

PROJECT REPORT FOR  
SEWING MACHINE SERVICE



**PROMOTER:**

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

PROJECT LOCATION:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

**PREPARED BY:**

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Project For: Sewing Machine Service
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## I. PROJECT AT A GLANCE

1. About the Promoter : xxxxxxxxxxxxxxxxxxxxxxxx  
Project Location: xxxxxxxxxxxxxxxxxxxx
2. Project Cost : Rs. 6.40 Lakhs
3. Mean of Finance
- A) T. L. facility from Bank : Rs. 4.26 Lakhs
  - B) Beneficiary contribution : Rs. 0.32 Lakhs
  - C) C.C. facility from Bank : Rs. 1.82 Lakhs
  - D) Subsidy under CMEGP Scheme : Rs. 2.24 Lakhs
5. Rate of Interest : 11.00% Per Annum
6. Repayment : 48 monthly instalments, EMI @ 0.11 Lakhs
7. Nature of Project : Sewing Machine Service
8. Employment Potential : 7 Nos
9. Nature of the Firm : Proprietary Firm
10. Average Debt Coverage ratios : **1.90**

## II. ABOUT THE PROJECT

### **Introduction**

The dress is part of our lifestyle, when it comes to ladies, mainly there dress was stitched by buying materials. This project report for stitching tuning / Tailoring unit explains the viability of the project in this locality. As the fashion changes, population increases, the demand for stitching unit will also increase. Prompt delivery and affordable price are the key elements to success here. The sector also created newer avenues for many businesses and entrepreneurs based in the locality. Though there are a lot of stitching units, the demand for another stitching unit is also very high. This profession gives the entrepreneur a decent income and opportunity to provide employment to multiple ladies.

### **Market potential & Strategy**

An increasing number of women now prefer to work and therefore need formal clothing. Ladies suit offers good look, physical comfort and perfect functionality in office as well as industrial duties. It can also be worn on all outdoor occasions. Also women needed dress according to thier shape. The best positioning of a tailoring shop is to offer the dress on time and charge very affordable price. Besides local advertisement and paper inserts were very effective.

Projections for:  
Sewing Machine Service

### III. ECONOMICS OF THE PROJECT

#### A. TOTAL COST OF THE PROJECT

(Rs. Lacs)

S.No.	Particulars	Total	Spent	Bal. To be spent
A.	Fixed Cost			
1	Sewing Machine Automatic Singale Needal Model with Broad Motor (@ Rs. 20000*12 )	2.40	-	2.40
2	Misc. Fixed Assets (Furniture & Electrical)	2.08	-	2.08
		4.48		4.48
B	Working Capital	1.92	-	1.92
	<b>TOTAL COST OF THE PROJECT</b>	<b>6.40</b>		<b>6.40</b>

#### MEANS OF FINANCE

a) Own Contribution ( 5%)	0.32
b) T L facility from Bank (95%)	4.26
c) CC facility from Bank (95%)	1.82
	<b>6.40</b>
C) Subsidy Entitlement Under CMEGP scheme @ 35%	2.24

Projections for:  
**Sewing Machine Service**

**B. PROFITABILITY STATEMENT**

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
1	Income	9.59	10.55	11.60	12.76
2	Expenses	7.10	7.61	8.17	8.73
3	Int. on TL	0.42	0.32	0.20	0.08
4	Depreciation	0.55	0.48	0.42	0.37
5	Profit after int. & dep.	1.51	2.14	2.81	3.59
6	Income Tax	-	-	-	0.36
7	<b>Profit after Tax</b>	<b>1.51</b>	<b>2.14</b>	<b>2.81</b>	<b>3.23</b>
8	Add : Depreciation	0.55	0.48	0.42	0.37
9	Add : Interest on TL	0.42	0.32	0.20	0.08
10	Cash Accruals	2.49	2.94	3.44	3.67
11	Repayment of TL with Interest	1.32	1.32	1.32	1.32
12	DSCR	1.89	2.23	2.61	2.78
13	Average DSCR	1.90			
14	Net Profit to total receipts	15.79	20.24	24.25	25.31

<i>Projections for:</i> <b>Sewing Machine Service</b>
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**C. CASH FLOW STATEMENT**

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
<b>A</b>	<b>Inflow :</b>				
1	Cash flow from Opration	2.49	2.94	3.44	3.67
2	T.L. from Bank	4.26			
3	CC from bank	1.82			
4	Own contribution	0.32			
5	Subsidy	-	-	-	2.24
	Total (A)	<u>8.89</u>	<u>2.94</u>	<u>3.44</u>	<u>5.91</u>
<b>B</b>	<b>Outflow:</b>				
1	Fixed Assets	4.48	-	-	-
2	Repay of TL	1.32	1.32	1.32	1.32
3	Drawings	0.50	0.55	0.61	0.67
	Total (B)	<u>6.30</u>	<u>1.87</u>	<u>1.92</u>	<u>1.99</u>
	<b>Summery:</b>				
	Op. Cash & Bank Bal.	-	2.59	3.66	5.17
	Surplus / (Deficit)	2.59	1.07	1.51	3.93
	Cl. Cash & Bank Bal.	2.59	3.66	5.17	9.09

*Projections for:*  
**Sewing Machine Service**

**D. BALANCE SHEET**

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
<b>A ASSETS :</b>					
1	Fixed Assets :	3.93	3.45	3.03	2.66
2	Investments	-	-	-	-
3	Current Assets	2.59	3.66	5.17	9.09
4	Loans & Advances	-	-	-	-
	Total (A)	<u>6.52</u>	<u>7.10</u>	<u>8.20</u>	<u>11.75</u>
<b>B LIABILITIES:</b>					
1	Capital	1.33	2.92	5.13	9.93
2	Secured loans	3.36	2.36	1.24	-
3	Current Liabilities				
	Cash Credit	1.82	1.82	1.82	1.82
	Total (B)	<u>6.52</u>	<u>7.10</u>	<u>8.20</u>	<u>11.75</u>



*Projections for:*  
**Sewing Machine Service**

**E. CAPITAL ACCOUNT**

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
1	Op. Balance	-	1.33	2.92	5.13
2	Additions	0.32			2.24
3	Net Profit	1.51	2.14	2.81	3.23
	Sub Total	1.83	3.47	5.73	10.60
4	Drawings	0.50	0.55	0.61	0.67
5	Closing Balance	1.33	2.92	5.13	9.93

*Projections for:*  
**Sewing Machine Service**

**F. INCOME**

(Rs. Lacs)

<b>S. No.</b>	<b>Particulars</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>
1	Gross Receipts				
a.	No. of Working Days per annum	350	350	350	350
b.	Income per day	0.027	0.030	0.033	0.036
c.	Total Receipts per annum	9.59	10.55	11.60	12.76
	<b>Total</b>	<b>9.59</b>	<b>10.55</b>	<b>11.60</b>	<b>12.76</b>

<i>Projections for:</i> <b>Sewing Machine Service</b>
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**G. EXPENSES**

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
1	Salary				
i.	Manager (Self)	-	-	-	-
ii.	Skill Labour (5 no.* Rs. 5000 per month)	3.00	3.15	3.31	3.47
iii.	Unskilled Labour (2 no.* Rs. 4000 per month)	0.96	1.01	1.06	1.11
2	Raw Material ( Poplin,Uli, Panjabi Dress, Masriez Polister, Wayal, Etc.)	2.64	2.90	3.19	3.51
3	Telephone & Electricity Expenses	0.20	0.22	0.24	0.25
4	Advertising/Marketing/Social Media (@ 1000 per month)	0.12	0.13	0.15	0.15
5	Miscellaneous Expenses (@ 1500 per month)	0.18	0.20	0.22	0.23
	<b>Total</b>	<b>7.10</b>	<b>7.61</b>	<b>8.17</b>	<b>8.73</b>

*Projections for:*  
**Sewing Machine Service**

**H. FIXED ASSETS AND DEPRECIATION**

(Rs. Lacs)

S. No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
1	Sewing Machine				
	Op. Balance		2.16	1.94	1.75
	Additions	2.40	-	-	-
	Sub Total	2.40	2.16	1.94	1.75
	Less : Depreciation	0.24	0.22	0.19	0.17
	Cl. WDV	2.16	1.94	1.75	1.57
2	Misc. Fixed Assets				
	Op. Balance		1.77	1.50	1.28
	Additions	2.08	-	-	-
	Sub Total	2.08	1.77	1.50	1.28
	Less : Depreciation	0.31	0.27	0.23	0.19
	Cl. WDV	1.77	1.50	1.28	1.09
	Total Depreciation	0.55	0.48	0.42	0.37
	Total WDV	3.93	3.45	3.03	2.66

Projections for:  
**Sewing Machine Service**

**I. TERM LOAN REPAYMENT AND INTEREST THEREON**

(Rs. Lacs)

S.No.	Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4
1	TL / Op. Bal.	4.26	3.36	2.36	1.24
2	Repayment during the year	0.90	1.00	1.12	1.24
3	Cl. Balance	3.36	2.36	1.24	-
4	Interest at 11.00 per cent p.a.	0.42	0.32	0.20	0.08
5	Total repayment with Interest	1.32	1.32	1.32	1.32
6	Interest on CC ( at 12 per cent p.a.)	0.22	0.22	0.22	0.22
7	Total Interest	0.64	0.54	0.42	0.29

MONTHS	EMI	INTEREST	PRINCIPAL REPAYMENT	OST PRINCIPAL
0				4.26
1	0.11	0.04	0.07	4.19
2	0.11	0.04	0.07	4.11
3	0.11	0.04	0.07	4.04
4	0.11	0.04	0.07	3.97
5	0.11	0.04	0.07	3.89
6	0.11	0.04	0.07	3.82
7	0.11	0.04	0.07	3.75
8	0.11	0.03	0.08	3.67
9	0.11	0.03	0.08	3.59
10	0.11	0.03	0.08	3.52
11	0.11	0.03	0.08	3.44
12	0.11	0.03	0.08	3.36
<b>First Year</b>	<b>1.32</b>	<b>0.42</b>	<b>0.90</b>	
13	0.11	0.03	0.08	3.28
14	0.11	0.03	0.08	3.20
15	0.11	0.03	0.08	3.12
16	0.11	0.03	0.08	3.04
17	0.11	0.03	0.08	2.96

18	0.11	0.03	0.08	2.87
19	0.11	0.03	0.08	2.79
20	0.11	0.03	0.08	2.71
21	0.11	0.02	0.09	2.62
22	0.11	0.02	0.09	2.53
23	0.11	0.02	0.09	2.45
24	0.11	0.02	0.09	2.36
<b>Second Year</b>	<b>1.32</b>	<b>0.32</b>	<b>1.00</b>	
25	0.11	0.02	0.09	2.27
26	0.11	0.02	0.09	2.18
27	0.11	0.02	0.09	2.09
28	0.11	0.02	0.09	2.00
29	0.11	0.02	0.09	1.91
30	0.11	0.02	0.09	1.82
31	0.11	0.02	0.09	1.72
32	0.11	0.02	0.09	1.63
33	0.11	0.01	0.10	1.54
34	0.11	0.01	0.10	1.44
35	0.11	0.01	0.10	1.34
36	0.11	0.01	0.10	1.24
<b>Third Year</b>	<b>1.32</b>	<b>0.20</b>	<b>1.12</b>	
37	0.11	0.01	0.10	1.15
38	0.11	0.01	0.10	1.05
39	0.11	0.01	0.10	0.95
40	0.11	0.01	0.10	0.84
41	0.11	0.01	0.10	0.74
42	0.11	0.01	0.10	0.64
43	0.11	0.01	0.10	0.54
44	0.11	0.00	0.11	0.43
45	0.11	0.00	0.11	0.32
46	0.11	0.00	0.11	0.22
47	0.11	0.00	0.11	0.11
48	0.11	0.00	0.11	(0.00)
<b>Fourth Year</b>	<b>1.32</b>	<b>0.08</b>	<b>1.24</b>	

*Projections for:*  
**Sewing Machine Service**

(Rs. Lacs)

**J. WORKING CAPITAL**

S.No.	Particulars	Year 1	Year 2	Year 3	Year 4
1	Gross receipts	9.59	10.55	11.60	12.76
2	Working Capital ('@ 20%)	1.92	2.11	2.32	2.55
3	Bank CC ( 95%)	1.82	2.00	2.20	2.43
4	Own Contribution(5%)	0.10	0.10	0.10	0.10