

PROJECT REPORT

Of

KEYBOARD

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Keyboard 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.]



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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 : **KEYBOARD**
- 6 Name of the project / business activity proposed : **KEYBOARD MANUFACTURING UNIT**
- 7 Cost of Project : Rs.8.19 Lakhs
- 8 Means of Finance
- Term Loan Rs.4.38 Lakhs
- Own Capital Rs.0.82 Lakhs
- Working Capital Rs.2.99 Lakhs
- 9 Debt Service Coverage Ratio : 4.28
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 29%
- 13 Employment : 10 Persons
- 14 Power Requirement : 10.00 HP
- 15 Major Raw materials : Integrated circuits,Capacitors,Displays,Noise filetrs,PCBs,Cable connectors and other electric components.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 100.91 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	4.37
Furniture & Fixtures	0.50
Working Capital	3.32
Total	8.19

MEANS OF FINANCE

Particulars	Amount
Own Contribution	0.82
Working Capital(Finance)	2.99
Term Loan	4.38
Total	8.19

KEYBOARD MANUFACTURING UNIT

Introduction:

In order to communicate with the computer system we need some input device and an output device. Input device is used to feed data into the computer and output device is required by the computer to communicate the result to the user. Key board is an important part of the computer peripherals. It has provisions for both alphabetic as well as numeric entries. It is basically a data entry medium for the system. The main component of any keyboard is the key switch. These switches convert the typing action into proper signal for the key board interface, so that inter face will know that a key is being depressed. Different technology used to make these switches are:

- Membrane Technology
- Mechanical Switches
- Rubber Dome Switches



Uses & Market Potential:

The computer keyboard is important because it is the most effective input tool for letters and characters. Computer keyboards are analogous to the keys on a typewriter. Even if the technology has the ability to create letters and symbols, the keys are necessary to tell it which ones to create. In normal usage, the keyboard is used as a text entry interface to type text and numbers into a word processor, text editor or other programs. In a modern computer, the interpretation of key presses is generally left to the software. The demand for key boards is directly related to the growth of electronics industry, especially computer segment. The expansion of internet facilities even to rural areas has increased the demand for computers in the country. The key board assembly is generally a procured item and most of the renowned computer manufacturers outsource it to vendors in the small-scale sector. It is estimated that 80% of the demand of key boards is met by the small-scale sector. A substantial part is imported. Besides, there is also a great demand of key boards from medical electronics also as most of diagnostics medical equipment now days are based on computer technology and use key boards for data entry. With urbanization and fast growth of industry the demand for such products is ever increasing.

Product:

Keyboard

Raw Material:

Raw material that are:

- Integrated circuits
- Capacitors

- Displays
- Noise filters
- PCBs
- Membrane key tops and Plunger
- Housing
- Cable connectors
- Other electronic components

Manufacturing Process:

- Raw material procurement
- Electronic component assembly
- Mechanical sub assembly
- Integration
- 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 1500-2000Sqft.

Cost of Machines:

Machine	Quantity	Price
Multi Meter	2	64,000
Oscilloscopes	2	1,50,000
Bench Drill	2	1,10,000
Bench Grinder	2	22,000
Digital LCR Meter	1	21,500
IC Tester	1	21,000
Variacs	1	7,500
Soldering/De Soldering Station	1	5,400
Other equipment's	2	16,000
Tools		20,000
Sub-Total		4,37,400

Power Requirement- The estimated Power requirement is taken at 10 HP.

Manpower Requirement– Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-2
- Helper-3
- 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	-	1.44	2.14	3.23	4.49
Add: Additions	0.82	-	-	-	-
Add: Net Profit	2.42	3.20	4.09	5.06	5.89
Less: Drawings	1.80	2.50	3.00	3.80	4.50
Closing Balance	1.44	2.14	3.23	4.49	5.88
CC Limit	2.99	2.99	2.99	2.99	2.99
Term Loan	3.90	2.92	1.95	0.97	-
Sundry Creditors	1.49	1.77	2.06	2.36	2.68
TOTAL :	9.82	9.82	10.23	10.82	11.55
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	4.87	4.87	4.87	4.87	4.87
Gross Dep.	0.71	1.31	1.82	2.26	2.64
Net Fixed Assets	4.16	3.56	3.05	2.61	2.23
Current Assets					
Sundry Debtors	2.44	3.01	3.55	4.11	4.71
Stock in Hand	2.37	2.83	3.31	3.80	4.32
Cash and Bank	0.84	0.42	0.33	0.29	0.29
TOTAL :	9.82	9.82	10.23	10.82	11.55
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	52.20	64.58	76.00	88.16	100.91
Total (A)	52.20	64.58	76.00	88.16	100.91
<u>B) COST OF SALES</u>					
Raw Material Consumed	29.70	35.34	41.20	47.28	53.58
Electricity Expenses	0.67	0.78	0.90	1.01	1.12
Repair & Maintenance	0.78	0.97	1.14	1.32	1.51
Labour & Wages	9.64	11.86	14.23	16.79	19.31
Depreciation	0.71	0.60	0.51	0.44	0.37
Cost of Production	41.50	49.55	57.98	66.83	75.90
Add: Opening Stock /WIP	-	1.38	1.65	1.93	2.23
Less: Closing Stock /WIP	1.38	1.65	1.93	2.23	2.53
Cost of Sales (B)	40.12	49.28	57.70	66.54	75.59
C) GROSS PROFIT (A-B)	12.08	15.30	18.31	21.63	25.32
	23.15%	23.69%	24.09%	24.53%	25.09%
D) Bank Interest i) (Term Loan)	0.48	0.39	0.28	0.17	0.07
ii) Interest On Working Capital	0.33	0.33	0.33	0.33	0.33
E) Salary to Staff	7.81	9.77	11.33	12.80	15.10
F) Selling & Adm Expenses Exp.	1.04	1.61	2.28	3.09	3.53
G) TOTAL (D+E+F)	9.66	12.10	14.22	16.39	19.03
H) NET PROFIT	2.42	3.20	4.09	5.24	6.29
	4.6%	5.0%	5.4%	5.9%	6.2%
I) Taxation	-	-	-	0.18	0.40
J) PROFIT (After Tax)	2.42	3.20	4.09	5.06	5.89

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	0.82	-	-	-	-
Reserve & Surplus	2.42	3.20	4.09	5.24	6.29
Depreciation & Exp. W/off	0.71	0.60	0.51	0.44	0.37
Increase In Cash Credit	2.99	-	-	-	-
Increase In Term Loan	4.38	-	-	-	-
Increase in Creditors	1.49	0.28	0.29	0.30	0.32
TOTAL :	12.81	4.08	4.90	5.98	6.98
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	4.87	-	-	-	-
Increase in Stock	2.37	0.46	0.48	0.50	0.51
Increase in Debtors	2.44	0.58	0.53	0.57	0.59
Repayment of Term Loan	0.49	0.97	0.97	0.97	0.97
Taxation	-	-	-	0.18	0.40
Drawings	1.80	2.50	3.00	3.80	4.50
TOTAL :	11.97	4.51	4.98	6.02	6.98
Opening Cash & Bank Balance	-	0.84	0.42	0.33	0.29
Add : Surplus	0.84	- 0.42	- 0.09	- 0.04	- 0.00
Closing Cash & Bank Balance	0.84	0.42	0.33	0.29	0.29

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.38	1.65	1.93	2.23	2.53
<u>Raw Material</u>					
(10 Days requirement)	0.99	1.18	1.37	1.58	1.79
Closing Stock	2.37	2.83	3.31	3.80	4.32

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.37		
Less:			
Sundry Creditors	1.49		
Paid Stock	0.89	0.09	0.80
Sundry Debtors	2.44	0.24	2.19
Working Capital Requirement			2.99
Margin			0.33
MPBF			2.99
Working Capital Demand			2.99

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	4.38	4.38	0.12	-	4.38
	Iind Quarter	4.38	-	4.38	0.12	-	4.38
	IIIrd Quarter	4.38	-	4.38	0.12	0.24	4.14
	Ivth Quarter	4.14	-	4.14	0.11	0.24	3.90
					0.48	0.49	
II	Opening Balance						
	Ist Quarter	3.90	-	3.90	0.11	0.24	3.65
	Iind Quarter	3.65	-	3.65	0.10	0.24	3.41
	IIIrd Quarter	3.41	-	3.41	0.09	0.24	3.17
	Ivth Quarter	3.17		3.17	0.09	0.24	2.92
					0.39	0.97	
III	Opening Balance						
	Ist Quarter	2.92	-	2.92	0.08	0.24	2.68
	Iind Quarter	2.68	-	2.68	0.07	0.24	2.44
	IIIrd Quarter	2.44	-	2.44	0.07	0.24	2.19
	Ivth Quarter	2.19		2.19	0.06	0.24	1.95
					0.28	0.97	
IV	Opening Balance						
	Ist Quarter	1.95	-	1.95	0.05	0.24	1.70
	Iind Quarter	1.70	-	1.70	0.05	0.24	1.46
	IIIrd Quarter	1.46	-	1.46	0.04	0.24	1.22
	Ivth Quarter	1.22		1.22	0.03	0.24	0.97
					0.17	0.97	
V	Opening Balance						
	Ist Quarter	0.97	-	0.97	0.03	0.24	0.73
	Iind Quarter	0.73	-	0.73	0.02	0.24	0.49
	IIIrd Quarter	0.49	-	0.49	0.01	0.24	0.24
	Ivth Quarter	0.24		0.24	0.01	0.24	- 0.00
					0.07	0.97	

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>	3.13	3.80	4.60	5.50	6.26
Interest on Term Loan	0.48	0.39	0.28	0.17	0.07
Total	3.60	4.19	4.88	5.67	6.33
<u>REPAYMENT</u>					
Repayment of Term Loan	0.49	0.97	0.97	0.97	0.97
Interest on Term Loan	0.48	0.39	0.28	0.17	0.07
Total	0.96	1.36	1.26	1.15	1.04
DEBT SERVICE COVERAGE RATIO	3.75	3.08	3.89	4.94	6.08
AVERAGE D.S.C.R.			4.28		

Assumptions:

1. Production Capacity of Keyboard Manufacturing unit is taken at 150 Units 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 10 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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