

PROJECT REPORT

Of

SAREE DYEING AND PRINTING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Saree Dyeing and Printing 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.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **SAREE DYEING AND PRINTING**
- 6 Name of the project / business activity proposed : **DYEING AND PRINTING UNIT (SAREE)**
- 7 Cost of Project : Rs.15.32 Lakhs
- 8 Means of Finance
- Term Loan Rs.10.76 Lakhs
- Own Capital Rs.1.53 Lakhs
- Working Capital Rs.3.03 Lakhs
- 9 Debt Service Coverage Ratio : 2.36
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 40%
- 13 Employment : 9 Persons
- 14 Power Requirement : 10.00 KW
- 15 Major Raw materials : Reactive, Direct, Sulfur, Vat, Pigment, Acid, and Disperse
- 16 Estimated Annual Sales Turnover (Max Capacity) : 65.99 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	10.75
Furniture & Fixtures	1.20
Working Capital	3.37
Total	15.32

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.53
Working Capital(Finance)	3.03
Term Loan	10.76
Total	15.32

SAREE DYEING AND PRINTING UNIT

Introduction:

Dyeing, printing, and coating are the coloration processes to produce beautiful motif and color effect on textile. Printing and coating are limited to surface coloration and may be applied to most of the fiber types, natural fabrics, and synthetics. Approximately 10,000 different dyes and pigments are used industrially around the world. Dyeing and printing are processes employed in the conversion of raw textile fibers into finished goods that add much to the appearance of textile fabrics. Most forms of textile materials can be dyed at almost any stage. The dye used depends on the type of material and the specific requirements to be met. For some purposes, high light fastness is essential; but for others it may be inconsequential. Factors considered in dye selection include fastness to light, reaction to washing and rubbing (crocking), and the cost of the dyeing process. Effective preparation of the material for dyeing is essential.



Uses & Market Potential:

Method used to make a fabric colorful with different attractive prints. Dyeing will occur in the most efficient stage which will meet the requirements of the intended end uses. Dyeing can be done during any stage in the manufacture of textile product. Textiles may be dyed as fiber, as yarn, as fabric or as garments, depending on the type of fabric or garment produced. Dyeing will occur in the most efficient stage which will meet the requirements of the intended end uses. India textile chemicals market stood at \$ 1.5 billion in 2017 and is projected to grow at a CAGR of around 10% to reach \$ 2.6 billion by 2023, on the back of growing demand for high-quality finished textile products.

Product:

SAREE DYEING AND PRINTING

Raw Material:

Reactive, Direct, Sulfur, Vat, Pigment, Acid, and Disperse

Printing Process:

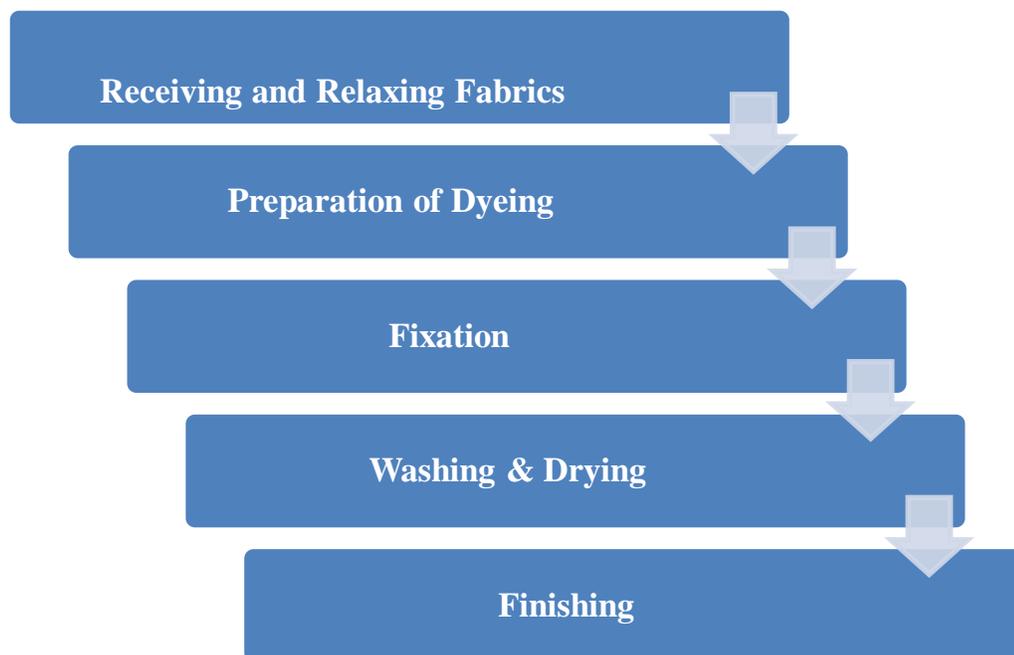


Fig. 1 – Process Flowchart

Area:

The industrial setup requires space for dyeing unit. Also some of the area of building is required for office staff facilities, documentation, office furniture, etc. Thus, the approximate total area required for complete small scale factory setup is 1200-1500Sq. ft. approximately.

Cost of Machines:

S No.	Machines	Price (INR)
1.	Horizontal Paddle Machines	1,00,000/-
2.	Drum Machines	2,70,000/-
3.	Washing-centrifugal machines	2,55,000/-
4.	Jet dyeing centrifugal machines	4,50,000/-
	Total	10,75,000/-

Power Requirement- - The estimated Power requirement is taken at 10 KWH

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-4
- Helper - 3
- Sales Personal and Accountant- 2

FINANCIALS

PROJECTED BALANCE SHEET

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.85	2.93	4.52	6.28
Add: Additions	1.53	-	-	-	-
Add: Net Profit	2.52	3.58	4.69	6.06	6.66
Less: Drawings	2.20	2.50	3.10	4.30	4.70
Closing Balance	1.85	2.93	4.52	6.28	8.24
CC Limit	3.03	3.03	3.03	3.03	3.03
Term Loan	9.56	7.17	4.78	2.39	-
Sundry Creditors	0.94	1.07	1.22	1.37	1.52
TOTAL :	15.38	14.20	13.55	13.07	12.80
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	11.95	11.95	11.95	11.95	11.95
Gross Dep.	1.73	3.21	4.47	5.55	6.47
Net Fixed Assets	10.22	8.74	7.48	6.40	5.48
Current Assets					
Sundry Debtors	1.99	2.34	2.65	2.97	3.30
Stock in Hand	2.31	2.64	2.99	3.35	3.73
Cash and Bank	0.85	0.48	0.44	0.36	0.29
TOTAL :	15.38	14.20	13.55	13.07	12.80

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PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	39.88	46.88	52.95	59.32	65.99
Total (A)	39.88	46.88	52.95	59.32	65.99
<u>B) COST OF SALES</u>					
Raw Material Consumed	18.75	21.45	24.30	27.30	30.45
Electricity Expenses	1.12	1.23	1.34	1.45	1.57
Repair & Maintenance	1.40	1.64	1.85	2.08	2.31
Labour & Wages	10.02	11.22	12.90	14.32	15.90
Depreciation	1.73	1.48	1.26	1.08	0.92
Cost of Production	33.01	37.02	41.66	46.23	51.14
Add: Opening Stock /WIP	-	1.38	1.57	1.77	1.98
Less: Closing Stock /WIP	1.38	1.57	1.77	1.98	2.21
Cost of Sales (B)	31.64	36.83	41.46	46.02	50.92
C) GROSS PROFIT (A-B)	8.24	10.06	11.49	13.31	15.07
	20.65%	21.45%	21.71%	22.43%	22.84%
D) Bank Interest i) (Term Loan)	1.17	0.95	0.69	0.43	0.16
ii) Interest On Working Capital	0.33	0.33	0.33	0.33	0.33
E) Salary to Staff	3.02	3.78	4.08	4.41	5.07
F) Selling & Adm Expenses Exp.	1.20	1.41	1.69	2.08	2.24
TOTAL (D+E+F)	5.72	6.47	6.80	7.25	7.81
H) NET PROFIT	2.52	3.58	4.69	6.06	7.26
	6.3%	7.6%	8.9%	10.2%	11.0%
I) Taxation	-	-	-	-	0.60
J) PROFIT (After Tax)	2.52	3.58	4.69	6.06	6.66

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.53	-			
Reserve & Surplus	2.52	3.58	4.69	6.06	7.26
Depreciation & Exp. W/off	1.73	1.48	1.26	1.08	0.92
Increase In Cash Credit	3.03				
Increase In Term Loan	10.76	-	-	-	-
Increase in Creditors	0.94	0.14	0.14	0.15	0.16
TOTAL :	20.50	5.20	6.10	7.29	8.34
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	11.95	-	-	-	-
Increase in Stock	2.31	0.33	0.35	0.36	0.38
Increase in Debtors	1.99	0.35	0.30	0.32	0.33
Repayment of Term Loan	1.20	2.39	2.39	2.39	2.39
Taxation	-	-	-	-	0.60
Drawings	2.20	2.50	3.10	4.30	4.70
TOTAL :	19.65	5.57	6.14	7.37	8.40
Opening Cash & Bank Balance	-	0.85	0.48	0.44	0.36
Add : Surplus	0.85	- 0.37	- 0.04	- 0.08	- 0.07
Closing Cash & Bank Balance	0.85	0.48	0.44	0.36	0.29

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.38	1.57	1.77	1.98	2.21
<u>Raw Material</u>					
(15 Days requirement)	0.94	1.07	1.22	1.37	1.52
Closing Stock	2.31	2.64	2.99	3.35	3.73

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.31		
Less:			
Sundry Creditors	0.94		
Paid Stock	1.38	0.14	1.24
Sundry Debtors	1.99	0.20	1.79
Working Capital Requirement			3.03
Margin			0.34
MPBF			3.03
Working Capital Demand			3.03

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	10.76	10.76	0.30	-	10.76
	Iind Quarter	10.76	-	10.76	0.30	-	10.76
	IIIrd Quarter	10.76	-	10.76	0.30	0.60	10.16
	Ivth Quarter	10.16	-	10.16	0.28	0.60	9.56
					1.17	1.20	
II	Opening Balance						
	Ist Quarter	9.56	-	9.56	0.26	0.60	8.96
	Iind Quarter	8.96	-	8.96	0.25	0.60	8.37
	IIIrd Quarter	8.37	-	8.37	0.23	0.60	7.77
	Ivth Quarter	7.77		7.77	0.21	0.60	7.17
					0.95	2.39	
III	Opening Balance						
	Ist Quarter	7.17	-	7.17	0.20	0.60	6.57
	Iind Quarter	6.57	-	6.57	0.18	0.60	5.98
	IIIrd Quarter	5.98	-	5.98	0.16	0.60	5.38
	Ivth Quarter	5.38		5.38	0.15	0.60	4.78
					0.69	2.39	
IV	Opening Balance						
	Ist Quarter	4.78	-	4.78	0.13	0.60	4.18
	Iind Quarter	4.18	-	4.18	0.12	0.60	3.59
	IIIrd Quarter	3.59	-	3.59	0.10	0.60	2.99
	Ivth Quarter	2.99		2.99	0.08	0.60	2.39
					0.43	2.39	
V	Opening Balance						
	Ist Quarter	2.39	-	2.39	0.07	0.60	1.79
	Iind Quarter	1.79	-	1.79	0.05	0.60	1.20
	IIIrd Quarter	1.20	-	1.20	0.03	0.60	0.60
	Ivth Quarter	0.60		0.60	0.02	0.60	- 0.00
					0.16	2.39	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
CASH ACCRUALS	4.25	5.06	5.96	7.14	7.58
Interest on Term Loan	1.17	0.95	0.69	0.43	0.16
Total	5.41	6.01	6.65	7.56	7.74
REPAYMENT					
Repayment of Term Loan	1.20	2.39	2.39	2.39	2.39
Interest on Term Loan	1.17	0.95	0.69	0.43	0.16
Total	2.36	3.34	3.08	2.82	2.55
DEBT SERVICE COVERAGE R.	2.29	1.80	2.16	2.68	3.03
AVERAGE D.S.C.R.			2.36		

Assumptions:

- 1.** Capacity of Saree Dyeing and Printing is 500 Pieces per day. First year, Capacity has been taken @ 50%.
- 2.** Working shift of 10 hours per day has been considered.
- 3.** Raw Material stock has been taken for 15 days and Finished goods closing stock has been taken for 10 days.
- 4.** Credit period to Sundry Debtors has been given for 15 days.
- 5.** Credit period by the Sundry Creditors has been provided for 15 days.
- 6.** Depreciation and Income tax has been taken as per the Income tax Act, 1961.
- 7.** Interest on working Capital Loan and Term loan has been taken at 11%.
- 8.** Salary and wages rates are taken as per the Current Market Scenario.
- 9.** Power Consumption has been taken at 10 KW.
- 10.** Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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