

PROJECT REPORT

Of

TABLE FAN

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Table Fan Manufacturing unit.

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.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **TABLE FAN**
- 6 Name of the project / business activity proposed : **TABLE FAN MANUFACTURING UNIT**
- 7 Cost of Project : Rs.23.25 Lakhs
- 8 Means of Finance
- Term Loan Rs.14.81 Lakhs
- Own Capital Rs.2.33 Lakhs
- Working Capital Rs.6.11 Lakhs
- 9 Debt Service Coverage Ratio : 2.68
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 28%
- 13 Employment : 11 Persons
- 14 Power Requirement : 18.00 HP
- 15 Major Raw materials : Electric Components, Table fan Parts and General Consumables
- 16 Estimated Annual Sales Turnover (Max Capacity) : 140.47 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	15.46
Furniture & Fixtures	1.00
Working Capital	6.79
Total	23.25

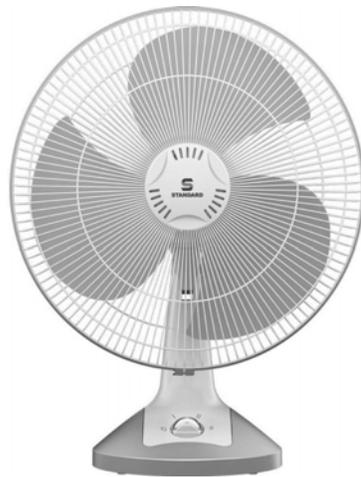
MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.33
Working Capital(Finance)	6.11
Term Loan	14.81
Total	23.25

TABLE FAN MANUFACTURING UNIT

Introduction:

Electric Table Fan is one of the common electric appliances used in houses, offices, shops, and business establishments to provide air circulation and to cool down the temperature. The fan circulates the air, which enhances the evaporation rate of sweat from the body, due to which the body is cooled. Table Fans are manufactured in 200 mm, 300 mm, and 400 mm sweep sizes, but the one, which is most commonly used, is of 400 mm sweep size.



Uses & Market Potential:

Table fans are used in the summer season in houses, schools, colleges, factories, hospitals, and business establishments, etc. The table fan market is expected to grow at a CAGR of 3.3% in the coming years. Table Fan has become a necessity in the summer season in houses, schools, colleges, factories, hospitals, and business establishments. Further Table Fan is extensively used in rural areas especially when:

(i) there is no ceiling overhead. (ii) Portability of this fan is better in comparison to the ceiling pedestal and exhaust fans. A product having low losses is more economical to the customers as well as having better cooling efficiency. The trend of purchasing new houses or residential flats is also expected to promote the use of table fans over the next few years.

Product:

Table Fan

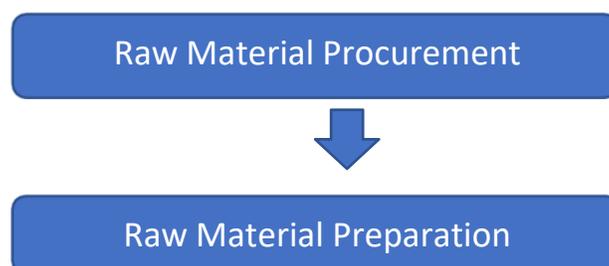
Raw Material:

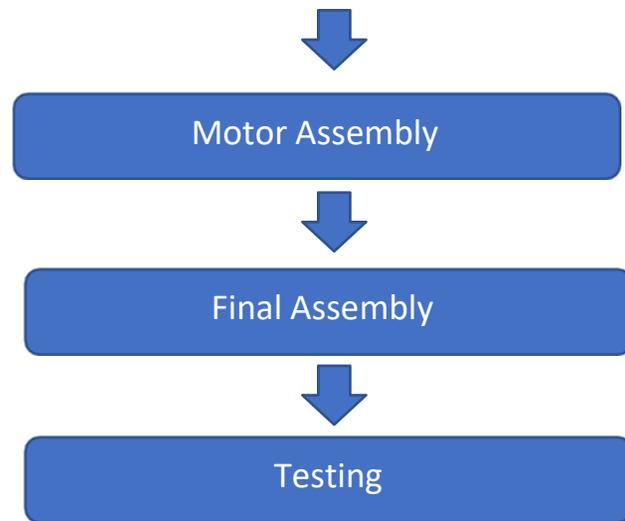
Basic raw material are:

- **Electric components:** Stator Core, Wires, Switch, Winding wire, Power cord, Control Panel, capacitor etc.
- **Table Fan Parts:** Front Grill, Rear Grill, Motor Shaft, Base Plate, swing mechanism, Fan Blades, Rotor, etc.
- **General Consumables:** Nut bolts, Paint, Solder wire, Insulating material, etc.

Manufacturing Process:

FLOW CHART OF THE PROCESS





Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1200-1800Sqft.

Cost of Machines:

Machine	Qty	Rate	Price
Slot Paper inserting machine	2	1,90,000	3,80,000
Automatic Stator Winding Machine	1	2,95,000	2,95,000
Shaft Pressing Machine	1	1,25,000	1,25,000

Bearing Pressing Machine	1	42,000	42,000
Blade Angling Machine	1	21,500	21,500
Overhead Conveyor	1	6,25,000	6,25,000
Soldering Port	1	6,500	6,500
High Voltage Resistance Tester	1	13,500	13,500
Tachometer	1	15,500	15,500
Testing Panel	1	22,500	22,500
SUB TOTAL			15,46,500

Power Requirement- The estimated Power requirement is taken at 18 HP.

Manpower Requirement- Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- Manager cum Accountant-1
- Sales Personnel-1

FINANCIALS

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	75.81	93.40	108.26	123.94	140.47
Total (A)	75.81	93.40	108.26	123.94	140.47
<u>B) COST OF SALES</u>					
Raw Material Consumed	47.04	54.84	62.92	71.31	80.01
Electricity Expenses	1.41	1.61	1.81	2.01	2.22
Repair & Maintenance	1.90	2.33	2.71	3.10	3.51
Labour & Wages	12.35	15.44	18.21	21.13	24.09
Depreciation	2.42	2.06	1.76	1.50	1.28
Cost of Production	65.11	76.28	87.41	99.05	111.10
Add: Opening Stock /WIP	-	3.26	3.81	4.37	4.95
Less: Closing Stock /WIP	3.26	3.81	4.37	4.95	5.56
Cost of Sales (B)	61.86	75.72	86.86	98.47	110.50
C) GROSS PROFIT (A-B)	13.95	17.68	21.40	25.47	29.97
	18.41%	18.93%	19.77%	20.55%	21.33%
D) Bank Interest i) (Term Loan)	1.61	1.31	0.95	0.59	0.23
ii) Interest On Working Capital	0.67	0.67	0.67	0.67	0.67
E) Salary to Staff	5.67	6.69	7.89	9.08	10.17
F) Selling & Adm Expenses Exp.	1.36	2.62	3.46	4.34	5.62
G) TOTAL (D+E+F)	9.31	11.29	12.98	14.68	16.69
H) NET PROFIT	4.64	6.39	8.42	10.79	13.28
	6.1%	6.8%	7.8%	8.7%	9.5%
I) Taxation	-	0.42	0.84	1.42	2.19
J) PROFIT (After Tax)	4.64	5.97	7.58	9.37	11.09

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.33	-	-	-	-
Reserve & Surplus	4.64	6.39	8.42	10.79	13.28
Depreciation & Exp. W/off	2.42	2.06	1.76	1.50	1.28
Increase In Cash Credit	6.11	-	-	-	-
Increase In Term Loan	14.81	-	-	-	-
Increase in Creditors	2.35	0.39	0.40	0.42	0.44
TOTAL :	32.66	8.84	10.58	12.71	14.99
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.46	-	-	-	-
Increase in Stock	5.61	0.95	0.96	1.00	1.04
Increase in Debtors	3.54	0.82	0.69	0.73	0.77
Repayment of Term Loan	1.65	3.29	3.29	3.29	3.29
Taxation	-	0.42	0.84	1.42	2.19
Drawings	3.80	4.50	5.00	6.00	7.00
TOTAL :	31.05	9.98	10.79	12.44	14.29
Opening Cash & Bank Balance	-	1.61	0.47	0.26	0.53
Add : Surplus	1.61	- 1.14	- 0.21	0.27	0.70
Closing Cash & Bank Balance	1.61	0.47	0.26	0.53	1.23

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	3.26	3.81	4.37	4.95	5.56
<u>Raw Material</u>					
(15 Days requirement)	2.35	2.74	3.15	3.57	4.00
Closing Stock	5.61	6.56	7.52	8.52	9.56

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	5.61		
Less:			
Sundry Creditors	2.35		
Paid Stock	3.26	0.33	2.93
Sundry Debtors	3.54	0.35	3.18
Working Capital Requirement			6.11
Margin			0.68
MPBF			6.11
Working Capital Demand			6.11

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	14.81	14.81	0.41	-	14.81
	Iind Quarter	14.81	-	14.81	0.41	-	14.81
	IIIrd Quarter	14.81	-	14.81	0.41	0.82	13.99
	Ivth Quarter	13.99	-	13.99	0.38	0.82	13.17
					1.61	1.65	
II	Opening Balance						
	Ist Quarter	13.17	-	13.17	0.36	0.82	12.35
	Iind Quarter	12.35	-	12.35	0.34	0.82	11.52
	IIIrd Quarter	11.52	-	11.52	0.32	0.82	10.70
	Ivth Quarter	10.70		10.70	0.29	0.82	9.88
					1.31	3.29	
III	Opening Balance						
	Ist Quarter	9.88	-	9.88	0.27	0.82	9.05
	Iind Quarter	9.05	-	9.05	0.25	0.82	8.23
	IIIrd Quarter	8.23	-	8.23	0.23	0.82	7.41
	Ivth Quarter	7.41		7.41	0.20	0.82	6.58
					0.95	3.29	
IV	Opening Balance						
	Ist Quarter	6.58	-	6.58	0.18	0.82	5.76
	Iind Quarter	5.76	-	5.76	0.16	0.82	4.94
	IIIrd Quarter	4.94	-	4.94	0.14	0.82	4.11
	Ivth Quarter	4.11		4.11	0.11	0.82	3.29
					0.59	3.29	
V	Opening Balance						
	Ist Quarter	3.29	-	3.29	0.09	0.82	2.47
	Iind Quarter	2.47	-	2.47	0.07	0.82	1.65
	IIIrd Quarter	1.65	-	1.65	0.05	0.82	0.82
	Ivth Quarter	0.82		0.82	0.02	0.82	- 0.00
					0.23	3.29	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	7.06	8.03	9.34	10.87	12.36
Interest on Term Loan	1.61	1.31	0.95	0.59	0.23
Total	8.67	9.34	10.29	11.46	12.59
<u>REPAYMENT</u>					
Repayment of Term Loan	1.65	3.29	3.29	3.29	3.29
Interest on Term Loan	1.61	1.31	0.95	0.59	0.23
Total	3.25	4.60	4.24	3.88	3.52
DEBT SERVICE COVERAGE RATIO	2.66	2.03	2.42	2.95	3.58
AVERAGE D.S.C.R.			2.68		

Assumptions:

1. Production Capacity of Table Fan Manufacturing unit is taken at 80 Pcs per day. First year, Capacity has been taken @ 35%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 14 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 18 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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