

**UP MSME 1-Connect**

# PROJECT REPORT

**PROJECT: LED BULB UNIT**

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**Of**

## **LED BULB UNIT**

### **PURPOSE OF THE DOCUMENT**

This particular pre-feasibility is regarding LED Bulb 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.]

# **LED BULB**

## **Introduction**

An **LED lamp** or **LED light bulb** is an electric light for use in light fixtures that produces light using one or more light-emitting diodes (LEDs). LED lamps have a lifespan many times longer than equivalent incandescent lamps, and are significantly more efficient than most fluorescent lamps, with some LED chips able to emit up to 303 lumens per watt (as claimed by Cree and some other LED manufacturers). However, LED lamps require an electronic LED driver circuit when operated from mains power lines, and losses from this circuit mean the efficiency of the lamp is lower than the efficiency of the LED chips it uses. The most efficient commercially available LED lamps have efficiencies of 200 lumens per watt (Lm/W).

Similar to incandescent lamps (and unlike most fluorescent lamps), LEDs come to full brightness immediately with no warm-up delay. Frequent switching on and off does not reduce life expectancy as with fluorescent lighting. Light output decreases gradually over the lifetime of the LED (see Efficiency droop section).

Some LED lamps are made to be a directly compatible drop-in replacement for incandescent or fluorescent lamps. LED lamp packaging may show the light output in lumens, the power consumption in watts, the colour temperature in Kelvin or a colour description such as "warm white", "cool white" or "daylight", the operating temperature range, and sometimes the equivalent wattage of an incandescent lamp delivering the same output in lumens.

## **LED Bulb Market Analysis**

The LED lamp market is projected to grow by more than twelve-fold over the next decade, from \$2 billion in the beginning of 2014 to \$25 billion in 2023, a compound annual growth rate (CAGR) of 25%. As of 2018, many LEDs use only about 10% of the energy an incandescent lamp requires.

**PROJECTED PROFITABILITY STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>70%</b>	<b>75%</b>	<b>80%</b>	<b>85%</b>	<b>90%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
LED Bulb	20.21	24.17	26.50	28.93	31.44
<b>Total</b>	<b>20.21</b>	<b>24.17</b>	<b>26.50</b>	<b>28.93</b>	<b>31.44</b>
<b><u>COST OF SALES</u></b>					
Raw Mateiral Consumed	12.73	13.70	14.69	15.68	16.69
Elecricity Expenses	0.17	0.18	0.20	0.22	0.25
Depriiciation	0.12	0.11	0.09	0.08	0.07
Consumables	0.81	0.97	1.06	1.16	1.26
Labour	2.28	2.51	2.76	3.03	3.34
packing cost	1.26	1.42	1.58	1.76	1.94
<b>Cost of Production</b>	<b>17.36</b>	<b>18.88</b>	<b>20.39</b>	<b>21.94</b>	<b>23.55</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.45</b>	<b>1.57</b>	<b>1.70</b>	<b>1.83</b>
<b>Less: Closing Stock /WIP</b>	<b>1.45</b>	<b>1.57</b>	<b>1.70</b>	<b>1.83</b>	<b>1.96</b>
Cost of Sales	15.91	18.76	20.26	21.81	23.41
<b>GROSS PROFIT</b>	<b>4.30</b>	<b>5.41</b>	<b>6.24</b>	<b>7.12</b>	<b>8.03</b>
<b>Gross Profit %</b>	<b>21%</b>	<b>22%</b>	<b>24%</b>	<b>25%</b>	<b>26%</b>
Rent	1.20	1.32	1.45	1.60	1.76
Interest on working Capital	0.30	0.30	0.30	0.30	0.30
Selling & Adm exp	0.40	0.72	0.80	0.87	0.94
<b>TOTAL</b>	<b>1.90</b>	<b>2.34</b>	<b>2.54</b>	<b>2.76</b>	<b>3.00</b>
NET PROFIT	2.40	3.07	3.69	4.35	5.03
Taxation					0.01
PROFIT (After Tax)	2.40	3.07	3.69	4.35	5.03

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		2.82	4.13	4.83	5.68
<i>Add:- Own Capital</i>	1.42				
Add:- Retained Profit	2.40	3.07	3.69	4.35	5.03
Less:- Drawings	1.00	1.75	3.00	3.50	4.20
Closing Blance	2.82	4.13	4.83	5.68	6.51
Working Capital Limit	2.70	2.70	2.70	2.70	2.70
Sundry Creditors	0.64	0.69	0.73	0.78	0.83
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
<b>TOTAL :</b>	<b>6.45</b>	<b>7.92</b>	<b>8.81</b>	<b>9.82</b>	<b>10.87</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	1.12	1.12	1.12	1.12	1.12
Gross Dep.	0.12	0.22	0.32	0.40	0.48
<b>Net Fixed Assets</b>	<b>1.00</b>	<b>0.90</b>	<b>0.80</b>	<b>0.72</b>	<b>0.64</b>
<b>Current Assets</b>					
Sundry Debtors	1.35	2.42	3.09	3.86	4.72
Stock in Hand	2.51	2.94	3.17	3.40	3.63
Cash and Bank	1.60	1.66	1.75	1.85	1.88
<b>TOTAL :</b>	<b>6.45</b>	<b>7.92</b>	<b>8.81</b>	<b>9.82</b>	<b>10.87</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	1.42				
Net Profit	2.40	3.07	3.69	4.35	5.03
Depreciation & Exp. W/off	0.12	0.11	0.09	0.08	0.07
Increase in Cash Credit	2.70	-	-	-	-
Increase in Creditors	0.64	0.05	0.05	0.05	0.05
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
<b>TOTAL :</b>	<b>7.57</b>	<b>3.32</b>	<b>3.99</b>	<b>4.60</b>	<b>5.32</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	1.12				
Increase in Stock	2.51	0.44	0.22	0.23	0.23
Increase in Debtors	1.35	1.07	0.68	0.77	0.86
Drawings	1.00	1.75	3.00	3.50	4.20
Taxation	-	-	-	-	0.01
<b>TOTAL :</b>	<b>5.97</b>	<b>3.26</b>	<b>3.90</b>	<b>4.49</b>	<b>5.30</b>
Opening Cash & Bank Balance	-	1.60	1.66	1.75	1.85
Add : Surplus	1.60	0.06	0.09	0.10	0.02
Closing Cash & Bank Balance	<b>1.60</b>	<b>1.66</b>	<b>1.75</b>	<b>1.85</b>	<b>1.88</b>

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