

# UP MSME 1-Connect

## PROJECT REPORT

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**PROJECT:**

Electronic weighing scale making unit

**PROJECT REPORT**

**Of**

**ELECTRONIC WEIGHING SCALE**

**PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding **Electronic weighing scale making 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.]

# **Electronic Weighing Scales**

## **Introduction**

Electronic weighing systems are used in industries and business establishments for weighing and segregating materials accurately for process sales. The main advantages of an electronic weighing system when compared with mechanical weighing systems are

- Compactness and small size independent of capacity.
- Ruggedness and high dependability.
- High speed of response and rapid weighing.
- Good accuracy.
- Excellent flexibility to monitor multiple loads.
- Analog and digital with print-out facility remote indication and parallel display.
- Online processing through computer.

The electronic weighing system comprises the basic load cell, suitable signal conditioners and output recorders/ indicators giving both the analog and digital output for further processing. The signals from the load cell are amplified and fed to analog/digital converter, which provide an output in the digital format for display/ printing/processing etc. The strain gauge based load cell is the most popular weight transducer used in the electronic weighing system.

## **Market Potential**

The total production in industrial electronic and control instrumentation is showing growth rate every year. This product requires a good marketing set up duly backed by after sales service facilities. If the price of the weighing scales is brought down and good after sales facility made available, there will be sufficient demand for this item.

## **Financial Aspects**

### **Machinery and Equipments**

Description	Qty.	Rate (Rs.)	Amount (Rs.)
Bench Drilling machine ½"	1	25,000	25,000
Digital Multi Meter (3½ digits)	3	30,000	90,000
Oscilloscope (0-20 MHz)	1	1,00,000	1,00,000
IC Tester/EEPROM Programmer	1	50,000	50,000
Digital LCR Meter	1	75,000	75,000
Load Cell Simulator (Imported)	1	2,00,000	2,00,000
Portable Grinder	1	25,000	25,000
Power Supply (0-30V, 2A)	2	10,000	20,000
Standard Weights Brass	LS	LS	50,000
Multimeter (Analog) , UV Eraser, Variac (4A)			1,00,000
Bore well for water and water distribution			3,00,000
Total cost pl. & m/c (add 1 to 11			10,35,000
Excise, sales tax, installation and electrification @ 40% on machinery and equipments			4,14,000
Office Furniture and Equipments			5,00,000
Tools, Dies and Equipments			2,00,000

(i) Total pl & M/c cost		21,49,000
<b>Pre-operative Expenses</b>		<b>3,00,000</b>
<b>Total fixed cost 21,49,000 + 3,00,000</b>		<b>2,449,000.00</b>

## **B. Working Capital (per month)**

### **(i) Salaries and Wages**

Designation	Qty.	Rate (Rs.)	Amount (Rs.)
General Manager	1	35,000	35,000
Production Manager	1	25,000	25,000
Sales and marketing team	5	15000	75,000
Finance and accounts team	3	13333	40,000
Administration, purchase and stores personnel	5	10000	50,000
Semi skilled workers	6	4000	24,000
Skilled workers	10	5000	50,000
Watchman and peon	6	3000	18,000
<b>Total</b>			<b>3,17,000</b>
Perquisites@ 22%			70,000
<b>Total</b>			<b>3,87,000</b>

### **(ii) Raw Material Requirements (per month)**

Description	Qty. unit	Imp/Ind.	Cost (Rs.)
Cabinet/Housing (Metal)	200	450	90,000
Capacitors+	200	250	50,000
Fluorescent display (Imp.)	200	1500	3,00,000
Integrated circuits (Imp)	200	1500	3,00,000
Load cell (strain gauge)(Imp)	200	5000	10,00,000
Mechanical hardware	200	600	1,20,000

Noise Filter (Imp)	200	250	50,000
PCB	200	450	90,000
Rectifier (Imp)	200	160	32,000
Resistors (Diodes and switches)	200	300	60,000
Transformer	200	150	30,000
Transistors	200	200	40,000
Wires and cables. Connectors, consumables, Packing materials, etc.	200	500	1,00,000
<b>Total</b>			<b>22,62,000</b>

**(iii) Utilities (per month)**

	(Rs.)
Power	15,000
Water	2,000
<b>Total</b>	<b>17,000</b>

**(iv) Other Contingent Expenses (per month)**

	(Rs.)
Advertisement	1,00,000
Conveyance expenses	25,000
Transport and packaging	40,000
Misc. expenses	50,000
Postage and stationery	5,000
Traveling expenses	1,00,000
Repair and maintenance	5,000
Insurance and taxes	9,000
<b>Total</b>	<b>3,34,000</b>
<b>Working Capital (per month) (i + ii + iii + iv)</b>	<b>Rs.3,87,000 + Rs. 22,62,000 + Rs. 17,000 + Rs. 3,34,000</b>
	<b>Rs. 30,00,000</b>
<b>Working Capital (for 3 month)</b>	<b>Rs. 90,00,000</b>

### Financial Analysis

Cost of Production (per annum)	(Rs.)
Depreciation on pl. & m/c @ 10%	1,45,000
Depreciation on office furniture & tools @ 20%	1,40,000
Depreciation on civil construction	4,25,000
Recurring expenditure	3,60,00,000
Interest on capital investment @ 12%	28,14,000
<b>Total</b>	<b>3,95,24,000</b>

### Turnover (per annum)

2400 Nos. of Electronic weighing scales upto 10 kgs @ Rs. 9500 each	Rs. 4,45,24,000
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### Profit (per annum) (Before Taxes)

	(Rs.)
	Rs. 4,45,24,000 - Rs. 3,95,24,000
	Rs. 50,00,000

### Net Profit Ratio

	Profit (per annum) x 100 ----- Sales (per annum)
	50,00,000 × 100
	3,95,24,000

	<b>12.65%</b>
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### Rate of Return

	Profit (per annum) ×100 ----- Total capital investment
	50,00,000 × 100
	2,34,49,000
	21.3%

### Break-even Point

Fixed Cost (per annum)	(Rs.)
Total Depreciation	7,10,000
Interest on capital investment @12%	20,14,000
40% Salaries and wages	15,22,000
40% of other contingent expenses	16,03,000
<b>Total</b>	<b>58,49,000</b>
B.E.P	Fixed cost ×100 ----- Fixed cost + Profit
	58,49,000 × 100
	58,49,000 + 50,00,000
	53.9%



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