

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

USB CORD

PROJECT REPORT

Of

USB CORD

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding USB Cord 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.]

PROJECT AT A GLANCE

- | | | | |
|----|--|----------------------------|---|
| 1 | Name of the Entrepreneur | XXXXXXXXXX XXXXXXXXXXXX | State: xxxx |
| 2 | Constitution (legal Status) | : | XXXXXXXXXXXX |
| 3 | Father / Spouse Name | XXXXXXXXXXXXXXXXXXXXXXXXXX | x |
| 4 | Unit Address | : | District : xxxxxxxx
Pin: xxxxxxxx
Mobile xxxxxxxx |
| 5 | Product and By Product | : | USB CORD
USB CORD MANUFACTURING UNIT |
| 6 | Name of the project / business activity proposed : | : | Rs.24.03 Lakhs |
| 7 | Cost of Project | | |
| 8 | Means of Finance | | Rs.15.12 Lakhs |
| | Term Loan | | Rs.2.4 Lakhs |
| | Own Capital | | Rs.6.51 Lakhs |
| | Working Capital | : | 2.56 |
| 9 | Debt Service Coverage Ratio | : | 5 Years |
| 10 | Pay Back Period | : | 5-6 Months |
| 11 | Project Implementation Period | : | 29% |
| 12 | Break Even Point | : | 11 Persons |
| 13 | Employment | : | 40.00 HP |
| 14 | Power Requirement | : | Plastic, Connectors and Wires |
| 15 | Major Raw materials | : | 152.42 Lakhs |
| 16 | Estimated Annual Sales Turnover (Max Capacity) | : | |
| 17 | Detailed Cost of Project & Means of Finance | | |

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	16.00
Furniture & Fixtures	0.80
Working Capital	7.23
Total	2
	4.03
Particulars	Amount
Own Contribution	2.40
Working Capital(Finance)	6.51
Term Loan	1
	5.12
Total	2
	4.03

MEANS OF FINANCE

USB CORD MANUFACTURING UNIT

Introduction:

The term USB stands for "Universal Serial Bus". USB cord or USB cable assemblies are some of the most popular cord types available, which is used mostly to connect smartphones or computers to peripheral devices such as cameras, camcorders, printers, scanners, and more. There are a few basic parts to a USB cord - there are the two connecting ends, and the wires inside, as well as the sheath around the wires. The cord allows transfer of data between the computer and the device attached by USB. USB cords are used for the purpose of connecting a USB device with a host device which may include wide range of computing devices, gaming consoles and others. The universal serial bus cord may have various kinds of plug end. The type of plug end would be referred to as a connector. These plugs are connected with corresponding receptacle to devices and hosts. The micro and mini receptacles universal serial bus find its application in small portable devices which includes cellular phones and digital cameras. USB Cords can also be used for device charging. For USB charger cord data pins are not connected with wires where for USB data cord data pins are connected to the wire.



Uses & Market Potential:

USB cord can be used as-

- USB data cord
- Mobile Charging Chord
- Multifunctional USB cord

USB cord used mostly to connect smartphones and computers to peripheral devices such as cameras, camcorders, printers, scanners, and more. Innovation of super speed USB cords are expected to drive the global universal serial bus (USB) cord market over the next few years. This USB cord with latest technology will provide enhanced speed and performance like transferring files from

480 Mbps to 10 Gbps and above. Moreover, other factors like improved power efficiency, interoperability of power supply are expected to drive the global universal serial bus (USB) cord market over the next few years. Latest innovation and growth in wireless technology is key factor restraining the global universal serial bus (USB) cord market over the next few years. Internal substitutes like the Type C USB cord has replaced traditional used USB cords and thus latest devices are no longer compatible with the traditional used USB type, thus restraining the market further. In terms of revenue in past years Micro USB cord accounted for the largest market share in the global universal serial bus (USB) cord market. Micro USB cords are used in smart phones, tablets, hard drive and digital cameras. Thus, with the rise in consumption of these consumers electronics the demand for USB cord is also expected to grow over the next few years.

Product:

USB Cord

Raw Material:

Basic raw material are:

- **Plastic:** Plastic granules are used for injection moulding process.
- **Connectors:** USB cord assemblies are designed with several distinct connector types. USB male and female connector type are used for USB cord manufacturing. The different connector types have an important strategic purpose to them.
- **Wires:** The wires themselves are typically made of copper or silver, like many electronic devices. This is because both metals are particularly good conductors.

These cords transmit data from point A to point B, passing the information along.

Manufacturing Process:

- Raw material procurement
- Cord processing
- Soldering process- Connector soldering
- Injection moulding

- Testing
- Packaging

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:

S.N.	Description	Unit	Rate	Amount
1	Injection Molding Machine	1	800000	800000
2	Electrical performance Testing machine	1	150000	150000
3	Wire cutting and stripping machine	1	50000	50000
4	USB Connector Soldering Machine	1	200000	200000
5	Laser printing machine	1	100000	100000
6	Wire twister	1	50000	50000
7	Automatic cord winding and bundling machine/Semiautomatic cord winding and bundling machine	1	200000	200000

8	Other equipment's	-	50000	50000
	Total Amount		16,00,000	16,00,000

Power Requirement- The estimated Power requirement is taken at 40 HP.

Manpower Requirement- Following manpower is required:

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

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Capital Account					
Opening Balance	-	3.02	4.69	7.56	11.12
Add: Additions	2.40	-	-	-	-
Add: Net Profit	4.12	5.67	7.37	9.07	10.72
Less: Drawings	3.50	4.00	4.50	5.50	7.00
Closing Balance	3.02	4.69	7.56	11.12	14.85

CC Limit	6.51	6.51	6.51	6.51	6.51
Term Loan	13.44	10.08	6.72	3.36	-
Sundry Creditors	2.52	2.94	3.37	3.82	4.29
TOTAL :	25.49	24.21	24.16	24.81	25.64
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)					
	16.80	16.80	16.80	16.80	16.80
Gross Dep.	2.48	4.59	6.39	7.92	9.23
Net Fixed Assets	14.32	12.21	10.41	8.88	7.57
Current Assets					
Sundry Debtors	3.72	4.63	5.41	6.24	7.11
Stock in Hand	6.03	7.07	8.14	9.26	10.43
Cash and Bank	1.42	0.30	0.20	0.43	0.52
TOTAL :	25.49	24.21	24.16	24.81	25.64

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	79.80	99.22	115.99	133.73	152.42
Total (A)	79.80	99.22	115.99	133.73	152.42
<u>B) COST OF SALES</u>					
Raw Material Consumed	50.40	58.75	67.41	76.39	85.72
Electricity Expenses	3.13	3.58	4.03	4.48	4.92
Repair & Maintenance	2.00	2.48	2.90	3.34	3.81
Labour & Wages	12.10	15.72	19.18	23.02	27.16
Depreciation	2.48	2.11	1.80	1.53	1.31
Cost of Production	70.10	82.65	95.32	108.76	122.93
Add: Opening Stock /WIP	-	3.51	4.13	4.77	5.44
Less: Closing Stock /WIP	3.51	4.13	4.77	5.44	6.15
Cost of Sales (B)	66.60	82.02	94.69	108.09	122.22

C) GROSS PROFIT (A-B)	13.20	17.19	21.30	25.64	30.21
	16.54%	17.33%	18.36%	19.17%	19.82%
D) Bank Interest i) (Term Loan)	1.64	1.34	0.97	0.60	0.23
ii) Interest On Working Capital	0.72	0.72	0.72	0.72	0.72
E) Salary to Staff	5.29	6.35	7.75	9.30	10.41
F) Selling & Adm Expenses Exp.	1.44	2.78	3.71	4.68	6.10
G) TOTAL (D+E+F)	9.08	11.18	13.15	15.29	17.46
H) NET PROFIT	4.12	6.01	8.16	10.34	12.75
	5.2%	6.1%	7.0%	7.7%	8.4%
I) Taxation	-	0.34	0.79	1.28	2.03
J) PROFIT (After Tax)	4.12	5.67	7.37	9.07	10.72

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.40	-	-	-	-

Reserve & Surplus	4.12	6.01	8.16	10.34	12.75
Depriciation & Exp. W/off	2.48	2.11	1.80	1.53	1.31
Increase In Cash Credit	6.51	-	-	-	-
Increase In Term Loan	15.12	-	-	-	-
Increase in Creditors	2.52	0.42	0.43	0.45	0.47
TOTAL :	33.15	8.54	10.39	12.32	14.52
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.80	-	-	-	-
Increase in Stock	6.03	1.04	1.07	1.12	1.17
Increase in Debtors	3.72	0.91	0.78	0.83	0.87
Repayment of Term Loan	1.68	3.36	3.36	3.36	3.36
Taxation	-	0.34	0.79	1.28	2.03
Drawings	3.50	4.00	4.50	5.50	7.00
TOTAL :	31.73	9.65	10.50	12.09	14.44
Opening Cash & Bank Balance	-	1.42	0.30	0.20	0.43
Add : Surplus	1.42	-	-	0.24	0.09
		1.11	0.11		

Closing Cash & Bank Balance	1.42	0.30	0.20	0.43	0.52

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(15 Days requirement)	3.51	4.13	4.77	5.44	6.15
<u>Raw Material</u>					
(15 Days requirement)	2.52	2.94	.37	3.82	4.29
Closing Stock	6.03	7.07	8.14	9.26	10.43

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	6.03		
Less:			

Sundry Creditors	2.52		
Paid Stock	3.51	0.35	3.15
Sundry Debtors	3.72	0.37	3.35
Working Capital Requirement			6.51
Margin			0.72
MPBF			6.51
Working Capital Demand			6.51

<u>REPAYMENT SCHEDULE OF TERM LOAN</u>							11.0%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	15.12	15.12	0.42	-	15.12
	Iind Quarter	15.12	-	15.12	0.42	-	15.12
	IIIrd Quarter	15.12	-	15.12	0.42	0.84	14.28
	Ivth Quarter	14.28	-	14.28	0.39	0.84	13.44
					1.64	1.68	
II	Opening Balance						
	Ist Quarter	13.44	-	13.44	0.37	0.84	12.60

	Iind Quarter	12.60	-	12.60	0.35	0.84	11.76
	IIIrd Quarter	11.76	-	11.76	0.32	0.84	10.92
	Ivth Quarter	10.92		10.92	0.30	0.84	10.08
					1.34	3.36	
III	Opening Balance						
	Ist Quarter	10.08	-	10.08	0.28	0.84	9.24
	Iind Quarter	9.24	-	9.24	0.25	0.84	8.40
	IIIrd Quarter	8.40	-	8.40	0.23	0.84	7.56
	Ivth Quarter	7.56		7.56	0.21	0.84	6.72
					0.97	3.36	
IV	Opening Balance						
	Ist Quarter	6.72	-	6.72	0.18	0.84	5.88
	Iind Quarter	5.88	-	5.88	0.16	0.84	5.04
	IIIrd Quarter	5.04	-	5.04	0.14	0.84	4.20
	Ivth Quarter	4.20		4.20	0.12	0.84	3.36
					0.60	3.36	
V	Opening Balance						
	Ist Quarter	3.36	-	3.36	0.09	0.84	2.52
	Iind Quarter	2.52	-	2.52	0.07	0.84	1.68
	IIIrd Quarter	1.68	-	1.68	0.05	0.84	0.84
	Ivth Quarter	0.84		0.84	0.02	0.84	0.00
					0.23	3.36	

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>	6.60	7.78	9.17	10.60	12.03
Interest on Term Loan	1.64	1.34	0.97	0.60	0.23
Total	8.24	9.12	10.14	11.20	12.26
<u>REPAYMENT</u>					
Repayment of Term Loan	1.68	3.36	3.36	3.36	3.36
Interest on Term Loan	1.64	1.34	0.97	0.60	0.23
Total	3.32	4.70	4.33	3.96	3.59
DEBT SERVICE COVERAGE RATIO	2.48	1.94	2.34	2.83	3.41
AVERAGE D.S.C.R.			2.56		

Assumptions:

1. Production Capacity of USB Cord Manufacturing unit is taken at 1600 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 40 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

DISCLAIMER

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