

UP MSME 1-Connect

PROJECT REPORT

PROJECT: TV REMOTE

PROJECT REPORT

Of

TV REMOTE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding TV Remote 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
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **TV REMOTE**
- 6 Name of the project / business activity proposed : **TV REMOTE MANUFACTURING UNIT**
- 7 Cost of Project : Rs.19.38 Lakhs
- 8 Means of Finance
- Term Loan Rs.11.66 Lakhs
- Own Capital Rs.1.94 Lakhs
- Working Capital Rs.5.78 Lakhs
- 9 Debt Service Coverage Ratio : 2.63
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 37%
- 13 Employment : 10 Persons
- 14 Power Requirement : 18.00 KWH
- 15 Major Raw materials : Plastic, Rubber, Electrical Components
- 16 Estimated Annual Sales Turnover (Max Capacity) : 164.57 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	11.96
Furniture & Fixtures	1.00
Working Capital	6.42
Total	19.38

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.94
Working Capital(Finance)	5.78
Term Loan	11.66
Total	19.38

TV REMOTE MANUFACTURING UNIT

Introduction:

A TV remote control is an electronic device used to operate Television set from a particular distance wirelessly. A remote control can allow operation of devices that are out of convenient reach for direct operation of controls. They function best when used from a short distance. Remote control is typically divided into three types, including infrared (IR) remote control, voice control and radio (RF) remote control.



Uses & Market Potential:

India is one of the largest markets in the world with more than 200 million potential TV households and is still underpenetrated, which makes India a more attractive growth market for the entire TV and content value chain, The growing number of smartphone users in India is also driving a need for smart TVs as users look to continue with their streaming content consumption on the bigger screens when at home. Worldwide sales of remote control closed in on revenues worth US\$ 7 billion in 2018. According to technavion, the global remotes market size is expected to grow by 57.38 million units during 2020-2024. According to these researches the demand of remotes is increasing and the increasing sales of TVs will boost the demand for remotes.

Product:

TV REMOTE

Raw Material:

1. Plastic – PVC Plastic outer body
2. Rubber -Silicon rubber keypad
3. Electrical Components - Controller IC, Infrared LED, Batteries, Battery contacts, Diodes, Transistor, Resistors, Capacitors etc.

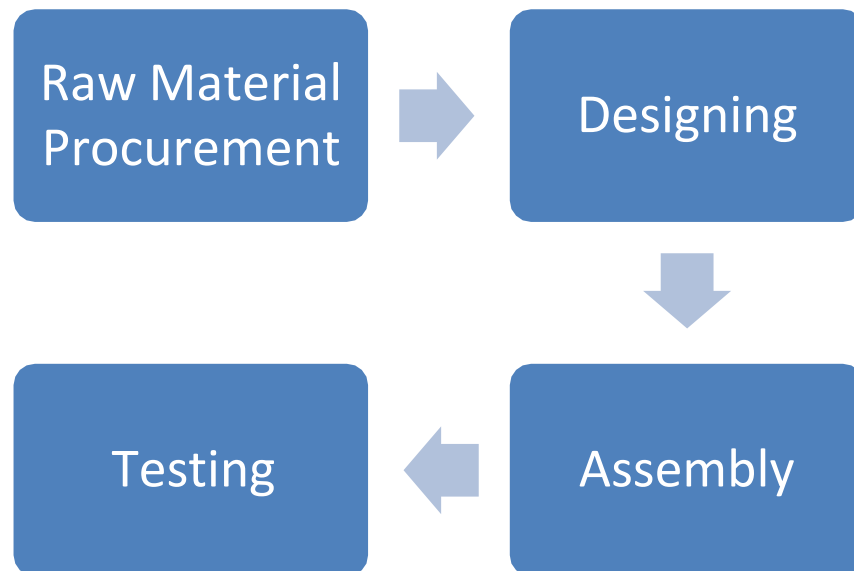
Manufacturing Process:

Fig. 1 – Process Flowchart

Area:

The land required for this manufacturing unit will be approx. around 2500 square feet.

Cost of Machines:

S No.	Machine	Price (INR)
1.	Toggle Press Machine	2,20,000/-
2.	Temperature Controlled Soldering Station	1,04,000/-
3.	Oscilloscope & Function Generator	3,38,000/-
5.	Power Supply	1,76,800/-
6.	Multimeter	2,60,000/-
7.	Magnifying Glass Fitted with Tube light	38,000/-
8.	Other Hand Tools	60,000/-
	Total	11,96,800/-

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

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-6
- Helper- 2
- Sales Personal and Accountant- 2

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	2.14	3.77	5.90	8.39
Add: Additions	1.94	-	-	-	-
Add: Net Profit	2.20	4.13	5.84	7.64	9.77
Less: Drawings	2.00	2.50	3.70	5.15	6.90
Closing Balance	2.14	3.77	5.90	8.39	11.26
CC Limit	5.78	5.78	5.78	5.78	5.78
Term Loan	10.37	7.78	5.18	2.59	-
Sundry Creditors	1.79	2.05	2.33	2.61	2.91
TOTAL :	20.07	19.37	19.19	19.38	19.95
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	12.96	12.96	12.96	12.96	12.96
Gross Dep.	1.89	3.51	4.89	6.06	7.06
Net Fixed Assets	11.07	9.45	8.07	6.90	5.90
Current Assets					
Sundry Debtors	3.16	3.77	4.31	4.87	5.49
Stock in Hand	5.05	5.83	6.65	7.50	8.41
Cash and Bank	0.80	0.32	0.16	0.11	0.15
TOTAL :	20.07	19.37	19.19	19.38	19.95
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	94.66	112.98	129.17	146.08	164.57
Total (A)	94.66	112.98	129.17	146.08	164.57
B) COST OF SALES					
Raw Material Consumed	53.57	61.56	69.84	78.41	87.26
Electricity Expenses	1.61	1.81	2.01	2.22	2.42
Repair & Maintenance	2.84	3.39	3.88	4.38	4.94
Labour & Wages	19.66	22.60	26.45	29.89	34.37
Depreciation	1.89	1.61	1.38	1.17	1.00
Cost of Production	79.57	90.98	103.55	116.07	129.99
Add: Opening Stock /WIP	-	3.26	3.78	4.32	4.88
Less: Closing Stock /WIP	3.26	3.78	4.32	4.88	5.50
Cost of Sales (B)	76.31	90.47	103.01	115.50	129.37
C) GROSS PROFIT (A-B)	18.35	22.51	26.15	30.57	35.19
	19.39%	19.93%	20.25%	20.93%	21.39%
D) Bank Interest i) (Term Loan)	1.27	1.03	0.75	0.46	0.18
ii) Interest On Working Capital	0.64	0.64	0.64	0.64	0.64
E) Salary to Staff	6.68	7.68	8.60	9.29	10.03
F) Selling & Adm Expenses Exp.	7.57	9.04	10.33	11.69	13.17
G) TOTAL (D+E+F)	16.15	18.39	20.32	22.07	24.01
H) NET PROFIT	2.20	4.13	5.84	8.50	11.18
	2.3%	3.7%	4.5%	5.8%	6.8%
I) Taxation	-	-	-	0.86	1.42
J) PROFIT (After Tax)	2.20	4.13	5.84	7.64	9.77

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.94	-			
Reserve & Surplus	2.20	4.13	5.84	8.50	11.18
Depreciation & Exp. W/off	1.89	1.61	1.38	1.17	1.00
Increase In Cash Credit	5.78				
Increase In Term Loan	11.66	-	-	-	-
Increase in Creditors	1.79	0.27	0.28	0.29	0.30
TOTAL :	25.26	6.01	7.49	9.96	12.48
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	12.96	-	-	-	-
Increase in Stock	5.05	0.78	0.82	0.85	0.91
Increase in Debtors	3.16	0.61	0.54	0.56	0.62
Repayment of Term Loan	1.30	2.59	2.59	2.59	2.59
Taxation	-	-	-	0.86	1.42
Drawings	2.00	2.50	3.70	5.15	6.90
TOTAL :	24.46	6.49	7.65	10.01	12.44
Opening Cash & Bank Balance	-	0.80	0.32	0.16	0.11
Add : Surplus	0.80	- 0.48	- 0.16	- 0.05	0.04
Closing Cash & Bank Balance	0.80	0.32	0.16	0.11	0.15

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	3.26	3.78	4.32	4.88	5.50
<u>Raw Material</u>					
(10 Days requirement)	1.79	2.05	2.33	2.61	2.91
Closing Stock	5.05	5.83	6.65	7.50	8.41

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	5.05		
Less:			
Sundry Creditors	1.79		
Paid Stock	3.26	0.33	2.94
Sundry Debtors	3.16	0.32	2.84
Working Capital Requirement			5.78
Margin			0.64
MPBF			5.78
Working Capital Demand			5.78

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	11.66	11.66	0.32	-	11.66
	Iind Quarter	11.66	-	11.66	0.32	-	11.66
	IIIrd Quarter	11.66	-	11.66	0.32	0.65	11.02
	Ivth Quarter	11.02	-	11.02	0.30	0.65	10.37
					1.27	1.30	
II	Opening Balance						
	Ist Quarter	10.37	-	10.37	0.29	0.65	9.72
	Iind Quarter	9.72	-	9.72	0.27	0.65	9.07
	IIIrd Quarter	9.07	-	9.07	0.25	0.65	8.42
	Ivth Quarter	8.42		8.42	0.23	0.65	7.78
					1.03	2.59	
III	Opening Balance						
	Ist Quarter	7.78	-	7.78	0.21	0.65	7.13
	Iind Quarter	7.13	-	7.13	0.20	0.65	6.48
	IIIrd Quarter	6.48	-	6.48	0.18	0.65	5.83
	Ivth Quarter	5.83		5.83	0.16	0.65	5.18
					0.75	2.59	
IV	Opening Balance						
	Ist Quarter	5.18	-	5.18	0.14	0.65	4.54
	Iind Quarter	4.54	-	4.54	0.12	0.65	3.89
	IIIrd Quarter	3.89	-	3.89	0.11	0.65	3.24
	Ivth Quarter	3.24		3.24	0.09	0.65	2.59
					0.46	2.59	
V	Opening Balance						
	Ist Quarter	2.59	-	2.59	0.07	0.65	1.94
	Iind Quarter	1.94	-	1.94	0.05	0.65	1.30
	IIIrd Quarter	1.30	-	1.30	0.04	0.65	0.65
	Ivth Quarter	0.65		0.65	0.02	0.65	0.00
					0.18	2.59	

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>	4.09	5.74	7.21	8.82	10.77
Interest on Term Loan	1.27	1.03	0.75	0.46	0.18
Total	5.36	6.78	7.96	9.28	10.95
<u>REPAYMENT</u>					
Repayment of Term Loan	1.30	2.59	2.59	2.59	2.59
Interest on Term Loan	1.27	1.03	0.75	0.46	0.18
Total	2.56	3.63	3.34	3.06	2.77
DEBT SERVICE COVERAGE R	2.09	1.87	2.38	3.04	3.95
AVERAGE D.S.C.R.			2.63		

Assumptions:

- 1.** Production Capacity of TV Remote is 480 Pieces per day. First year, Capacity has been taken @ 40%.
- 2.** Working shift of 10 hours per day has been considered.
- 3.** Raw Material stock and Finished goods closing stock has been taken for 10 days.
- 4.** Credit period to Sundry Debtors has been given for 10 days.
- 5.** Credit period by the Sundry Creditors has been provided for 10 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 KWH.
- 10.** Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years

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