

UP MSME 1-Connect

PROJECT REPORT

PROJECT: LEATHER BELT

PROJECT REPORT

Of

LEATHER BELT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Leather belt

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.]

PROJECT PROFILE

of

LEATHER BELTS

INTRODUCTION

Leather waist belt is an item of dress used by young and old. It has a functional value besides being a fashion item. The actual use of this belt is to keep the pant tight at the waist. They are made in different widths and lengths to suit customers of all age groups and build. The leather used is plain or chrome tanned cowhides of even substance in different colours and shades of mainly black and brown. The buckles used are in different attractive designs and plated. They are detachable and fitted as per customer's choice. Leather belts are more comfortable in use and long lasting than belts made of other materials. The manufacturing process of these belts is very simple. This item can easily be fabricated by small scale/cottage scale units.

MARKET POTENTIAL

The demand for waist belts made of leather is increasing in domestic as well as export markets. It is popular among school-going children and youths wearing western dress. It is also popular among the other age groups of men. There is no scarcity of raw materials and skilled workers, as the same is available in abundant quantity at every place of the country.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	0.92	0.92	0.92	0.92	0.92
Retained Profit	10.74	22.35	34.69	48.99	65.20
Term Loan	5.42	4.06	2.71	1.35 -	0.42
Cash Credit	2.90	2.90	2.90	2.90	2.90
Sundry Creditors	1.26	1.47	1.68	1.89	2.10
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	21.60	32.11	43.34	56.54	71.24
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	5.52	5.52	5.52	5.52	5.52
Gross Dep.	0.61	1.16	1.65	2.08	2.47
Net Fixed Assets	4.91	4.36	3.87	3.44	3.05
Current Assets					
Sundry Debtors	1.43	1.74	1.99	2.24	2.49
Stock in Hand	3.06	2.79	3.18	3.58	3.98
Cash and Bank	9.70	20.47	31.27	43.96	58.05
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	21.60	32.11	43.34	56.54	71.24

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	42.75	52.13	59.63	67.13	74.63
Total (A)	42.75	52.13	59.63	67.13	74.63
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	25.20	29.40	33.60	37.80	42.00
Elecricity Expenses	0.26	0.30	0.34	0.39	0.43
Repair & Maintenance	-	0.52	0.60	0.67	0.75
Labour & Wages	2.38	2.61	2.87	3.16	3.48
Depriciation	0.61	0.56	0.49	0.43	0.38
Consumables and Other Expense	0.86	1.04	1.19	1.34	1.49
Cost of Production	29.29	34.43	39.10	43.80	48.53
Add: Opening Stock /WIP	-	1.80	2.10	2.40	2.70
Less: Closing Stock /WIP	1.80	2.10	2.40	2.70	3.00
Cost of Sales (B)	27.49	34.13	38.80	43.50	48.23
C) GROSS PROFIT (A-B)	15.26	17.99	20.83	23.63	26.40
	36%	35%	35%	35%	35%
D) Bank Interest (Term Loan)	0.47	0.56	0.41	0.25	0.09
Bank Interest (C.C. Limit)	0.29	0.29	0.29	0.29	0.29
E) Salary to Staff	2.90	3.19	3.51	3.87	4.25
F) Selling & Adm Expenses Exp.	0.86	1.04	1.19	1.34	1.49
TOTAL (D+E)	4.52	5.09	5.41	5.75	6.13
H) NET PROFIT	10.74	12.90	15.42	17.88	20.27
I) Taxation	-	1.29	3.08	3.58	4.05
J) PROFIT (After Tax)	10.74	11.61	12.34	14.30	16.22

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	0.92	-			
Reserve & Surplus	10.74	12.90	15.42	17.88	20.27
Depriciation & Exp. W/off	0.61	0.56	0.49	0.43	0.38
Increase in Cash Credit	2.90	-	-	-	-
Increase In Term Loan	5.42	-	-	-	-
Increase in Creditors	1.26	0.21	0.21	0.21	0.21
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	22.21	13.70	16.16	18.56	20.91
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	5.52	-	-	-	-
Increase in Stock	3.06	- 0.27	0.40	0.40	0.40
Increase in Debtors	1.43	0.31	0.25	0.25	0.25
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	1.35	1.35	1.35	1.78
Taxation	-	1.29	3.08	3.58	4.05
TOTAL :	12.51	2.93	5.36	5.88	6.81
Opening Cash & Bank Balance	-	9.70	20.47	31.27	43.96
Add : Surplus	9.70	10.77	10.80	12.68	14.10
Closing Cash & Bank Balance	9.70	20.47	31.27	43.96	58.05

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