

# ELECTRICAL GOODS SHOP

## 1. INTRODUCTION

Uttarakhand offers an exciting business potential for establishing electrical goods stores because of the state's deep-rooted culture of festivals and increasing urbanization. Decorative lighting, chandeliers, and home decor items are in high demand, from colorful celebrations like Diwali to traditional weddings and special occasions. In the past few years, the state of Uttarakhand has seen a more than five-fold increase in energy usage, specifically in power. Uttarakhand's household sector has consistently consumed more electricity than the national average, although over time, this proportion has shifted in favor of the industrial sector. Due to the growing demand from the industrial sector, industry accounted for around 40–50% of all electricity usage. There is a big opportunity for business promoters wanting to offer a variety of goods that make houses and establishments seem decorated during festivities.

## 2. PRODUCT & ITS APPLICATION

Lighting solutions such as light bulbs (incandescent, CFL, LED, etc.), light fixtures, ceiling fans with built-in lighting, desk lamps and outdoor lighting fixtures, electrical wiring components, tools, batteries, electrical accessories, and repair services are just a few of the many products that are available at the electrical goods store. These products aid in the functioning, safety, and convenience of residential, commercial, and industrial setups and find application in a variety of fields, including lighting for homes and commercial spaces, electrical installations, maintenance and repair, etc.

## 3. DESIRED QUALIFICATION FOR PROMOTER

It is vital to possess a comprehensive understanding of electrical products, encompassing lighting, appliances, wiring components, and safety equipment. Besides, the promoter must also acquire an electrician license to ensure meeting safety standards. Customers should be able to receive informed advice from a promoter. Addressing consumer concerns requires familiarity with technical aspects of electrical goods, such as product specifications, energy efficiency ratings, and safety regulations.

## 4. BUSINESS OUTLOOK AND TRENDS

The electricity demand in Uttarakhand in the peak time was at a level of 2,368 megawatts in September 2023, up from 2,303 megawatts in the past, this is a change of 2.82%. Urbanization and infrastructure developments in Uttarakhand are contributing to the rising demand for electrical products. Lighting, appliances, and electrical components are increasingly needed as cities expand and more homes and businesses are built. The demand for electrical goods is affected by Uttarakhand's tourism industry, especially in the hotel and tourism-related industries. Meeting the needs of hotels, resorts, and restaurants can be accomplished by providing energy-efficient and aesthetically pleasing lighting solutions.

## 5. KEY BUSINESS ELEMENTS

- Market Study and Location: The promoter must identify and satisfy the local demand for electrical products, carry out in-depth market analysis, and strategically select a location keeping in view ease of access for customers, visibility from main roads or walkways, and area with potential for foot traffic.
- Product Sourcing and Selection: High-quality electrical goods must be chosen from a variety of sources.

- Store Design and Layout: A well-thought-out, visually appealing store design with easily accessible product displays should be built.
- Marketing & Promotion: To reach and interact with a larger audience in Uttarakhand, the promoter must prepare a marketing plan that combines offline and online initiatives.

## 6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

From 2021 to 2026, the Indian lighting market is projected to expand at a compound annual growth rate (CAGR) of 12.7%. Uttarakhand alone has experienced noteworthy growth in both the housing sector and industrialization, leading to an increased demand for electrical goods and services. The surge is attributed to factors such as rapid urbanization, pro-business policies, infrastructure projects, and the state's attractiveness to industries. The growth has created employment opportunities, fueled tourism-related developments, and driven a need for advanced electrical solutions in residential and industrial settings.

## 7. SUPPLY OF RAW MATERIAL

Electrical product wholesalers and distributors often carry a wide range of lighting solutions. They can provide various brands and types of lights in bulk at competitive prices. In Uttarakhand, there are a few wholesale electrical suppliers such as Anjanaa LED Lights in Roorkee, Dogra Enterprises, and Kedar Electricals in Dehradun, etc. Local lighting suppliers offer the advantage of proximity and ease of communication.

## 8. BUSINESS MODEL

The recommended business layout for an electrical shop includes a customer-friendly front section with product displays, a demo area, and a special area for sales. In addition, there are sections for inventory control and storage by keeping in view the aesthetics of the shop.

## 9. BUSINESS PROCESS

- Inventory Management: It includes sourcing products from suppliers, and ensuring there is a variety of electrical goods in stock. Once received, the products must be inspected for quality and quantity.
- Sales and Customer Service: At this step, the promoter must assist customers with inquiries, product information, and guidance in making selections. This also includes showcasing products effectively, including lighting fixtures and solutions. As after-sale service must also be offered by supporting in warranties, returns, and with any technical assistance if needed.
- Marketing and Promotion: The promoter must prioritize using social media for marketing, engagement, and promotion.
- Safety and Quality Control: One must ascertain that products meet safety and quality standards.

## 10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Technician	1	12	0.25	3.00
3	Sales Person	1	12	0.15	1.80
4	Helper	1	12	0.10	1.20
	<b>Total</b>				<b>6.00</b>

**11. IMPLEMENTATION SCHEDULE**

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Furniture & Fixture	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

**12. COST OF PROJECT**

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	0.25
2	Equipment and Furniture Exp.	5.19
3	Working Capital	10.25
	<b>Total Project Cost</b>	<b>15.69</b>

**13. MEANS OF FINANCE**

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	6.28
2	Bank Finance	9.42
	<b>Total</b>	<b>15.69</b>

**14. FURNITURE AND FIXTURES**

Sr. No	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Display Shelves and Racks	5	0.25	1.25
3	Lighting Fixtures	10	0.05	0.50
4	Storage Cabinets	10	0.15	1.50
5	Mirrors	3	0.15	0.45
6	Electrical Outlet and Multiple Plug Points	10	0.05	0.50
7	Air Conditioning	1	0.35	0.35
8	Fire Safety Equipment	2	0.02	0.04
	<b>Total</b>			<b>4.59</b>

Local suppliers in India offer a wide range of furniture and fixtures. The entrepreneur can avail office furniture after thorough research and analysis. Below are the tentative suppliers in India. Besides these, online platforms such as India Mart, Trade Mart, etc. can also be explored for ordering online.

1. Nilkamal & Supreme Furniture  
149/1, Main Road-110031,  
New Delhi, India
2. Shree Indraj Furniture  
Near Maharshi School, Dewalchour Kham,  
Haldwani, Haldwani-263139,  
Uttarakhand, India
3. Shree Balaji Traders  
73-74, Shree Plaza, Begum Bridge Road,  
Near Boundary Road, Lalkurti,  
Jawahar Nagar, Meerut-250001,  
Uttar Pradesh, India

## 15. SALES REALISATION

Sr. No	Product	Sales in Percentage
1	Lighting Products(LED bulbs and fixtures, Fluorescent tubes, Incandescent bulbs, Ceiling fans with lighting, Chandeliers and pendant lights, Outdoor lighting, Smart lighting systems)	65.0%
2	Wiring and Electrical Components(Electrical wires and cables, Electrical outlets and switches, Circuit breakers and fuses, Extension cords and power strips, Electrical boxes and enclosures)	20.0%
3	Electrical Accessories(Cable management solutions, Wire connectors and terminals, Cable ties and clips, Wire nuts)	15.0%
	<b>Total</b>	<b>100.00%</b>

## 16. PROFITABILITY CALCULATIONS

The basis of profitability calculation:

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	50.22
B.	Cost of production	
i)	Raw materials	32.64
ii)	Utilities	0.10
iii)	Manpower Cost (Salaries/wages)	6.00
iv)	Administrative expenses	0.12
v)	Packaging Cost	0.16
vi)	Material Lost Cost	0.16
vii)	Selling & distribution expenses	2.64
ix)	Rent	0.45
x)	Interest	1.09
	<b>Total (B)</b>	<b>43.37</b>

	Gross profit/loss (A – B)	6.85
	Less: Depreciation	0.54
C.	PBIT	6.31
D.	Income-tax	1.26
E.	Net profit/loss	5.05
F.	Repayment (Annual)	0.43
G.	Retained surplus (E-F )	4.62

## 17. BREAKEVEN ANALYSIS

(In lakhs)

<b>Fixed cost</b>	
Land & Building Rent	0.45
Depreciation	0.54
Interest	1.09
Manpower	1.80
<b>Total Fixed cost</b>	<b>3.88</b>
<b>Variable cost</b>	
Raw materials	32.64
Utilities	0.10
Manpower	4.20
Administrative expenses	0.12
Selling & distribution expenses	2.64
<b>Total Variable cost</b>	<b>39.70</b>
Gross Profit Margin	0.20
Break-Even Point in Value (in lakhs)	19.4

## 18. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with food safety and business regulations before starting an electrical goods shop.

1. Shop and establishment license is necessary for operating a provision store wherein working hours, employment conditions, and other regulatory requirements are stipulated.
2. Trade License: The business has to obtain a trade license from the local municipal corporation. This license permits to carry out commercial activities within a specific jurisdiction.
3. Registration of business for Goods and Service Tax (GST) with the Goods and Service Tax Network (GSTIN) as it applies to all the products.
4. Since the nature of business is trading electrical goods, the promoter must obtain a No Objection Certificate (NOC) from the local fire department to ensure fire safety compliance.

## 19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)  
Regional Centre, Dehradun  
NSTI Campus, Green Park, Dehradun- 248001,  
Uttarakhand, India
2. Indian Institute of Entrepreneurship(IIE)  
Basistha Chariali, NH-37 Bypass, Near Game Village,  
Lalmati Guwahati- 781029,  
Assam, India
3. Institute of Entrepreneurship Development(IEDUP)  
A - 1 & 2, Industrial Area, Sarojini Nagar,  
Kanpur Road, Lucknow-226008,  
Uttar Pradesh, India

### **Disclaimer**

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.