

# PROJECT REPORT

Of

# MOBILE COVER

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Mobile Cover 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.]



**Lucknow Office:** Sidhivinayak Building ,  
27/1/B, Gokhley Marg, Lucknow-226001

**Delhi Office :** Multi Disciplinary Training  
Centre, Gandhi Darshan Rajghat,  
New Delhi 110002

Email : [info@udyami.org.in](mailto:info@udyami.org.in)  
Contact : +91 7526000333, 444, 555

**PROJECT AT A GLANCE**

- 1 Name of the Entrepreneur : xxxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **MOBILE COVER**
- 6 Name of the project / business activity proposed : **MOBILE COVER MANUFACTURING UNIT**
- 7 Cost of Project : Rs.23.2 Lakhs
- 8 Means of Finance
- Term Loan Rs.16.65 Lakhs
- Own Capital Rs.2.32 Lakhs
- Working Capital Rs.4.23 Lakhs
- 9 Debt Service Coverage Ratio : 2.77
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 23%
- 13 Employment : 11 Persons
- 14 Power Requirement : 20.00 HP
- 15 Major Raw materials : Polycarbonate Granules, Designing Ink, Painting  
Material, Polishing Oil and Measuring Scale
- 16 Estimated Annual Sales Turnover (Max Capacity) : 141.34 Lakhs
- 17 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	17.80
Furniture & Fixtures	0.70
Working Capital	4.70
<b>Total</b>	<b>23.20</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution	2.32
Working Capital(Finance)	4.23
Term Loan	16.65
<b>Total</b>	<b>23.20</b>

# MOBILE COVER MANUFACTURING UNIT

## Introduction:

With the introduction of Touch screen phones, the use of mobile cover as a protective case for the phone aroused. Today, if you are buying a touch screen phone, it is rather unexpected if you do not buy a mobile cover because in touch screen phones, it is all about the touch feature of the phone. There are many different types of mobile cover available on the market. The Mobile Covers are transparent and made of leather, plastic and silicone. The most popular plastic material used to create phone cases is polycarbonate. It is an extremely hard plastic that is often utilized in bulletproof windows. They are also known as hardcase. Hardcase with matte finish is in huge trend. These cases are resistant to all damages, scratches, and covers the entire phone with utmost precision.



## **Uses & Market Potential:**

The mobile back cover keeps the phone clean and clear from sand particles, dust and dirt and so on, which might cause problems in its performance and make it dull. The mobile covers also protect the screen and body of the mobile from fingerprints, wear and tear. The mobile cover not only protects your phone, but also increases the beauty and durability of the phone, making it stylish and attractive.

The mobile protective cases market is expected to witness a CAGR of 6% during the forecast period (2019-2024). Increasing penetration of smartphones across the globe is the main factor driving demand for protective cases. Repairing a cracked or damaged phone screen can be rather expensive and this is a key factor propelling the need for protective mobile phone covers. Buyers are willing to spend on quality protective cases with advanced features to ensure little-to-no damage to their devices. Rising demand from youth for mobile cases and covers with striking design is a key factor for fuelling the demand of the market. Many smartphone brands are focusing on design features with high protective strength as millennials are more attractive towards design covers. For instance, Oppo mobile covers come with high-quality printing ensuring long life of the print quality, with material made of durable Polycarbonate Hard Case.

## **Product:**

Mobile Cover

## **Raw Material:**

The raw materials required are:

- Polycarbonate Granules
- Designing Ink
- Painting Material
- Polishing Oil
- Measuring scale
- Packaging Material (Such as packaging plastics, packing box, etc.)

## **Manufacturing Process:**

- Raw material Selection
- 3D Mold Designing
- Shaping through CNC Machine
- Injection Molding
- Smoothing & Polishing
- Packaging & Transportation

## **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 2000-2500Sqft.

### **Cost of Machines:**

<b>Machine</b>	<b>Quantity</b>	<b>Price</b>
Injection Molding Machine	1	900000
CNC Machine	1	400000
Automatic Painting Machine	1	300000
Printing Machine	1	180000
<b>TOTAL</b>		<b>17,80,000</b>

**Power Requirement-** The estimated Power requirement is taken at 20 HP.

**Manpower Requirement**– Following manpower is required:

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

# **FINANCIALS**

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
<b><u>Capital Account</u></b>					
Opening Balance	-	3.30	5.08	8.15	11.36
Add: Additions	2.32	-	-	-	-
Add: Net Profit	5.48	7.29	9.06	10.71	12.82
Less: Drawings	4.50	5.50	6.00	7.50	8.50
<b>Closing Balance</b>	<b>3.30</b>	<b>5.08</b>	<b>8.15</b>	<b>11.36</b>	<b>15.67</b>
CC Limit	4.23	4.23	4.23	4.23	4.23
Term Loan	14.80	11.10	7.40	3.70	-
Sundry Creditors	2.16	2.57	3.00	3.44	3.90
<b>TOTAL :</b>	<b>24.48</b>	<b>22.98</b>	<b>22.77</b>	<b>22.72</b>	<b>23.80</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	<b>18.50</b>	<b>18.50</b>	<b>18.50</b>	<b>18.50</b>	<b>18.50</b>
Gross Dep.	2.74	5.07	7.06	8.75	10.19
Net Fixed Assets	15.76	13.43	11.44	9.75	8.31
<b>Current Assets</b>					
Sundry Debtors	3.41	4.22	4.97	5.76	6.60
Stock in Hand	3.45	4.95	5.77	6.64	7.52
Cash and Bank	1.87	0.38	0.58	0.57	1.37
<b>TOTAL :</b>	<b>24.48</b>	<b>22.98</b>	<b>22.77</b>	<b>22.72</b>	<b>23.80</b>

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**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>A) SALES</u></b>					
Gross Sale	73.08	90.41	106.49	123.45	141.34
<b>Total (A)</b>	<b>73.08</b>	<b>90.41</b>	<b>106.49</b>	<b>123.45</b>	<b>141.34</b>
<b><u>B) COST OF SALES</u></b>					
Raw Material Consumed	43.20	51.41	59.93	68.77	77.94
Electricity Expenses	1.34	1.57	1.79	2.01	2.24
Repair & Maintenance	1.46	1.81	2.13	2.47	2.83
Labour & Wages	11.47	14.33	17.49	20.98	24.34
Depreciation	2.74	2.33	1.99	1.69	1.44
<b>Cost of Production</b>	<b>60.21</b>	<b>71.45</b>	<b>83.32</b>	<b>95.93</b>	<b>108.78</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.01</b>	<b>2.38</b>	<b>2.78</b>	<b>3.20</b>
<b>Less: Closing Stock /WIP</b>	<b>2.01</b>	<b>2.38</b>	<b>2.78</b>	<b>3.20</b>	<b>3.63</b>
Cost of Sales (B)	58.20	71.07	82.92	95.51	108.36
<b>C) GROSS PROFIT (A-B)</b>	<b>14.88</b>	<b>19.34</b>	<b>23.57</b>	<b>27.95</b>	<b>32.98</b>
	<b>20.36%</b>	<b>21.39%</b>	<b>22.13%</b>	<b>22.64%</b>	<b>23.34%</b>
D) Bank Interest i) (Term Loan )	1.81	1.48	1.07	0.66	0.25
ii) Interest On Working Capital	0.47	0.47	0.47	0.47	0.47
E) Salary to Staff	5.67	7.09	8.51	10.63	12.23
F) Selling & Adm Expenses Exp.	1.17	2.26	3.19	3.46	4.24
<b>G) TOTAL (D+E+F)</b>	<b>9.11</b>	<b>11.29</b>	<b>13.23</b>	<b>15.21</b>	<b>17.19</b>
<b>H) NET PROFIT</b>	<b>5.77</b>	<b>8.05</b>	<b>10.34</b>	<b>12.73</b>	<b>15.80</b>
	<b>7.9%</b>	<b>8.9%</b>	<b>9.7%</b>	<b>10.3%</b>	<b>11.2%</b>
I) Taxation	0.29	0.76	1.27	2.02	2.98
<b>J) PROFIT (After Tax)</b>	<b>5.48</b>	<b>7.29</b>	<b>9.06</b>	<b>10.71</b>	<b>12.82</b>



**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>SOURCES OF FUND</u></b>					
Own Contribution	2.32	-	-	-	-
Reserve & Surplus	5.77	8.05	10.34	12.73	15.80
Depreciation & Exp. W/off	2.74	2.33	1.99	1.69	1.44
Increase In Cash Credit	4.23	-	-	-	-
Increase In Term Loan	16.65	-	-	-	-
Increase in Creditors	2.16	0.41	0.43	0.44	0.46
<b>TOTAL :</b>	<b>33.86</b>	<b>10.79</b>	<b>12.75</b>	<b>14.87</b>	<b>17.69</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	18.50	-	-	-	-
Increase in Stock	3.45	1.50	0.82	0.86	0.89
Increase in Debtors	3.41	0.81	0.75	0.79	0.83
Repayment of Term Loan	1.85	3.70	3.70	3.70	3.70
Taxation	0.29	0.76	1.27	2.02	2.98
Drawings	4.50	5.50	6.00	7.50	8.50
<b>TOTAL :</b>	<b>32.00</b>	<b>12.28</b>	<b>12.55</b>	<b>14.88</b>	<b>16.90</b>
Opening Cash & Bank Balance	-	1.87	0.38	0.58	0.57
Add : Surplus	1.87	- 1.48	0.20	- 0.01	0.79
Closing Cash & Bank Balance	<b>1.87</b>	<b>0.38</b>	<b>0.58</b>	<b>0.57</b>	<b>1.37</b>

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>Finished Goods</u></b>					
(10 Days requirement)	2.01	2.38	2.78	3.20	3.63
<b><u>Raw Material</u></b>					
(10 Days requirement)	1.44	2.57	3.00	3.44	3.90
<b>Closing Stock</b>	<b>3.45</b>	<b>4.95</b>	<b>5.77</b>	<b>6.64</b>	<b>7.52</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

<b>Particulars</b>	<b>Amount</b>	<b>Margin(10%)</b>	<b>Net Amount</b>
Stock in Hand	3.45		
Less:			
Sundry Creditors	2.16		
<b>Paid Stock</b>	<b>1.29</b>	<b>0.13</b>	<b>1.16</b>
Sundry Debtors	3.41	0.34	3.07
<b>Working Capital Requirement</b>			<b>4.23</b>
<b>Margin</b>			0.47
<b>MPBF</b>			<b>4.23</b>
<b>Working Capital Demand</b>			<b>4.23</b>

**REPAYMENT SCHEDULE OF TERM LOAN**

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
<b>I</b>	Opening Balance						
	Ist Quarter	-	16.65	16.65	0.46	-	16.65
	Iind Quarter	16.65	-	16.65	0.46	-	16.65
	IIIrd Quarter	16.65	-	16.65	0.46	0.93	15.73
	Ivth Quarter	15.73	-	15.73	0.43	0.93	14.80
					1.81	1.85	
<b>II</b>	Opening Balance						
	Ist Quarter	14.80	-	14.80	0.41	0.93	13.88
	Iind Quarter	13.88	-	13.88	0.38	0.93	12.95
	IIIrd Quarter	12.95	-	12.95	0.36	0.93	12.03
	Ivth Quarter	12.03		12.03	0.33	0.93	11.10
					1.48	3.70	
<b>III</b>	Opening Balance						
	Ist Quarter	11.10	-	11.10	0.31	0.93	10.18
	Iind Quarter	10.18	-	10.18	0.28	0.93	9.25
	IIIrd Quarter	9.25	-	9.25	0.25	0.93	8.32
	Ivth Quarter	8.32		8.32	0.23	0.93	7.40
					1.07	3.70	
<b>IV</b>	Opening Balance						
	Ist Quarter	7.40	-	7.40	0.20	0.93	6.47
	Iind Quarter	6.47	-	6.47	0.18	0.93	5.55
	IIIrd Quarter	5.55	-	5.55	0.15	0.93	4.62
	Ivth Quarter	4.62		4.62	0.13	0.93	3.70
					0.66	3.70	
<b>V</b>	Opening Balance						
	Ist Quarter	3.70	-	3.70	0.10	0.93	2.77
	Iind Quarter	2.77	-	2.77	0.08	0.93	1.85
	IIIrd Quarter	1.85	-	1.85	0.05	0.93	0.92
	Ivth Quarter	0.92		0.92	0.03	0.93	- 0.00
					0.25	3.70	

Door to Door Period      60 Months  
Moratorium Period        6 Months  
Repayment Period         54 Months

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b><u>CASH ACCRUALS</u></b>	8.22	9.62	11.05	12.40	14.26
Interest on Term Loan	1.81	1.48	1.07	0.66	0.25
Total	10.02	11.09	12.12	13.06	14.51
<b><u>REPAYMENT</u></b>					
Repayment of Term Loan	1.85	3.70	3.70	3.70	3.70
Interest on Term Loan	1.81	1.48	1.07	0.66	0.25
Total	3.66	5.18	4.77	4.36	3.95
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.74</b>	<b>2.14</b>	<b>2.54</b>	<b>3.00</b>	<b>3.67</b>
<b>AVERAGE D.S.C.R.</b>			<b>2.77</b>		

**Assumptions:**

1. Production Capacity of Mobile Cover Manufacturing unit is taken at 400 Pcs per day. First year, Capacity has been taken @ 30%.
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 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 20 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

## **DISCLAIMER**

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