

UP MSME 1-Connect

PROJECT REPORT

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PROJECT:

School Bag Making

PROJECT REPORT

Of

SCHOOL BAG

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **School Bag Making**

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.]

INTRODUCTION

The demand of school bags, both urban and rural areas is high and also continues to grow every year. With a population of over 120 crores, the count of students in every city and district is very high. Over that with the increase in awareness, there are a great number of students who have started going to schools and colleges from rural areas too. There being adequate demand, it is expected to have a bright prospect of the school bag making business.



Earlier there were very few types of material available for the making of schools bags and they were usually made manually. But nowadays, with the introduction of semi automatic heavy duty sewing machine, the bag manufacturing process becomes very easy and also requires very less labor for the same. This makes the school bag making a lucrative small scale business idea to venture into.

School bags are available in different design and size. These are required to each student starting from nursery to colleges. Cloth and other material make the quality of product and according to the product quality, concern would charge from customers.

MARKETING & PROMOTION

Marketing and promotion are the steps which will decide the quick success of your business. Take extensive steps to promote the business so that every possible client and customer of the school bag knows about your business. These steps can include both online and offline. You can supply to the online shop according to their demand. You can as well create your own website and sell online.

Most of the schools, especially the private schools provide school bags to the students. So as an owner of the school bag making business, you can have a contract with any of the educational institute like schools or colleges to supply bags to them.

Taking a contract ensures a definite sale of a bulk amount of manufactured bag in every year and helps in getting a free flow of cash to the business. Over that, there are many private companies which provide bags to the employees. So along with educational institutes, private companies also provide a great opportunity of a great market to the business.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	1.76	1.76	1.76	1.76	1.76
Retained Profit	2.77	5.91	9.55	13.86	18.75
Term Loan	9.36	7.02	4.68	2.34	-
Cash Credit	4.13	4.13	4.13	4.13	4.13
Sundry Creditors	0.24	0.27	0.29	0.32	0.34
TOTAL :	18.25	19.09	20.41	22.40	24.97
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	13.00	13.00	13.00	13.00	13.00
Gross Dep.	1.85	3.48	4.86	6.04	7.05
Net Fixed Assets	11.15	9.53	8.14	6.96	5.95
Current Assets					
Sundry Debtors	2.58	2.44	2.63	2.82	3.00
Stock in Hand	2.25	2.49	2.68	2.87	3.06
Cash and Bank	2.28	4.64	6.96	9.76	12.96
TOTAL :	18.25	19.09	20.41	22.40	24.97
	-	-	-	-	-

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	1.76	-			
Reserve & Surplus	3.08	3.49	4.04	4.79	5.43
Depriciation & Exp. W/off	1.85	1.63	1.39	1.18	1.01
Increase in Cash Credit	4.13	-	-	-	-
Increase In Term Loan	11.70	-	-	-	-
Increase in Creditors	0.24	0.03	0.02	0.02	0.02
TOTAL :	22.75	5.15	5.45	5.99	6.46
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.00	-	-	-	-
Increase in Stock	2.25	0.24	0.19	0.19	0.19
Increase in Debtors	2.58 -	0.14	0.19	0.19	0.19
Repayment of Term Loan	2.34	2.34	2.34	2.34	2.34
Taxation	0.31	0.35	0.40	0.48	0.54
TOTAL :	20.47	2.79	3.12	3.20	3.26
Opening Cash & Bank Balance	-	2.28	4.64	6.96	9.76
Add : Surplus	2.28	2.36	2.33	2.79	3.20
Closing Cash & Bank Balance	2.28	4.64	6.96	9.76	12.96

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Capacity Utilisation %					
A) SALES					
Gross Sale(School Bags)	25.65	29.14	31.39	33.64	35.89
Other Income	0.15	0.15	0.15	0.15	0.15
Total (A)	25.80	29.29	31.54	33.79	36.04
B) COST OF SALES					
Raw Mateiral Consumed	10.32	11.72	12.62	13.52	14.42
Elecricity Expenses	0.96	1.04	1.12	1.20	1.28
Repair & Maintenance	1.28	1.46	1.57	1.68	1.79
Labour & Wages	4.44	4.88	5.37	5.91	6.50
Depreciation	1.85	1.63	1.39	1.18	1.01
Cost of Production	18.85	20.72	22.06	23.49	25.00
Add: Opening Stock /WIP	-	1.22	1.32	1.42	1.52
Less: Closing Stock /WIP	1.22	1.32	1.42	1.52	1.62
Cost of Sales (B)	17.64	20.62	21.96	23.39	24.90
C) GROSS PROFIT (A-B)	8.16	8.67	9.58	10.40	11.14
	32%	30%	31%	31%	31%
D) Bank Interest (Term Loan)	1.19	0.93	0.68	0.42	0.16
Bank Interest (C.C. Limit)	0.45	0.45	0.45	0.45	0.45
E) Salary to Staff	2.16	2.33	2.52	2.72	2.94
F) Selling & Adm Expenses Exp.	1.28	1.46	1.88	2.02	2.15
TOTAL (D+E)	5.09	5.18	5.53	5.61	5.71
H) NET PROFIT	3.08	3.49	4.04	4.79	5.43
I) Taxation	0.31	0.35	0.40	0.48	0.54
J) PROFIT (After Tax)	2.77	3.14	3.64	4.31	4.89
K) DIVIDEND	-	-	-	-	-
L) RETAINED PROFIT	2.77	3.14	3.64	4.31	4.89

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