PROF. NO.38

PROJECT PROFILE ON SCHOOL BAGS MANUFACTURING UNIT

1. INTRODUCTION

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.

2. MARKET DEMAND

As every student need such bags, therefore demand of these bags exists in almost all the areas. As per estimates, each district has on an average 100000- 120000 students in total and these require one bag atleast in two years. Beside bags for school going children, bags are also require for travelers. Thus the total demand of bags is two high and more than one unit can grow in one district.

3. PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	School Bag
Quantity (Nos)	12000
Value (Rs)	1140000

4. MANUFACTURING PROCESS

The process starts with the identification of cloth and design of bags, collection of material as per design followed by stitching. Embroidery or other accessories like chain, button etc. is fixed after stitching. Finished product is clean before packaging.

5. QUALITY CONTROL STANDARDS

Quality of the product must be as per local customers demand.

6. LAND & BUILDING

1.	Covered area	Sq. Ft.	200
2.	Uncovered area	Sq. Ft.	300
3.	Total area	Sq. Ft.	500
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	1000

7. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	Stitching Machine	3	70000
2.	Working Tables	2	
3.	Hand Tools	L.S.	
4.	Sales Tax, Freight & Insurance etc.		7000
	Total		77000

8. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Kg)	Value (Rs)
1.	Regzine Cloth	L.S.	30000
2.	Thread & Other Consumables	L.S.	2000
		Total	32000

9. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000

B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	1	3000	3000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			16000
	Plus perquisites @ 30% of salaries			4800
	TOTAL			20800

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	1000
2.	Electricity Charges	250
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	1000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	250
8.	Stationery	250
9.	Repairs & Maintenance's	250
	Total	5000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	32000
2	Salaries & Wages	20800
3	Other Expenses	5000
	Total	57800

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	77000
Working capital for one month	57800
Total	134800

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	693600
Depreciation on machinery & equipment	8000
Interest on total investment @ 10%	13000
Total	714600

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Nos.)	Value (Rs.)
1.	School Bags	12000	1140000
	Total		1140000

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	185400
2.	% of Profit on Sales	20.60%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	309600
3.2	Annual Sales	1140000
3.3	Annual Variable Cost	384000
3.4	Break Even Point	60.00%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \quad \%$$

15. Manufactures/ Suppliers of Machinery

1	Bombay Machinery & Tools Syndicate 79, Siyaganj, Indore -452 007. Ph.- 536431,542067.
2.	Jitendra Agencies 5, shivsadan, sardar patel marg, Indore.
3.	Indore machinery stores 40, siyaganj, main road, Indore 452 007 Ph. 534339
4.	Huma Traders Infront of shajanabad thana, Shajanabad, Satna(m.p.)

5.	Maruti Sales Corporation Badshah Chamber, 45, Jawahar Marg, Indore (M.P.) 452 004
6.	Calcutta Sewing Machines Co. Babulal Nagar, Near Jayram Tolkanta Udyog, Indore
7.	Paul Brothers & Co. 1525, Nai Sadak, Delhi –6 Ph 3269098, 3265908

16. Suppliers of Raw Materials

From Kolkatta, Kankur based suppliers or from local market of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Households demand of the area.

11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP