

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

Mobile App development

PROJECT REPORT

Of

MOBILE APP DEVELOPMENT

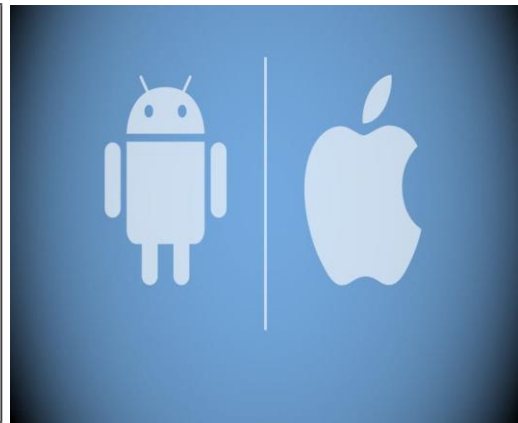
PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Mobile App development**.

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.]

MOBILE APP DEVELOPMENT



1. INTRODUCTION:

A Mobile app A mobile app is a software program developed for small handheld devices such as mobile phones, Smartphone's, PDAs and so on. It is generally used for the purpose of conducting different activities with higher flexibility within stipulated time. Mobile users can download and access apps directly using their smart phones (Jeanne and Jamie, 2012). The main aim of mobile application developer enterprises is to capture more people throughout the world. In addition, easier to maintain and deploy changes across various platforms and overall look and feel of apps are the main benefits associated with the use of mobile applications. However, platform integration, loss of flexibility, security and customer design of apps related challenges also attached with the use o mobile apps

One of the more popular forms of coding in recent times is the creation of applications, or apps, that run on mobile devices like phones and tablets. You probably use a range of different apps in your everyday life. Android apps are

developed with the Java coding language and the Android Software Development Kit, which runs on Mac, PC or Linux. You also need to use an IDE such as Eclipse. There are other mobile platforms such as Windows Phone, but iOS and Android are definitely the most popular. Most Mobile App development focuses on these platforms.

2. MARKET POTENTIAL AND MARKETING ISSUES:

These days, businesses of all kinds, whether small, medium or large are taking advantage of the customized business apps as it helps them stay competitive and increase productivity. Here are some of the most popular advantages of custom mobile app development for businesses –

1. Improves Efficiency

Since the business apps are custom-built keeping your business requirements in mind, it acts like a comprehensive app performing diverse functions and negates the requirement of multiple apps. Also, as these apps are tailored to suit your working style, it enhances the employee productivity and in turn business ROI.

2. Offers High Scalability

Regular apps are built to handle limited number of resources and processes. In the event of your business growing, these apps may not be able to handle the load. Custom made apps, on the other hand are built keeping in mind all these parameters and can be scaled up easily when the need arises

3. Secures Your App Data

General business apps may or may not have the specialized security features, which may put your business data to risk. Having a custom app made solely for your business can reinforce your data security system, as relevant security measures will be taken care of according to your business needs while app development

4. Integrates With Existing Software

General business apps may be able to function smoothly with your existing software. Custom made apps are built taking into consideration your current business software and hence are guaranteed to integrate well and function without any errors

Mobile App Development

COST OF PROJECT

S.NO.	PARTICULARS	TOTAL COST	MARGIN	LOAN
1	Land & Building		0.00	Rented
2	Plant and Machinery	3.10	0.78	2.33
3	Furniture & Fixture	0.80	0.20	0.60
4	Contingencies	0.30	0.08	0.23
5	Pre and Post operative and	0.50	0.50	0.00
6	Margin for Working Capital	3.18	0.88	2.31
	Total	7.88	2.43	5.46

MEANS OF FINANCE

S.NO.	PARTICULARS		AMOUNT
1	Own Contribution		1.55
2	Term Loan		3.15
3	Working capital		3.18
	Total		7.88

PRODUCTION CAPACITY(Per annum)

Working Days : 300 days

S.NO.	PARTICULARS	Production/year	Weight/unit(gms)	Quantity(Tonnes)
1				
	Total			0

TOTAL CAPITAL INVESTMENT

		Rs.
1	Total Fixed Capital	4.50
2	Working Capital for 3 Months	3.18
	Total	7.68

FIXED CAPITAL

(i)	Land and building			Amount(In Rs.)
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1500 sq ft area

Rented

(ii)	Machinery and Equipment			
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S.no.	Description	Qty. nos.	Price/unit	Amount(In Rs.)
1	Computers - with all necessary hardware and installed Windows and MS Office	4	30,000.00	120,000
2	Vehicle	4	45,000.00	180,000
3	Network Installation devices	1	10,000.00	10,000

310,000.00

Total

In Lac

3.10

Pre and Post Operative Expenses

0.50

Furniture and Fixture/ Office Equipment

0.60

Contingencies

0.30

Total Fixed Capital

4.50

	TOTAL WORKING CAPITAL 2 MONTHS			Rs.
1	Salary and Wages		(i)	1,314,000.00
2	Raw Material		(ii)	200,000.00
3	Utilities		(iii)	103,330.00
4	Other selling and administrative Expenses		(iv)	293,400.00
	Total			19.11
	Working Capital for 2 months		Rs in Lakhs	3.18
B. WORKING CAPITAL				
(i) Staff and Labour				
S.No.	Designation	No.	Salary(Rs.)	Total(In. Rs.)
1	App Developer	3	15,000	45,000
2	Tech Support	1	8,000	8,000
3	Marketing Support	2	10,000	20,000
4	Quality testing person	1	15,000	15,000
5	Accounts/Stores Assistant	1	12,500	12,500
6	Office Boy	1	9,000	9,000
				109,500.00
	Total Annual Salary	9		1,314,000.00
			No of Days	300
(ii) Raw Materials including packing material				
			Cap Utilisation	100%
S.No.	Particulrs	Rate(Rs)	Quantity(Tonne)	Total(In. Rs.)
1	Software requirement	LS		200,000.00
2	Software Licensing			
3	Network Installation			
4	Bulk Hosting Service			-
	Total			200,000.00

(iii) Utilities

CALCULATION OF POWER EXPENSE		
Total Power Load Required	HP	5
No of Days		300
No of Hours		10
Total Power Expense	KWH	11190
(i) Power Supply from UPPCL	100%	11190
COST OF POWER		
(I) Cost of power from UPPCL		78,330.00
(@7/- per Unit)		
Add : Fixed Cost		25,000.00
Add : Lubricants		-
Total Annual Power Expense		103,330.00

(iv) Other Expenses

S.No.	Particulars		Amount(In.Rs)
1	Rent		180000.00
2	Repair and Maintenance		15000.00
3	Postage and Stationery		5000.00
4	Telephone Charges		25000.00
5	Insurance		5000.00
6	Sales Expenses	1% of Sales	38400.00
7	Miscellaneous Expenses		25000.00
	Total		293400.00

FINANCIAL ANALYSIS

(i) Cost of Production

S.No.	Particulars		In. Rs.
1	Total Recurring Expenditure		19.11
2	Depreciation on Plant and Machinery @ 60%		1.86
3	Depreciation of Furniture/Fixture & Office Equipment @ 10 %		0.06
4	Finance Cost		0.76
	TOTAL COST OF PRODUCTION	(in Lacs)	21.79

(ii) Turnover (per annum)

Months 12

S.No.	Particulars	Rs cost /unit	Qty/pm	sales/month	Revenue Per year Rs.
1	Native App	40,000	2	80,000	960,000.00
2	Web App	30,000	4	120,000	1,440,000.00
3	Hybrid App	60,000	2	120,000	1,440,000.00
	TOTAL TURNOVER				3,840,000.00
			Or Say	(In Lacs)	38.40

Profit

(ii)	Turnover - Cost of Production		(In Lacs)		16.61
	Percentage profit on sales				43.26%
	At 100% capacity utilisation				

RATIOS :

i) **Rate of Return on Total Capital Investment**

= Net Operating Profit/ Invested Capital

= 216%

ii) **Return on Assets**

= Sales/Average total Assets

= 3.69

iii) **Return on Equity**

= Sales/ Stockholder's Equity

= 10.72

iv) **Debt to Equity Ratio**

= Total Term Liabilities/Total Shareholder's Equity

= 2.03

v) **Interest Coverage Ratio**

= Earning before Interest & Tax/ Interest Expense

= 22.85

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