

PROJECT REPORT

Of

SOUND BOX & DJ SYSTEM

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Sound Box & DJ System**.

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 : xxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxx
Pin: xxxxxxx
Mobile : xxxxxxx
- State: xxxxxxxxx
- 5 Product and By Product : **SOUND BOX & DJ SYSTEM**
- 6 Name of the project / business activity proposed : **SOUND BOX & DJ SYSTEM UNIT**
- 7 Cost of Project : Rs.11.44 Lakhs
- 8 Means of Finance
Term Loan Rs.6.3 Lakhs
Own Capital Rs.1.14 Lakhs
Working Capital Rs.4 Lakhs
- 9 Debt Service Coverage Ratio : 3.19
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 36%
- 13 Employment : 9 Persons
- 14 Power Requirement : 2.00 HP
- 15 Major Raw materials : Plywood, Speaker Coil, Black Sheet, Other Consumables
- 16 Estimated Annual Sales Turnover (Max Capacity) : 138.27 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
	Own/Rented
Land	4.00
Building / Shed 1000 Sq ft	2.00
Plant & Machinery	1.00
Furniture & Fixtures	4.44
Working Capital	11.44
Total	11.44

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.14
Working Capital(Finance)	4.00
Term Loan	6.30
Total	11.44

SOUND BOX & DJ SYSTEM

Introduction: A sound box or sounding box is an open chamber in the body of a musical instrument which modifies the sound of the instrument, and helps transfer that sound to the surrounding air. Objects respond more strongly to vibrations at certain frequencies, known as resonances. The frequency and strength of the resonances of the body of a musical instrument have a significant impact on the tone quality it produces. The air inside the chamber has its own resonances, and these interact with the resonances of the body, altering the resonances of the instrument as a whole. A sound system is a group of DJs and studio engineers contributing and working together as one, playing and producing music over a large PA system or sound reinforcement system, typically for a dance event or party.



Type of Products sold:

- **DJ Set:** DJ mix or DJ mix set is a sequence of musical tracks typically mixed together to appear as one continuous track. DJ mixes are usually performed using a DJ mixer and multiple sounds sources, such as turntables, CD players, digital audio players or computer sound cards, sometimes with the addition of samplers and effects units, although it is possible to create one using sound editing software. DJ sets are available in the market in different types like:

1. 10 inch DJ set
2. 12 Inch DJ set (most popular)
3. 15 Inch
4. 18 inch DJ set & so on...

- **Amplifier**: An amplifier, electronic amplifier or amp is an electronic device that can increase the power of a signal (a time-varying voltage or current). It is a two-port electronic circuit that uses electric power from a power supply to increase the amplitude of a signal applied to its input terminals, producing a proportionally greater amplitude signal at its output. The amount of amplification provided by an amplifier is measured by its gain the ratio of output voltage, current, or power to input. Types of amplifier available in the market are 300 W, 500 W, 1000 W, 2000 W, 3000 W, etc.
- **Horn**: An acoustic horn or waveguide is a tapered sound guide designed to provide an acoustic impedance match between a sound source and free air. This has the effect of maximizing the efficiency with which sound waves from the particular source are transferred to the air. Conversely, a horn can be used at the receiving end to optimize the transfer of sound from the air to a receiver.
- **DJ Light**: DJ lighting is a variant of stage lighting that is used by mobile DJs and in nightclubs. DJ lighting is generally used by mobile disco DJs and in most modern nightclubs and many late-night bars. There are many different types of DJ lighting such as scanners which use a mirror to reflect beams of light that move around, twister-style effects that project multiple beams of light that rotate in a twisting style and also strobe lighting that flash intensely.
- **Mic**: A microphone, colloquially named mic or mike (is a device – a transducer – that converts sound into an electrical signal. Microphones are used in many applications such as telephones, hearing aids, public address systems for concert halls and public events, motion picture production, live and recorded audio engineering, sound recording, two way radios, megaphones, radio and television broadcasting, and in computers for recording voice, speech recognition, VoIP, and for non-acoustic purposes such as ultrasonic sensors or knock sensors.

Equipments Required:

S No.	Name	Quantity	Amount
1	Generator	1	150000
2	Electronic Kit	1	20000
3	Cutter machine & tools	1	20000
4	Other tools	Ls	10000
	Total Amount		200000

Raw material Requirement: Raw material is required only for the DJ set other products were directly purchase from the market and sold to the clients. Which are as follow:

1. Plywood: Cost Rs. 1500 per DJ Set
2. Speaker Coil: Cost Rs. 1500 per DJ Set
3. Black Sheet: Cost per Bundle approx. Rs. 6000
4. Other consumables such as Wire, Tools, Nail, Fevicol.

Note: Average raw material cost for 12 inch DJ Speaker is approx. Rs 3500 per piece. DJ Sets are generally sold in pairs (2 Speaker combine). Total raw material cost for 1 Pair DJ Set is Rs. 7000.

In this report DJ System constitutes 2 DJ Speaker(1 Set), 1 Mic, 1 Amplifier(Average 3000 W), DJ Light and Horn. Therefore, total cost per DJ System including raw material and purchase cost of other parts is taken as Rs. 25000-35000 (Approx.)

Area: The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and auxiliary like Generator setup. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1000 to 1500Sqft. Civil work cost will be Rs 4 Lac (Approx.)

Power Requirement: The power consumption required to run all the machinery could be approximated as 2 Hp

Manpower Requirement: There are requirement of skilled machine operators to run the machine set. Experience quality engineers are required for desired quality control. Some helpers are also required to transfer the material from one work station to other. Office staffs are required to maintain the documentation. The approximate manpower required is 9 including 1 Supervisor, 2 unskilled worker, 2 Helper and 1 Security guard. 3 Skilled worker including Accountant, Manager and Sales person.

Bank Term Loan: Rate of Interest is assumed to be at 11%

Depreciation: Depreciation has been calculated as per the Provisions of Income Tax Act, 1961

Approvals & Registration Requirement:

Basic registration required in this project:

- GST Registration
- Udyog Aadhar Registration (Optional)
- Choice of a Brand Name of the product and secure the name with Trademark if require.
- NOC from State Pollution Control Board

Implementation Schedule:

S No.	Activity	Time required
1.	Acquisition of premises	1-2 Months
2.	Procurement & installation of Plant & Machinery	1-2 Months
3.	Arrangement of Finance	1.5-2 Months
4.	Requirement of required Manpower	1 Month
5.	Commercial Trial Runs	1 Month
	Total time Required (some activities shall run concurrently)	5-6 Months

FINANCIALS

PROJECTED CASH FLOW STATEMENT					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.14	-			
Reserve & Surplus	2.43	3.65	4.67	5.61	6.52
Depriciation & Exp. W/off	0.80	0.71	0.62	0.55	0.48
Increase In Cash Credit	4.00				
Increase In Term Loan	6.30	-	-	-	-
Increase in Creditors	3.75	0.46	0.47	0.49	0.50
TOTAL :	18.42	4.81	5.76	6.65	7.51
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.00	-	-	-	-
Increase in Stock	6.39	0.77	0.79	0.81	0.84
Increase in Debtors	2.70	0.41	0.34	0.35	0.36
Repayment of Term Loan	0.70	1.40	1.40	1.40	1.40
Taxation	-	-	-	0.56	0.98
Drawings	1.00	2.00	3.00	3.50	3.80
TOTAL :	17.78	4.58	5.53	6.62	7.37
Opening Cash & Bank Balance	-	0.64	0.87	1.10	1.13
Add : Surplus	0.64	0.23	0.23	0.02	0.13
Closing Cash & Bank Balance	0.64	0.87	1.10	1.13	1.26

PROJECTED BALANCE SHEET					
PARTICULARS	I	II	III	IV	V
SOURCES OF FUND					
Capital Account					
Opening Balance	-	2.57	4.22	5.89	7.44
Add: Additions	1.14	-	-	-	-
Add: Net Profit	2.43	3.65	4.67	5.05	5.54
Less: Drawings	1.00	2.00	3.00	3.50	3.80
Closing Balance	2.57	4.22	5.89	7.44	9.18
CC Limit	4.00	4.00	4.00	4.00	4.00
Term Loan	5.60	4.20	2.80	1.40	-
Sundry Creditors	3.75	4.21	4.68	5.17	5.67
TOTAL :	15.92	16.63	17.37	18.00	18.85
APPLICATION OF FUND					
Fixed Assets (Gross)	7.00	7.00	7.00	7.00	7.00
Gross Dep.	0.80	1.51	2.13	2.68	3.16
Net Fixed Assets	6.20	5.50	4.87	4.32	3.84
Current Assets					
Sundry Debtors	2.70	3.11	3.45	3.79	4.15
Stock in Hand	6.39	7.15	7.94	8.76	9.60
Cash and Bank	0.64	0.87	1.10	1.13	1.26
TOTAL :	15.92	16.63	17.37	18.00	18.85

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PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	89.90	103.64	114.88	126.43	138.27
Total (A)	89.90	103.64	114.88	126.43	138.27
B) COST OF SALES					
Raw Material Consumed	75.00	84.15	93.60	103.35	113.40
Electricity Expenses	0.40	0.44	0.48	0.52	0.56
Repair & Maintenance	0.63	1.04	1.15	1.26	1.38
Labour & Wages	8.19	8.60	9.03	9.48	9.91
Depreciation	0.80	0.71	0.62	0.55	0.48
Cost of Production	85.02	94.93	104.88	115.17	125.74
Add: Opening Stock /WIP	-	2.64	2.95	3.26	3.59
Less: Closing Stock /WIP	2.64	2.95	3.26	3.59	3.93
Cost of Sales (B)	82.39	94.62	104.57	114.84	125.40
C) GROSS PROFIT (A-B)	7.51	9.01	10.31	11.58	12.87
	8.36%	8.69%	8.98%	9.16%	9.31%
D) Bank Interest (Term Loan)	0.68	0.56	0.40	0.25	0.10
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	3.78	4.16	4.57	5.03	5.53
F) Selling & Adm Expenses Exp.	0.18	0.21	0.23	0.25	0.28
TOTAL (D+E)	5.08	5.36	5.65	5.97	6.35
H) NET PROFIT	2.43	3.65	4.67	5.61	6.52
I) Taxation	-	-	-	0.56	0.98
J) PROFIT (After Tax)	2.43	3.65	4.67	5.05	5.54

COMPUTATION OF MAKING OF SOUND BOX & DJ SYSTEM			
Item to be Manufactured Sound Box & DJ System			
Average sale per day		2	Set
No. of Working Hour		12	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		600	Set
Total Production per Annum		600	Set
Year		Capacity	SOUND BOX & DJ SYSTEM
		Utilisation	
I		50%	300.00
II		55%	330.00
III		60%	360.00
IV		65%	390.00
V		70%	420.00

Raw Material Consumed	Capacity	Rate per Set	Amount (Rs.)
	Utilisation		
I	50%	25000.00	75.00
II	55%	25500.00	84.15
III	60%	26000.00	93.60
IV	65%	26500.00	103.35
V	70%	27000.00	113.40

COMPUTATION OF SALE					
Particulars	I	II	III	IV	V
Op Stock	-	10.00	11.00	12.00	13.00
Production	300.00	330.00	360.00	390.00	420.00
	300.00	340.00	371.00	402.00	433.00
Less : Closing Stock(10 Days)	10.00	11.00	12.00	13.00	14.00
Net Sale	290.00	329.00	359.00	389.00	419.00
Sale Price per Set	31,000.00	31,500.00	32,000.00	32,500.00	33,000.00
Sale (in Lacs)	89.90	103.64	114.88	126.43	138.27

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	I	II	III	IV	V
Finished Goods					
(10 Days requirement)	2.64	2.95	3.26	3.59	3.93
Raw Material					
(15 Days requirement)	3.75	4.21	4.68	5.17	5.67
Closing Stock	6.39	7.15	7.94	8.76	9.60

COMPUTATION OF WORKING CAPITAL REQUIREMENT			
Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	6.39		
Less:			
Sundry Creditors	3.75		
Paid Stock	2.64	0.26	2.37
Sundry Debtors	2.70	0.27	2.43
Working Capital Requirement			4.80
Margin			0.53
MPBF			4.80
Working Capital Demand			4.00

<u>BREAK UP OF LABOUR</u>				
Particulars	Wages Per Month	No of Employees	Total Salary	
Supervisor	15,000.00	1	15,000.00	
Unskilled Worker	12,000.00	2	24,000.00	
Helper	10,000.00	2	20,000.00	
Security Guard	6,000.00	1	6,000.00	
			65,000.00	
Add: 5% Fringe Benefit			3,250.00	
Total Labour Cost Per Month			68,250.00	
Total Labour Cost for the year (In Rs. Lakhs)		6	8.19	

<u>BREAK UP OF SALARY</u>				
Particulars	Salary Per Month	No of Employees	Total Salary	
Manager	12,000.00	1	12,000.00	
Accountant cum store keeper	10,000.00	1	10,000.00	
Sales	8,000.00	1	8,000.00	
Total Salary Per Month			30,000.00	
Add: 5% Fringe Benefit			1,500.00	
Total Salary for the month			31,500.00	
Total Salary for the year (In Rs. Lakhs)		3	3.78	

COMPUTATION OF DEPRECIATION					
Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased		-	-	-
Addition	-	4.00	2.00	1.00	7.00
	-	4.00	2.00	1.00	7.00
		-	-	-	
TOTAL		4.00	2.00	1.00	7.00
Less : Depreciation	-	0.40	0.30	0.10	0.80
WDV at end of Ist year	-	3.60	1.70	0.90	6.20
Additions During The Year	-	-	-	-	-
	-	3.60	1.70	0.90	6.20
Less : Depreciation	-	0.36	0.26	0.09	0.71
WDV at end of IInd Year	-	3.24	1.45	0.81	5.50
Additions During The Year	-	-	-	-	-
	-	3.24	1.45	0.81	5.50
Less : Depreciation	-	0.32	0.22	0.08	0.62
WDV at end of IIIrd year	-	2.92	1.23	0.73	4.87
Additions During The Year	-	-	-	-	-
	-	2.92	1.23	0.73	4.87
Less : Depreciation	-	0.29	0.18	0.07	0.55
WDV at end of IV year	-	2.62	1.04	0.66	4.32
Additions During The Year	-	-	-	-	-
	-	2.62	1.04	0.66	4.32
Less : Depreciation	-	0.26	0.16	0.07	0.48
WDV at end of Vth year	-	2.36	0.89	0.59	3.84

REPAYMENT SCHEDULE OF TERM LOAN							11.0%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	6.30	6.30	0.17	-	6.30
	IInd Quarter	6.30	-	6.30	0.17	-	6.30
	IIIRD Quarter	6.30	-	6.30	0.17	0.35	5.95
	Ivth Quarter	5.95	-	5.95	0.16	0.35	5.60
					0.68	0.70	
II	Opening Balance						
	Ist Quarter	5.60	-	5.60	0.15	0.35	5.25
	IInd Quarter	5.25	-	5.25	0.14	0.35	4.90
	IIIRD Quarter	4.90	-	4.90	0.13	0.35	4.55
	Ivth Quarter	4.55	-	4.55	0.13	0.35	4.20
					0.56	1.40	
III	Opening Balance						
	Ist Quarter	4.20	-	4.20	0.12	0.35	3.85
	IInd Quarter	3.85	-	3.85	0.11	0.35	3.50
	IIIRD Quarter	3.50	-	3.50	0.10	0.35	3.15
	Ivth Quarter	3.15	-	3.15	0.09	0.35	2.80
					0.40	1.40	
IV	Opening Balance						
	Ist Quarter	2.80	-	2.80	0.08	0.35	2.45
	IInd Quarter	2.45	-	2.45	0.07	0.35	2.10
	IIIRD Quarter	2.10	-	2.10	0.06	0.35	1.75
	Ivth Quarter	1.75	-	1.75	0.05	0.35	1.40
					0.25	1.40	
V	Opening Balance						
	Ist Quarter	1.40	-	1.40	0.04	0.35	1.05
	IInd Quarter	1.05	-	1.05	0.03	0.35	0.70
	IIIRD Quarter	0.70	-	0.70	0.02	0.35	0.35
	Ivth Quarter	0.35	-	0.35	0.01	0.35	0.00
					0.10	1.40	

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

CALCULATION OF D.S.C.R					
PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	3.23	4.35	5.29	5.60	6.03
Interest on Term Loan	0.68	0.56	0.40	0.25	0.10
Total	3.91	4.91	5.69	5.85	6.12
REPAYMENT					
Repayment of Term Loan	0.70	1.40	1.40	1.40	1.40
Interest on Term Loan	0.68	0.56	0.40	0.25	0.10
Total	1.38	1.96	1.80	1.65	1.50
DEBT SERVICE COVERAGE RATIO	2.83	2.51	3.16	3.54	4.09
AVERAGE D.S.C.R.			3.19		

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