

Bed Sheet with Pillow Covers Set

PRODUCT CODE	: N.A.
QUALITY AND STANDARDS	: There is no standard specification for the Bed sheet with pillow cover set. The bed sheets are manufactured by the customer's specification, design and style. There is some specification by the Govt. dept. like Railway, Police and Tourism etc.
PRODUCTION CAPACITY	Qty. : 36,000 Nos. (per annum) Value : Rs. 1,26,00,000
MONTH AND YEAR OF PREPARATION	: January, 2003
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INTRODUCTION

In a well furnished home, bed room is very important one, as a part of overall interior of a House. So a good bed cover matching with colour of the room and pillow cover is very important as a part of interior bed room. This reflect taste and status of the owner, who has spent enormous sum of money to decorate the house. So the demand of above textile product such as bed cover and pillow cover is increasing in the domestic as well export market every day. The made up products are very easy to manufacture and easily marketable. The above products have been finding acceptance due to low cost of fabrication, saving of cloth as well as saving of time.

MARKET POTENTIAL

The demand in the market specially to cater both middle and upper class of families settled in urban areas, bed cover and pillow cover demand is increasing day by day to cater the taste of owner. The market of bed sheet and pillow cover has good scope in India and abroad. The marketing is not a problem provided the customers are made aware of the cost benefit. There is a good market in Delhi, Kolkata, Chennai, Punjab, Haryana and Andhra Pradesh.

The export market for Indian bed sheet is in Germany, USA, Canada, U.K., Indonesia and Austria. There is a good demand in Government departments like Railways, Tourism, Defence and Police etc.

BASIS AND PRESUMPTIONS

1. The 250 sq. mt. covered area is required on rental basis @Rs. 20 per sq. mt. depends upon area to area.
2. The machinery and equipment are of a particular make and price of machines are drawn on the basis of present market rates.
3. The working capital has been taken on 3 months basis or 75% efficiency basis. After one or two years the full capacity may be utilized.
4. The technical staff and skilled labour of this industry is locally available.
5. The calculation is based on bed sheet of 5 mtrs. and 1.5 mtr. for pillow cover.
6. The unit will work on single shift basis 300 days in a year.

IMPLEMENTATION SCHEDULE

- (i) First step is to get the project report prepared/revised in two weeks time.
- (ii) Second step is to locate the premises for factory before delivery of the machines.
- (iii) Third step is to get provisional registration from DIC/ Commissioner of Industries.
- (iv) Fourth step is to contact financial institutions for loan, if required.
- (v) Fifth step is to arrange technical staff and labour for the manufacturing unit.

TECHNICAL ASPECTS

Process of Manufacture

In woven cotton fabric/grace fabric/terrycot fabrics different colours and shades are available in the open market. To check unevenness of fabric and defect in colour dyes, the cloth is laid on the table for visual inspection of the said defects before cutting of cloth. The fabric is then cut as per length of bed sheet and pillow cover and stretched, embroidered by stitching machines. The products are labeled, pressed and then packed in polythene packets followed by cartoon boxes for despatch.

Quality Control and Standards

There are a number of BIS prepared on fabrics so precaution should be taken while purchasing of raw material in fast shade and good quality.

Production Capacity (per year)

	Qty.	Amount (In Rs.)
Bed sheet set with pillow cover of different design and shade.	36,000 Nos.	1,26,000

Motive Power 2 kW.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building (Rented) (per month)(Rs.)
Covered area 250 sq.mt. @ Rs. 20 per sq. mt. 5,000

(ii) Machinery and Equipment

Sl. No.	Particulars	Qty.	Amount (In Rs.)
1.	Foot operated stitching machine with all accessories	8	36,000

Sl. No.	Particulars	Qty.	Amount (In Rs.)
2.	Double needle stitching machine with motor and all accessories	1	35,000
3.	Flat lock stitching machine with motor and accessories	1	34,000
4.	Embroidery machine with motor and all accessories	1	5,000
5.	Installation charges @10% with electrification etc.		11,000
6.	Workshop and testing equipment	LS	9,000
7.	Office equipment		12,000
(ii) Pre-operative Expenses			10,000
Total			1,52,000

B. Working Capital (per month)

(i) Staff and Labour

Sl. No.	Designation	No.	Salary (In Rs.)	Amount (In Rs.)
1.	Cutting master	1	3,500	3,500
2.	Supervisor	1	3,000	3,000
3.	Accountant cum clerk/(part time)	1	1000	1000
4.	Skilled workers	10	2,500	2,50,00
5.	Un-skilled workers	2	2250	4,500
6.	Peon cum Chowkidar	1	2,500	2,500
Total				39,500
(+) <i>perquisites @ 20%</i>				7,900
Total				47,400

(ii) Raw Material and Packaging Material

Sl. No.	Particular	Qty.	Rate (In Rs.)	Amount (In Rs.)
1.	Cotton/grace fabrics of different colours, design and shade	19,500 mtr.	40/ mt.	7,80,000
2.	Sewing/embroidery thread and other accessories including packing material		20/ set	60,000
Total				8,40,000

(iii) Utilities		(Rs.)
1.	Power/Electricity and Water charges	3,000

(iv) Other Contingent Expenses

Sl. No.	Item	Amount (In Rs.)
1.	Rent	5,000
2.	Advertisement and publicity	500
3.	Postage, stationery and Telephone	2,500
4.	Travelling/transportation charges	2,500
5.	Taxes/Insurance	1,000
6.	Misc.	800
7.	Consumable store	500
Total		12,800

(v) Total Working Capital (Rs.)

1.	Salary and wages	47,400
2.	Raw material	8,40,000
3.	Utilities	3,000
4.	Other expenses	12,800
Total		9,03,200

C. Total Capital Investment

1.	Fixed capital	Rs. 1,52,000
2.	Working capital (for 3 months)	Rs. 27,09,600
Total		Rs. 28,61,600

MACHINERY UTILISATION

Capacity is utilized 75% of the installed capacity.

FINANCIAL ANALYSIS

(1) Cost of Production (per annum)		(Rs.)
(a)	Total recurring expenditure	1,08,60,000
(b)	Depreciation on m/c and equipments @10%	12,100
(c)	Depreciation on office equipment and fixtures @ 20%	42,00
(d)	Interest on total investment @15%	4,30,050
Total		1,13,06,350
Say		1,13,06,000

(2) Turnover (per year)

Item	Qty.	Rate (Rs.)	Amount (Rs.)
Bed sheet sets with pillow covers of different colours, design and shades	36,000 sets	350/ set	1,26,00,000

$$\begin{aligned} \text{(3) Net Profit (per year) (Before Income Tax)} &= \frac{802000 \times 100}{802000 + 1294000} \\ \text{Turnover} - \text{Cost of Production} &= \text{Net Profit} \\ \text{Rs. } 1,26,00,000 - 1,13,06,000 &= \text{Rs. } 12,94,000 \end{aligned}$$

$$\text{(4) Net Profit Ratio} = \frac{80200000}{2095000} = 38.28\%$$

$$\begin{aligned} &= \frac{\text{Net Profit} \times 100}{\text{Total turnover}} \\ &= \frac{1294000 \times 1000}{28,61,600} \\ &= 10.26\% \end{aligned}$$

$$\begin{aligned} \text{(5) Total Capital Investment} &= \frac{1294000 \times 100}{28,61,600} \\ &= 45.09\% \end{aligned}$$

(6) Break-even-point (% of total production envisaged)

(i) Fixed Cost	(Rs.)
a. Depreciation	16,750
b. Rent	60,000
c. Interest	4,30,050
d. 40% of wages for staff and labour	2,36,160
e. 40% of other expenses including utilities	47,040
f. Insurance	12,000
Total	8,02,000

(ii) Net profit (per year) Rs. 12,94,000

$$\text{B.E.P.} = \frac{\text{FC} \times 100}{\text{FC} + \text{Profit}}$$

Addresses of Machinery Suppliers

1. M/s. Kapoor Sewing Machine
F-174-B, Laxmi Nagar,
Delhi-110092
2. M/s. K. C. Sewing Machine
Jagatpuri,
Delhi-110051
3. M/s. Paul Brothers & Co.
1523, Nai Sarak,
Delhi-110006
4. M/s. Rajan Hosiery Enterprises
21-B, New Qutab Road,
Delhi-110006
5. M/s. Gupta Sewing Machine Co.
2639, Sadar Thana Road,
Sadar Bazar,
Delhi-6

Addresses of Raw Material Suppliers

Raw materials are available in local market.