**49,875/-**
Building 175 Sq. Mt. @ Rs. 2000/- per sq. Mtrs.	**3,50,000/-**
Total:	**3,99,875/-**
Say:	**4,00,000/-**

(ii) Machinery & Equipment:

S.No	Description	Qty.	Rate	Value
1.	Power Press			
	a) Motor 1 HP, 10 Ton Capacity	1	25000/-	25,000/-
	b) Motor 2 HP, 20 Ton Capacity	1	38000/-	38,000/-
	c) Motor 3 HP, 35 Ton Capacity	1	50000/-	50,000/-
2.	Lather Machine 1 HP Motor 6 Ft. Bed Length	1	38000/-	38,000/-
3.	Threading Adds 3½ ft length	2	25000/-	50,000/-
4.	Surface Grinder with 1 HP Motor (7"X14" size)	1	45000/-	45,000/-
5.	Bench Grinder Capacity ½ HP motor	1	4000/-	4,000/-
6.	Hand Press	1	3700/-	3,700/-
7.	Portable Drilling Machine 1"	1	7500/-	7,500/-
8.	Potable Drilling Machine ¾" capacity	1	6500/-	6,500/-
9.	Tinning Plant for Electroplating Barrel Tank 3'X3'X5'	1	18000/-	18,000/-
10.	Rectifier 200 Amp	1	25000/-	25,000/-
11.	Dryer with Motor	1	9000/-	9,000/-
12.	Electrification & Installation charges			30,000/-
13.	Tools & Dies	LS		40,000/-
14.	Office Furniture & Workshop benches etc.			10,000/-
	Total:			**3,99,700/-**
	Say:			**4,00,000/-**

B) Working Capital (Per Month):

(i) Personnel:

Sl. No.	Designation	No.	Salary	Total (Rs.)
1.	Production Supervisor	1	15000/	15,000/-
2.	Skilled Workers	6	7500/-	45,000/-
3.	Helper / Unskilled Workers	4	5000/-	20,000/-
4.	Clerk / Typist	1	6000/-	6,000/-
5.	Sales Supervisor	2	10000/-	20,000/-
6.	Chowkidar / Peon	1	5000/-	5,000/-
	15% other expenses like ESI etc.			16,650/-
			Total:	**1,28,000/-**

(ii) Raw Materials including Packaging Requirements:

1.	Copper Pipe EC Grade of ashorted dia & size	1500 Kg @ Rs.180/Kg	2,70,000/-
2.	Tin Salt, Tin Plate	LS	20,000/-
		Total:	**2,90,000/-**

(iii) Consumable stores like Cotton Waste, machine oil etc. 2,000/-

(iv) Other Expenses (P.M.):

1	Water & Power charges	4,500/-/-
2	Administrative Expenses	2,500/-
3	Selling charges like advertisement, transportation charges etc	5,000/-
	Total:	**12,000/-**

(v) Total working capital per month Rs. 4,32,000/-
For 3 months Rs. 12,96,000/-

Total Investment	- Land & Building	-	4,00,000/-
	- Fixed Capital	-	4,00,000/-
	- Working Capital for 3 months	-	12,96,000/-
	Total	**=**	**20,96,000/-**

G) FINANCIAL ANALYSIS:

i) Cost of Production (Per Month)

Sl. No.	Particulars	Value(Rs.)
1.	Working Capital	4,32,000/-
2.	Depreciation on machinery and equipment @10% p.a.	2,500/-
3.	Depreciation on cost of Dies & Office Equipment @ 20% p.a.	840/-
4.	Depreciation on land & Machinery @ 2.5% p.a.	1,560/-
5.	Interest on Total Capital Investment @ 15%	26,200/-
	Total: -	**4,63,100/-**

ii) Turnover (Per Annum)

Sl. No.	Item	Value (Rs.)
1.	12500 Pcs of Cable Socket of ashorted ranges from 15 Amp to 1000Amp at an average rate of Rs.40/-Pc for average size of socket.	**5,00,000/-**

iii) NET PROFIT (Per Month)

Turn Over	(-)	Cost of Production	=	**37,000/-**
5,00,000/-	(-)	4,63,000/-		

iv) PROFIT RATIO ON SALES (Per Month):

Profit/month X 100	37,000/- X 100	=	**7.4%**
Turnover/month	5,00,000/-		

v) RATE OF RETURN (Per Annum):

Net Profit/12X 100	37,000/- X 12 X 100	=	**21.18%**
Total Capital Investment	20,96,000/-		

BREAK EVEN POINT

Fixed Cost (Per Month):

1.	Total Depreciation on machine, Tools, Office Equipment and Land & Building.	Rs.	4,900/-
2.	Interest on total investment @ 15% p.a.	Rs.	26,200/-
3.	40% of monthly salary of all staff	Rs.	51,200/-
4.	40% of expenditure of utilities and other exp.	Rs.	5,600/-
	Total:-	**Rs.**	**87,900/-**

B.E.P.

Annual Fixed Cost X 100	87900X12X100	=	**70.3%**
Annual Fixed Cost + Profit	87900 + 37000 X 12		

Names & Address of Machinery & Equipment Suppliers:

1. M/s Amar Machines,
   77-B, Udyog Nagar, Kanpur – 208022.
2. M/s Bharat Industries,
   401, Patel Marg, Geneco Complex, Gaziabad.
3. M/s J. D. Machine tools,
   T-510/C-76 Baljit Nagar, New Delhi –110008.
4. M/s Vijay Industries,
   B-10, Phase-II, Mayapuri Indl. Area, New Delhi-64.

Raw Material Suppliers:

1. M/s Rachna Metal Industries,
   669, Churi Walen, Chawri Bazar, Delhi – 110006.
2. M/s Jay Bamas Metal Corporation,
   35, Kika Street, (Gulal Wadi), Mumbai – 400 004.
3. M/s Mardia Metals Agency,
   83, Kika Street, Gulal wadi, Mumbai – 400004.

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