

UP MSME 1-Connect

PROJECT REPORT

PROJECT: JEGGINGS MANUFACTURING UNIT

PROJECT REPORT

Of

JEGGINGS MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Jeggings 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.]

JEGGING

Introduction

Jeggings are leggings that are made to look like skin-tight denim jeans. The word is a portmanteau of the words jeans and leggings.

Jeggings were brought on by the resurgence in style of skinny jeans in the late 2000s, when a higher demand for a tighter style of pants came about. Since jeggings are typically made of a cotton/spandex blend, (cotton being the primary fibre in most denim, a kind of serge), they are often worn on their own as opposed to under a skirt or dress. Some jeggings have front fastening facilities while others just have an elastic waistband and no pockets.

With respect to material, Jeggings fall into two main categories:

1. Jeggings that are legging material, i.e. a knit, made to look like denim with fake pockets and belt loops.
2. Jeggings that are a true cross between denim and legging material. "Denim jeggings" are essentially a denim fabric with the elasticity of a legging, due to a higher proportion of Spandex in the fibre content.

The latter are more similar to skinny jeans than the former. Some designers call "denim jeggings" pull-on jeans rather than jeggings.

Jeggings Market Analysis

Among Indian women, jeans, jegging or denim trousers are the most popular articles. Women across different age brackets and spanning all shapes and sizes like to wear denim as it is comfortable, functional and durable. Denim is also gaining popularity in athleisure form among women owing to the comfort provided by stretch denims. Women who are not at ease with western wear have taken up wearing jeans by pairing them with Indian ethnic wear like Kurtis. This mix and match style is gradually picking up, particularly among women in small towns and those who come from a traditional background and is likely to further fuel the growth of the segment.

This segment is expected to grow the fastest at the CAGR of 17.5 per cent.

PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	60%	65%	70%	75%	80%
<u>SALES</u>					
Gross Sale					
Jeggings	138.60	165.08	180.36	196.01	212.01
Total	138.60	165.08	180.36	196.01	212.01
<u>COST OF SALES</u>					
Raw Mateiral Consumed	108.00	122.62	132.55	142.56	152.64
Elecricity Expenses	0.77	0.84	0.93	1.02	1.12
Depriciation	0.94	0.80	0.69	0.59	0.50
Consumables	2.77	3.30	3.61	3.92	4.24
Repair & maintenace	2.77	2.48	3.61	3.92	4.24
other direct expenses	2.77	1.16	1.26	1.37	1.48
Packaging charges	0.43	0.56	0.71	0.86	1.04
Labour	22.80	25.08	27.59	30.35	33.38
Cost of Production	141.26	156.84	170.94	184.59	198.65
Add: Opening Stock /WIP	-	11.77	13.07	14.25	15.38
Less: Closing Stock /WIP	11.77	13.07	14.25	15.38	16.55
Cost of Sales	129.49	155.54	169.77	183.46	197.48
GROSS PROFIT	9.11	9.53	10.59	12.55	14.53
Interest on Term Loan	0.59	0.55	0.45	0.34	0.05
Interest on working Capital	1.49	1.49	1.49	1.49	1.49
Rent	3.00	3.30	3.63	3.99	4.39
Selling & adm Exp	2.08	1.65	2.34	3.33	4.24

TOTAL	7.15	6.99	7.91	9.15	10.16
NET PROFIT	1.96	2.54	2.69	3.40	4.37
Taxation				-	-
PROFIT (After Tax)	1.96	2.54	2.69	3.40	4.37

PROJECTED BALANCE SHEET					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		3.62	5.17	6.76	8.15
<i>Add:- Own Capital</i>	2.16				
Add:- Retained Profit	1.96	2.54	2.69	3.40	4.37
Less:- Drawings	0.50	1.00	1.10	2.00	2.50
Closing Balance	3.62	5.17	6.76	8.15	10.02
Subsidy Reserve	1.65	1.65	1.65	-	-
Term Loan	5.46	4.50	3.54	0.95	0.00
Working Capital Limit	13.50	13.50	13.50	13.50	13.50
Sundry Creditors	4.50	5.11	5.52	8.91	9.03
Provisions & Other Liab	0.30	0.40	0.55	0.66	0.83
TOTAL :	29.04	30.33	31.52	32.17	33.38
<u>Assets</u>					
Fixed Assets (Gross)	6.61	6.61	6.61	6.61	6.61
Gross Dep.	0.94	1.75	2.43	3.02	3.53
Net Fixed Assets	5.66	4.86	4.17	3.58	3.08
FD of Subsidy	1.65	1.65	1.65		
Current Assets					
Sundry Debtors	3.47	3.78	4.13	5.31	5.92
Stock in Hand	16.27	18.18	19.77	21.32	22.91
Cash and Bank	1.99	1.86	1.80	1.94	1.47
TOTAL :	29.04	30.33	31.52	32.17	33.38

PROJECTED CASH FLOW STATEMENT

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.16				
Net Profit	1.96	2.54	2.69	3.40	4.37
Depriciation & Exp. W/off	0.94	0.80	0.69	0.59	0.50
Increase in Cash Credit	13.50	-	-	-	-
Increase In Term Loan	5.94	-	-	-	-
Increase in Creditors	4.50	0.61	0.41	3.39	0.12
Increase in Provisions & Oth lib	0.30	0.10	0.15	0.11	0.17
increase in subsidy	1.65				
TOTAL :	30.96	4.06	3.94	7.48	5.16
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	6.61				
Increase in Stock	16.27	1.91	1.59	1.55	1.59
Increase in Debtors	3.47	0.32	0.35	1.18	0.61
Repayment of Term Loan	0.48	0.96	0.96	2.61	0.93
Increase in FD	1.65	-	-		
Drawings	0.50	1.00	1.10	2.00	2.50
Taxation	-	-	-	-	-
TOTAL :	28.97	4.19	4.00	7.34	5.63
Opening Cash & Bank Balance	-	1.99	1.86	1.80	1.94
Add : Surplus	1.99 -	0.13 -	0.06	0.14 -	0.47
Closing Cash & Bank Balance	1.99	1.86	1.80	1.94	1.47

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