MOTOR WINDING

In domestic and industrial application, an electric motor plays a major role for servicing as well as production activities. Due to the continuous function of any machinery, the electric motor gets damaged/burnt due to its irregular speed operations. This trade contributes majorly to rectification and rewinding of the motor instead of replacing it with a new one by minimum investment.

1. **Name of the Activity**: Service / Rewinding of Motors

2. **Project Cost**
   - **a Capital Expenditure**
     - Land: Own
     - Building Shed 300 Sq.ft: Rs. 60000.00
     - Equipment: Rs. 100000.00
       (Drill m/c, Welding m/c, Tools, Jigs & Fixures, Coils winding m/c, etc.)
     - Total Capital Expenditure: Rs. 160000.00
   - **b Working Capital**: Rs. 17000.00

   **TOTAL PROJECT COST**: Rs. 177000.00

3. **Estimated Annual Service**
   - **(Value in ‘000)**
   
<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Capacity</th>
<th>Rate</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Motor Winding</td>
<td></td>
<td></td>
<td>104.90</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>104.90</td>
</tr>
</tbody>
</table>

4. **Raw Material**: Rs. 15000.00

5. **Lables and Packing Material**: Rs. 0.00

6. **Wages (Skilled & Unskilled)**: Rs. 60000.00
7 Salaries : Rs. 0.00

8 Administrative Expenses : Rs. 0.00

9 Overheads : Rs. 5000.00

10 Miscellaneous Expenses : Rs. 500.00

11 Depreciation : Rs. 13000.00

12 Insurance : Rs. 1600.00

13 Interest (As per the PLR)
   a. C.E.Loan : Rs. 20800.00
   b. W.C.Loan : Rs. 2210.00

   Total Interest : Rs. 23010.00

14 Working Capital Requirement:
   Fixed Cost : Rs. 22900.00
   Variable Cost : Rs. 82210.00
   Requirement of WC per Cycle : Rs. 17518.00

15 Estimated Cost Analysis

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Capacity Utilization(Rs in ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>Fixed Cost</td>
<td>22.90</td>
</tr>
<tr>
<td>2</td>
<td>Variable Cost</td>
<td>82.00</td>
</tr>
<tr>
<td>3</td>
<td>Cost of Production</td>
<td>104.90</td>
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<tr>
<td>4</td>
<td>Projected Sales</td>
<td>150.00</td>
</tr>
<tr>
<td>5</td>
<td>Gross Surplus</td>
<td>45.10</td>
</tr>
<tr>
<td>6</td>
<td>Expected Net Surplus</td>
<td>32.00</td>
</tr>
</tbody>
</table>

Note: 1. All figures mentioned above are only indicative and may vary from place to place.

2. If the investment on Building is replaced by Rental then
   a. Total Cost of Project will be reduced.
   b. Profitability will be increased.
   c. Interest on C.E. will be reduced.