

PROJECT REPORT

Of

WIRELESS SPEAKER

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Wireless Speaker 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
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 : **WIRELESS SPEAKER**
- 6 Name of the project / business activity proposed : **WIRELESS SPEAKER MANUFACTURING UNIT**
- 7 Cost of Project : Rs.21.2 Lakhs
- 8 Means of Finance
- Term Loan Rs.15.75 Lakhs
- Own Capital Rs.2.12 Lakhs
- Working Capital Rs.3.33 Lakhs
- 9 Debt Service Coverage Ratio : 2.51
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 28%
- 13 Employment : 15 Persons
- 14 Power Requirement : 30.00 HP
- 15 Major Raw materials : Plastic, Electrical components, CRCA Steel sheet and other material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 151.44 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	16.80
Furniture & Fixtures	0.70
Working Capital	3.70
Total	21.20

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.12
Working Capital(Finance)	3.33
Term Loan	15.75
Total	21.20

WIRELESS SPEAKER MANUFACTURING UNIT

Introduction:

Wireless speakers are regular speakers which operate wirelessly by sending the audio signal via an RF (radio-frequency) signal or using Bluetooth, Wi-Fi, etc. Wireless audio speakers continue improving thanks to modern technology. The battery-powered transistor radios of years ago were a precursor to the digital speakers that offer more features of interest to a new generation of consumers. Wireless promises all the same benefits as traditional ones, with an added flexibility that helps you connect to the world of digital and Internet audio. Whether you want to play .mp3 files from your music collection without having to wear headphones, stream podcasts over the Internet, or simply configure your smartphone to use a louder speaker, these devices can do the job. The quality of wireless speakers varies greatly depending on the model. While cheaply-made ones often sound tinny and distorted, higher-end models can deliver quite good audio quality.



Uses & Market Potential:

Wireless speakers have been widely used to generate audio throughout the world. These speakers can receive an audio signal utilizing Bluetooth or Wi-Fi.

The global wireless speaker's market size is projected to reach USD 65.65 billion by 2026, exhibiting a CAGR of 28.6% during the forecast period. Over the recent years, smart speakers have emerged as the fastest-growing product in the smart home technology domain. Smart speakers are referred to as speakers having integrated voice-enabled (Artificial intelligence) technology and wireless technology (Bluetooth and Wi-Fi). Established market players such as Amazon.com, Inc., Apple Inc., and Google are investing in the wireless technology associated with the smart speaker or solely in the production of smart speaker's Wireless multi-room audio streaming is expected to gain popularity in the coming years. The growing development of smart homes is likely to create unprecedented market opportunities in the coming years. Whereas, the deployment of 5G is likely to enhance the wireless connectivity and provide low latency which will drive the interest of market players towards providing wireless services. Wireless speakers integrated with Bluetooth and Wi-Fi technology are gaining popularity as it allows users to stream audio from a variety of speakers using wireless connectivity.

Product:

Wireless Speaker

Raw Material:

The raw materials required are:

- **Plastic**-PP or PVC Granules
- **Electrical components:** Speaker, Resistors, Capacitors, Transistors, Diode, Charging Jack, Connectors and Battery, etc.
- **Metal:** CRCA Steel sheets
- **Others:** Foam filters, screws, solder wire, solder flux, glue, tape, etc.

Manufacturing Process:

The steps are:

- ✓ Raw material procurement
- ✓ Injection Molding
- ✓ PCB Assembly
- ✓ Metal Part Fabrication
- ✓ Final Assembly
- ✓ Testing

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:

Machine	Quantity	Rate
Injection Molding Machine	1	700000
Solder Paste Printer	1	100000
Pick and Place Machine	1	150000
Single Reflow Oven	1	90000
Metal sheet shearing machine	1	180000
Punch Press Machine	1	80000
Pickling Plant	1	30000
Laser Printing Machine	1	100000
Heating Chamber	1	150000
Testing & other equipment's	-	100000
Total Amount		1680000

Power Requirement- The estimated Power requirement is taken at 30 HP.

Manpower Requirement- Following manpower is required:

- Machine operator-3
- Skilled/unskilled worker-4
- Helper-5
- Manager cum Accountant-1
- Sales Personnel-2

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	3.02	4.69	7.03	9.92
Add: Additions	2.12	-	-	-	-
Add: Net Profit	4.70	5.97	7.34	8.89	10.46
Less: Drawings	3.80	4.30	5.00	6.00	7.00
Closing Balance	3.02	4.69	7.03	9.92	13.38
CC Limit	3.33	3.33	3.33	3.33	3.33
Term Loan	14.00	10.50	7.00	3.50	-
Sundry Creditors	1.66	1.97	2.30	2.64	2.99
TOTAL :	22.00	20.49	19.66	19.38	19.70
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	17.50	17.50	17.50	17.50	17.50
Gross Dep.	2.59	4.80	6.67	8.27	9.63
Net Fixed Assets	14.91	12.71	10.83	9.23	7.87
Current Assets					
Sundry Debtors	1.83	2.26	2.66	3.09	3.53
Stock in Hand	3.53	5.03	5.86	6.73	7.63
Cash and Bank	1.74	0.50	0.31	0.34	0.67
TOTAL :	22.00	20.49	19.66	19.38	19.70

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	78.30	96.87	114.10	132.27	151.44
Total (A)	78.30	96.87	114.10	132.27	151.44
<u>B) COST OF SALES</u>					
Raw Material Consumed	41.40	49.27	57.43	65.90	74.69
Electricity Expenses	2.01	2.35	2.69	3.02	3.36
Repair & Maintenance	1.57	1.94	2.28	2.65	3.03
Labour & Wages	16.88	21.11	25.33	29.88	34.37
Depreciation	2.59	2.21	1.88	1.60	1.36
Cost of Production	64.45	76.86	89.60	103.05	116.80
Add: Opening Stock /WIP	-	2.15	2.56	2.99	3.44
Less: Closing Stock /WIP	2.15	2.56	2.99	3.44	3.89
Cost of Sales (B)	62.31	76.45	89.18	102.60	116.34
C) GROSS PROFIT (A-B)	15.99	20.42	24.92	29.67	35.09
	20.43%	21.08%	21.84%	22.43%	23.17%
D) Bank Interest i) (Term Loan)	1.71	1.40	1.01	0.63	0.24
ii) Interest On Working Capital	0.37	0.37	0.37	0.37	0.37
E) Salary to Staff	7.81	9.84	12.01	14.89	17.57
F) Selling & Adm Expenses Exp.	1.41	2.42	3.42	3.70	4.54
G) TOTAL (D+E+F)	11.30	14.03	16.81	19.59	22.72
H) NET PROFIT	4.70	6.40	8.12	10.09	12.37
	6.0%	6.6%	7.1%	7.6%	8.2%
I) Taxation	-	0.42	0.78	1.20	1.91
J) PROFIT (After Tax)	4.70	5.97	7.34	8.89	10.46

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.12	-	-	-	-
Reserve & Surplus	4.70	6.40	8.12	10.09	12.37
Depreciation & Exp. W/off	2.59	2.21	1.88	1.60	1.36
Increase In Cash Credit	3.33	-	-	-	-
Increase In Term Loan	15.75	-	-	-	-
Increase in Creditors	1.66	0.31	0.33	0.34	0.35
TOTAL :	30.14	8.91	10.32	12.02	14.09
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	17.50	-	-	-	-
Increase in Stock	3.53	1.50	0.83	0.87	0.90
Increase in Debtors	1.83	0.43	0.40	0.42	0.45
Repayment of Term Loan	1.75	3.50	3.50	3.50	3.50
Taxation	-	0.42	0.78	1.20	1.91
Drawings	3.80	4.30	5.00	6.00	7.00
TOTAL :	28.41	10.15	10.51	11.99	13.75
Opening Cash & Bank Balance	-	1.74	0.50	0.31	0.34
Add : Surplus	1.74	- 1.24	- 0.19	0.03	0.33
Closing Cash & Bank Balance	1.74	0.50	0.31	0.34	0.67

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.15	2.56	2.99	3.44	3.89
<u>Raw Material</u>					
(10 Days requirement)	1.38	2.46	2.87	3.30	3.73
Closing Stock	3.53	5.03	5.86	6.73	7.63

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.53		
Less:			
Sundry Creditors	1.66		
Paid Stock	1.87	0.19	1.69
Sundry Debtors	1.83	0.18	1.64
Working Capital Requirement			3.33
Margin			0.37
MPBF			3.33
Working Capital Demand			3.33

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	15.75	15.75	0.43	-	15.75
	Iind Quarter	15.75	-	15.75	0.43	-	15.75
	IIIrd Quarter	15.75	-	15.75	0.43	0.88	14.88
	Ivth Quarter	14.88	-	14.88	0.41	0.88	14.00
					1.71	1.75	
II	Opening Balance						
	Ist Quarter	14.00	-	14.00	0.39	0.88	13.13
	Iind Quarter	13.13	-	13.13	0.36	0.88	12.25
	IIIrd Quarter	12.25	-	12.25	0.34	0.88	11.38
	Ivth Quarter	11.38		11.38	0.31	0.88	10.50
					1.40	3.50	
III	Opening Balance						
	Ist Quarter	10.50	-	10.50	0.29	0.88	9.63
	Iind Quarter	9.63	-	9.63	0.26	0.88	8.75
	IIIrd Quarter	8.75	-	8.75	0.24	0.88	7.88
	Ivth Quarter	7.88		7.88	0.22	0.88	7.00
					1.01	3.50	
IV	Opening Balance						
	Ist Quarter	7.00	-	7.00	0.19	0.88	6.13
	Iind Quarter	6.13	-	6.13	0.17	0.88	5.25
	IIIrd Quarter	5.25	-	5.25	0.14	0.88	4.38
	Ivth Quarter	4.38		4.38	0.12	0.88	3.50
					0.63	3.50	
V	Opening Balance						
	Ist Quarter	3.50	-	3.50	0.10	0.88	2.63
	Iind Quarter	2.63	-	2.63	0.07	0.88	1.75
	IIIrd Quarter	1.75	-	1.75	0.05	0.88	0.88
	Ivth Quarter	0.88		0.88	0.02	0.88	-
					0.24	3.50	

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>	7.29	8.18	9.21	10.49	11.82
Interest on Term Loan	1.71	1.40	1.01	0.63	0.24
Total	9.00	9.58	10.23	11.11	12.06
<u>REPAYMENT</u>					
Repayment of Term Loan	1.75	3.50	3.50	3.50	3.50
Interest on Term Loan	1.71	1.40	1.01	0.63	0.24
Total	3.46	4.90	4.51	4.13	3.74
DEBT SERVICE COVERAGE RATIO	2.60	1.96	2.27	2.69	3.23
AVERAGE D.S.C.R.			2.51		

Assumptions:

1. Production Capacity of Wireless Speaker Manufacturing unit is taken at 100 Pcs per day. First year, Capacity has been taken @ 60%.
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 7 days.
5. Credit period by the Sundry Creditors has been provided for 12 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 30 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

DISCLAIMER

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