

LAPTOP AND FILE CARRY BAG

INTRODUCTION:

Laptop and file carry bags made of synthetic material are used by office goers as well as by business people to carry Laptop and files etc. Laptop bags are also required by laptop manufacturers.

Laptop and file carry bags are made of synthetic material / manmade). All machines and raw-materials used for its manufacture are easily available from indigenous sources and, not much technology is involved in manufacturing.

MARKET POTENTIAL:

The scope of manufacturing this item is increasing due to the growing demand of laptop users and file carrying people in their day to day official and business activities. Hence the market of laptop and file carry bags is increasing day by day.

Laptop and file carry bag industry is located mainly in Bangalore, Chennai, Mumbai, Delhi, Kolkata etc. This item has a very good demand in India and neighbouring countries.

BASIS AND PRESUMPTIONS:

- (1) The production is based on single shift basis of 8 hours per day and 25 working days in a month i.e. 300 working days in a year.
- (2) The unit is expected at 60% efficiency in the first year and 90% efficiency will be achieved within 3 years.
- (3) Time period for achieving envisaged capacity utilization in 3 months after trial run.
- (4) Interest rate is calculated @ 12% per annum
- (5) Pay back period is 5 years.
- (6) Labour will be engaged on monthly basis which is more than the minimum wages declared by the state Govt.
- (7) considering the product and usage the project can work for about 25 years.

IMPLEMENTATION SCHEDULE

(1)	Registration and other formalities	1 month
(2)	Acquisition of shade	3 months
(3)	Arrangements of electricity and water connection	2 months
(4)	Procurement and installation of machinery etc.	4 months
(5)	Recruitment of Staff and Workers	1 month
(6)	Trial Production	1 month
	Total	12 months

TECHNICAL ASPECTS:

Process of Manufacture

These articles are manufactured by the following operation.

Designing - Pattern Cutting - Economical Cutting of Components - Skiving Colouring of edges - Assembling - Stitching - Fixing of fillings - Finishing - Packing.

The components are cut as per the patterns of various sizes and designs from the material by hand. The components are then skived where ever required and then stitched. After completion of stitching handle is fixed on the central part of the bag. Zips, buckles, rivets and other fittings are attached. The bags are cleaned, finished and packed.

Quality Control and Standards

Specific standards are to be followed as mutually agreed upon between buyer and manufacture. The quality of product depends upon the purchase of right raw-material, grinders and strict supervision. Final inspection is a must before packing.

Production Capacity (Per Annum)

Laptop and file carry bag	-	18,000 pieces.
Value	-	Rs. 66,60,000/-
Motive Power	-	5 H.P.

Pollution Control

These types of goods industries do not emit any kind of pollution. Hence no arrangements is necessary to check the pollution.

Energy Conservation:

Energy Conservation in this type of unit is on the lower side since low power motors are used in the production line. The staff of the unit should be made aware of the need to conserve energy by switching off the energy sources when not required.

FINANCIAL ASPECT

A. **FIXED CAPITAL** Rented building

Shed having 500 Sq.ft. covered area

Rs.5000 P.M.

(ii) **Machinerv & Equipments:**

Sl.No.	Particulars	Imp./Ind.	No.	Amount (Rs.)
1.	Flat bed stitching machine power operated.	Ind.	3	45,000/-
2.	Cylinder bed stitching machine power operated.	”	2	2,00,000/-
3.	Skiving machine	”	1	50,000/-
4.	Punching machine	”	1	20,000/-
5.	Pattern cutting and designing table	-	1	10,000/-
6.	Cutting table for components	-	2	20,000/-
7.	Tools and equipments		L.S.	50,000/-
8.	Office equipments and furniture		L.S.	1,00,000/-
9.	Electrification and installation			31,500/-
	Total			Rs.5,26,500/-
	Pre - operative expenses			20,000/-
	Grand Total			Rs.5,46,500/-

B. Working Capital (Per Month)

(i) **Personnel:**

Sl.No.	Particulars	Nos.	Salary	Total (Rs.)
1.	Manager	1	10,000/-	10,000/-
2.	Supervisor	1	7,500/-	7,500/-
3.	Cashier cum Accountant	1	6,000/-	6,000/-
4.	Store Keeper Cum Typist	1	4,500/-	4,500/-
5.	Designer	1	6,000/-	6,000/-
6.	Master Cutter	1	6,000/-	6,000/-

Sl.No.	Particulars	Nos.	Salary	Total (Rs.)
7.	Machine Operator	5	4,500/-	22,500/-
8.	Skilled Worker	2	4,000/-	8,000/-
9.	Semi Skilled Worker	2	3,000/-	6,000/-
10.	Helper	2	2,000/-	4,000/-
11.	Peon / Watchman	2	2,000/-	4,000/-
12.	Sweeper (Part Time)	1	600/-	600/-
			Total	Rs. 85,100/-
			Add 20% perquisites	Rs. 17,020/-
			Grand Total	Rs. 1,02,120/-

(ii) **Raw material (P.M)** 1500 pieces laptop & file carry bags.

Sl. No.	Particulars	Quantity	@ Rs.	Value (Rs.)
1.	Foam leather	750 mtr.	200/-	1,50,000/-
2.	Lining material	700 mtr.	80/-	56,000/-
3.	Grinderies , Lock, D-ring zip, rivets, buttons, adhesive and thread etc.	For 1500 Pcs.	60/-	90,000/-
4.	Packing	For 1500 Pcs	10/-	15,000/-
			Total	3,11,000/-

(iii) **Utilities (P.M.)**

1.	Power			6,000/-
2.	Water & Fuel			500/-
			Total	6,500/-

(iv) **Other Contingent Expenses (P.M.):**

1.	Rent	5,000/-
2.	Postage & Stationery	2,000/-
3.	Telephone	2,000/-
4.	Consumable Stores	2,000/-
5.	Repair & Maintenance	2,500/-
6.	Transport Charges.	5,000/-
7.	Advertisement & Publicity	5,000/-
8.	Insurance	1,000/-
9.	Taxes	1,000/-
10.	Sales Expenses	5,000/-
11.	Misc. Expenses	2,500/-
	Total	33,000/-

Total Recurring Expenditure (Per Month)

1.	Salary & Wages	1,02,120/-
2.	Raw materials	3,11,000/-
3.	Utilities	6,500/-
4.	Other contingent Expenses	33,000/-
	Total	Rs. 4,52,620/-

(v)	Working Capital for 3 months:	Rs. 13,57,860/-
	Say	Rs. 13,58,000/-

C. Total Capital Investment :

1.	Total Fixed Capital	Rs. 5,46,500/-
2.	Working Capital for 3 months	13,58,000/-
	Total	Rs.19,04,500/-
	Say	Rs.19,05,000/-

Machinery Utilisation:

Initially there will be 70% utilization of machines which will increase thereafter 10% per year and consequently 90% utilization will be achieved.

FINANCIAL ANALYSIS:

(1) Cost of Production (P.A)

i) Total Recurring Cost	54,32,000/-
ii) Depreciation on machinery @ 10% on Rs.3,76,500/-	37,650/-
iii) Depreciation on tools & equipment @ 25% on Rs.50,000/-	12,500/-
iv) Depreciation on office furniture and equipment @ 20% on Rs. 1,00,000/-	20,000/-
v) Interest on total capital investment @ 12% on Rs.19,05,000/-	2,28,600/-
Total	Rs. 57,30,750/-

(2) Turn Over (Per Annum)

By sale of Laptop and File Carry bag
18000 Pcs. @ Rs.370/-

Rs.66,60,000/-

(3) Net Profit

Turn Over - Cost of Production

$$6660000 - 5730750 = \text{Rs.}9,29,250/-$$

(4) Net Profit. Ratio :

$$\frac{\text{Net Profit (PA) X 100}}{\text{Turnover (PA)}} = \frac{929250 \text{ X } 100}{6660000} = 13.95\%$$

(5) Rate of Return on total Capital Investment:

$$\frac{\text{Net Profit (PA) X 100}}{\text{Total Capital Investment}} = \frac{929250 \text{ X } 100}{1905000} = 48.78\%$$

(6) **Break Even Point**

(a) Rent	60,000/-
(b) Depreciation on Plant & machinery	37,600/-
(c) Deprecation on tools & equipments	12,500/-
(d) Depreciation on office equipments & furniture	20,000/-
(e) Interest on total capital investment	2,28,600/-
(f) Insurance	12,000/-
(g) 40% of salary & Wages	4,90,608/-
(h) 40% of utilities	31,200/-
(i) 40% of other contingent expenses excluding rent & insurance	1,29,600/-
Total	Rs.10,22,108/-

BEP :

$$\frac{\text{Fixed Cost} \times 100}{\text{Fixed Cost} + \text{Profit}} = \frac{10,22,108 \times 100}{10,22,108 + 9,29,250} = 52.37\%$$

Addresses of Machinery & Equipment Suppliers:

1. M/s. Raj Machine Home, 35/188 D. Lashkarpur, Kamala Nagar, Agra-4
2. M/s. Shiva Machine Co., Peepal Mandi, Agra-3
3. M/s. Hind Sewing Machine Co., Peepal Mandi, Agra-3
4. M/s. Peelu Sales, Nai ki Mandi, Agra:-2
5. M/s. Bharat Sales Agency, Gesham Assurance House,
3rd Floor, Sir P.M. Road, Mumbai-400001
6. M/s. Leather & Packaging Machinery Corpn.
123-B, Asaf Ali Road, New Delhi:-110002

Raw Material Suppliers

1. M/s. Modern Leather Stores,
Biddhan Sarani, Kolkata-700012
2. M/s. Ess. kay Enterprises, Hing ki Mandi, Agra.
3. M/s. Bharat, Leather Store, Hing,ki Mandi, Agra.
4. M/s. Shroff Sales Corpn., Hing ki Mandi, Agra.