

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Baby Walker Manufacturing unit.

PROJECT REPORT

Of

BABY WALKER

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Baby Walker 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.]

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxx
 District : xxxxxxxx
 Pin: xxxxxxxx State: xxxxx
 Mobile xxxxxxxx
- 5 Product and By Product : **BABY WALKER**
- 6 Name of the project / business activity proposed : **BABY WALKER MANUFACTURING UNIT**
- 7 Cost of Project : Rs.23.77 Lakhs
- 8 Means of Finance
 Term Loan Rs.15.26 Lakhs
 Own Capital Rs.2.38 Lakhs
 Working Capital Rs.6.14 Lakhs
- 9 Debt Service Coverage Ratio : 2.99
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 24%
- 13 Employment : 12 Persons
- 14 Power Requirement : 50.00 HP
- 15 Major Raw materials : PP Pellets, Steel Pipes, Cloth Fabrics, Rivets, Screws
 : & nuts, Stickers and Packing material
- 16 Estimated Annual Sales Turnover (Max Capacity) : 205.28 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	16.35
Furniture & Fixtures	0.60
Working Capital	6.82
Total	23.77

MEANS OF FINANCE

Particulars	Amount
Own Contribution	2.38
Working Capital(Finance)	6.14
Term Loan	15.26
Total	23.77

BABY WALKER MANUFACTURING UNIT

Introduction:

Baby walkers assist new-borns in taking their first steps. With wheels, a seat, and a sturdy frame, this is a non-essential nursery item. In a restricted environment, young new-borns who are unable to walk move around quickly by using aggressive force. A tray containing toys or jangles is standard on baby walkers. The evolution of baby walkers began in the 15th century, with advances leading to the present type of synthetic-material baby walkers. Almost half of the world's infants are forced to use a baby walker to help them develop their walking abilities. However, several accidents and injuries have been documented as a result of the use of baby walkers. These occurrences might be hazardous at times for two reasons. The first is the child's increasing mobility and speed. Another aspect is the child's increased height and reach while seated in a walker. To attract greater volume sales in the market, baby walkers come in a variety of styles and creative functions. Baby walkers are portable because they may be folded and transported from one location to another.



Uses & Market Potential:

A baby walker is a device that allows infants who are unable to walk independently to travel from one location to another. Toddlers can also use modern baby walkers. They have a hard-plastic base with wheels on top, as well as a suspended cloth seat with two leg openings.

The worldwide baby walker market is well-established in many areas of the globe, and it is fueled by a number of factors. One of the key reasons that will likely have a favorable influence on the market's growth over the next five years is expansion through organised retail, which is occurring all over the world. With changing government rules and evolving customer buying behaviour from conventional to contemporary retail channels, organised retail's proportion of the market is growing. The expansion of organised retail is assisting multinational companies in their penetration as well as increasing product visibility. This is projected to lead to increased expenditure on baby walkers, resulting in considerable market growth during the forecast period. The worldwide baby walker market is expected to increase at a CAGR of 3.1 percent from 2016 to 2020, according to experts.

Product:

Baby Walker

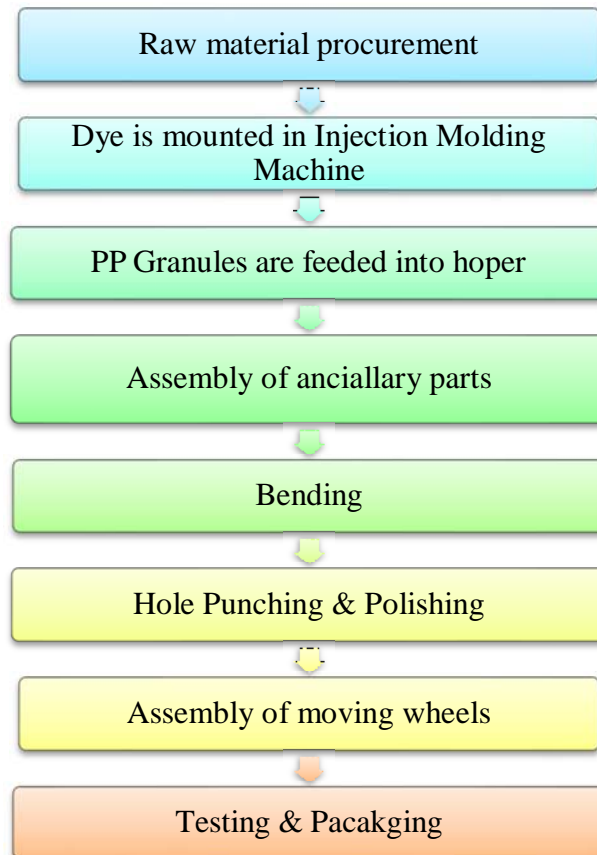
Raw Material:

The raw materials required are:

- Food Grade PP Pellets
- Steel Pipes
- Cloth Fabrics

- Rivets
- Screws & Nuts
- Stickers & Packaging Materials

Manufacturing Process:



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	750000
Pipe Bending Machine	1	200000
Riveting Machine	1	175000
Hole Press Machine	1	270000
Welding Machine	1	100000
Polishing Machine	1	10000
Testing Machine	1	80000
Other Equipment's	-	50000
Total Amount		1635000

Power Requirement- The estimated Power requirement is taken at 50 HP.

Manpower Requirement– Following manpower is required:

- Machine operator-2
- Skilled/unskilled worker-3
- Helper-4
- 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	-	3.60	6.28	10.02	14.02
Add: Additions	2.38	-	-	-	-
Add: Net Profit	5.42	7.29	9.24	11.00	12.85
Less: Drawings	4.20	4.60	5.50	7.00	9.00
Closing Balance	3.60	6.28	10.02	14.02	17.87
CC Limit	6.14	6.14	6.14	6.14	6.14
Term Loan	13.56	10.17	6.78	3.39	-
Sundry Creditors	3.60	4.28	4.99	5.73	6.49
TOTAL :	26.89	26.87	27.93	29.28	30.50
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	16.95	16.95	16.95	16.95	16.95
Gross Dep.	2.51	4.65	6.47	8.02	9.34
Net Fixed Assets	14.44	12.30	10.48	8.93	7.61
Current Assets					
Sundry Debtors	4.95	6.13	7.22	8.37	9.58
Stock in Hand	5.47	7.93	9.24	10.62	12.05
Cash and Bank	2.04	0.52	0.99	1.37	1.26
TOTAL :	26.89	26.87	27.93	29.28	30.50
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	106.14	131.31	154.67	179.30	205.28
Total (A)	106.14	131.31	154.67	179.30	205.28
B) COST OF SALES					
Raw Material Consumed	72.00	85.68	99.88	114.61	129.89
Electricity Expenses	3.36	3.92	4.48	5.04	5.60
Repair & Maintenance	2.12	2.63	3.09	3.59	4.11
Labour & Wages	11.97	14.96	18.25	21.91	25.85
Depreciation	2.51	2.14	1.82	1.55	1.32
Cost of Production	91.96	109.32	127.52	146.69	166.76
Add: Opening Stock /WIP	-	3.07	3.64	4.25	4.89
Less: Closing Stock /WIP	3.07	3.64	4.25	4.89	5.56
Cost of Sales (B)	88.90	108.75	126.92	146.05	166.09
C) GROSS PROFIT (A-B)	17.24	22.57	27.75	33.26	39.19
	16.25%	17.19%	17.94%	18.55%	19.09%
D) Bank Interest i) (Term Loan)	1.65	1.35	0.98	0.61	0.23
ii) Interest On Working Capital	0.68	0.68	0.68	0.68	0.68
E) Salary to Staff	7.31	9.21	10.87	13.80	16.28
F) Selling & Adm Expenses Exp.	1.91	3.28	4.64	5.02	6.16
G) TOTAL (D+E+F)	11.55	14.52	17.16	20.10	23.35
H) NET PROFIT	5.69	8.05	10.59	13.16	15.84
	5.4%	6.1%	6.8%	7.3%	7.7%
I) Taxation	0.27	0.76	1.36	2.15	2.99
J) PROFIT (After Tax)	5.42	7.29	9.24	11.00	12.85

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	2.38	-	-	-	-
Reserve & Surplus	5.69	8.05	10.59	13.16	15.84
Depreciation & Exp. W/off	2.51	2.14	1.82	1.55	1.32
Increase In Cash Credit	6.14	-	-	-	-
Increase In Term Loan	15.26	-	-	-	-
Increase in Creditors	3.60	0.68	0.71	0.74	0.76
TOTAL :	35.58	10.87	13.12	15.44	17.93
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.95	-	-	-	-
Increase in Stock	5.47	2.46	1.32	1.38	1.43
Increase in Debtors	4.95	1.17	1.09	1.15	1.21
Repayment of Term Loan	1.70	3.39	3.39	3.39	3.39
Taxation	0.27	0.76	1.36	2.15	2.99
Drawings	4.20	4.60	5.50	7.00	9.00
TOTAL :	33.54	12.39	12.65	15.07	18.03
Opening Cash & Bank Balance	-	2.04	0.52	0.99	1.37
Add : Surplus	2.04	- 1.52	0.47	0.37	- 0.10
Closing Cash & Bank Balance	2.04	0.52	0.99	1.37	1.26

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	3.07	3.64	4.25	4.89	5.56
<u>Raw Material</u>					
(10 Days requirement)	2.40	4.28	4.99	5.73	6.49
Closing Stock	5.47	7.93	9.24	10.62	12.05

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	5.47		
Less:			
Sundry Creditors	3.60		
Paid Stock	1.87	0.19	1.68
Sundry Debtors	4.95	0.50	4.46
Working Capital Requirement			6.14
Margin			0.68
MPBF			6.14
Working Capital Demand			6.14

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	15.26	15.26	0.42	-	15.26
	Iind Quarter	15.26	-	15.26	0.42	-	15.26
	IIIrd Quarter	15.26	-	15.26	0.42	0.85	14.41
	Ivth Quarter	14.41	-	14.41	0.40	0.85	13.56
					1.65	1.70	
II	Opening Balance						
	Ist Quarter	13.56	-	13.56	0.37	0.85	12.71
	Iind Quarter	12.71	-	12.71	0.35	0.85	11.87
	IIIrd Quarter	11.87	-	11.87	0.33	0.85	11.02
	Ivth Quarter	11.02		11.02	0.30	0.85	10.17
					1.35	3.39	
III	Opening Balance						
	Ist Quarter	10.17	-	10.17	0.28	0.85	9.32
	Iind Quarter	9.32	-	9.32	0.26	0.85	8.48
	IIIrd Quarter	8.48	-	8.48	0.23	0.85	7.63
	Ivth Quarter	7.63		7.63	0.21	0.85	6.78
					0.98	3.39	
IV	Opening Balance						
	Ist Quarter	6.78	-	6.78	0.19	0.85	5.93
	Iind Quarter	5.93	-	5.93	0.16	0.85	5.09
	IIIrd Quarter	5.09	-	5.09	0.14	0.85	4.24
	Ivth Quarter	4.24		4.24	0.12	0.85	3.39
					0.61	3.39	
V	Opening Balance						
	Ist Quarter	3.39	-	3.39	0.09	0.85	2.54
	Iind Quarter	2.54	-	2.54	0.07	0.85	1.70
	IIIrd Quarter	1.70	-	1.70	0.05	0.85	0.85
	Ivth Quarter	0.85		0.85	0.02	0.85	-
					0.23	3.39	
<div> <div>Door to Door Period</div> <div>60 Months</div> </div> <div> <div>Moratorium Period</div> <div>6 Months</div> </div> <div> <div>Repayment Period</div> <div>54 Months</div> </div>							

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	7.93	9.43	11.06	12.55	14.17
Interest on Term Loan	1.65	1.35	0.98	0.61	0.23
Total	9.59	10.78	12.04	13.16	14.40
<u>REPAYMENT</u>					
Repayment of Term Loan	1.70	3.39	3.39	3.39	3.39
Interest on Term Loan	1.65	1.35	0.98	0.61	0.23
Total	3.35	4.74	4.37	4.00	3.62
DEBT SERVICE COVERAGE RATIO	2.86	2.27	2.76	3.29	3.98
AVERAGE D.S.C.R.			2.99		

Assumptions:

1. Production Capacity of Baby Walker Manufacturing unit is taken at 200 Pcs 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 50 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

DISCLAIMER

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