

PROJECT REPORT

Of

TEXTILE SCREEN PRINTING

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Textile Screen 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 : XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouce's Name : XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk/Block: XXXXX
 District : XXXXX
 Pin: XXXXX State: XXXXX
 E-Mail : XXXXX
 Mobile XXXXX
- 5 Product and By Product : Printed Sarees , Printed Fabrics
- 6 Name of the project / business activity proposed : Textile Screen Printing
- 7 Cost of Project : Rs. 9.35 Lacs
- 8 Means of Finance
 Term Loan Rs. 6.75 Lacs
 KVIC Margin Money As per Project Eligibility
 Own Capital Rs. 0.93 Lacs
- 9 Debt Service Coverage Ratio : 3.29
- 10 Pay Back Period : 5 Years Years
- 11 Project Implementation Period : 6 Months Months
- 12 Break Even Point : 0.34
- 13 Employment : 8 Persons
- 14 Power Requirement : -
- 15 Major Raw materials : Mull Mull Cloth , Dyes, gums and Chemicals
- 16 Estimated Annual Sales Turnover : Rs. 21.38 Lacs
- 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount		
Land	Rented/Owned		
Plant & Machinery	7.00		
Furniture & Fixtures	0.50		
Working Capital Requirement	1.82		
Total	9.32		

MEANS OF FINANCE

Particulars	Amount		
Own Contribution 10%	0.93		
Term Loan	6.75		
Working capital	1.64		
Total	9.32		
	General	Special	
KVIC Margin Monery Urban	15%	25%	
KVIC Margin Monery Rural	25%	35%	

TEXTILE SCREEN PRINTING



INTRODUCTION

Textile printing refers to the production of designs of any kind that could not be made on textile fabrics by normal weaving/knitting techniques. Before the printing process, the cloth should be thoroughly prepared by different wet process namely designing, scouring and bleaching. Printing is mainly done on finished fabrics, curtain clothes, ladies dress materials, bed sheets, bed covers, fabric for children garments, gents shirts etc. to improve its attractiveness, marketability etc. Screen printing can be done in single colour or in combination of different colours as per end use requirement. Colour combination is an important area by which the appearance of an ordinary fabric can be improved to a maximum extent. It is, therefore, necessary that the quality printing material, chemicals and printing screen should be good so that printed items are fully accepted in the market.

MARKET POTENTIAL

With regard to marketability of the product in general, printed items have good market potential both in domestic and export market. In populated country like India, there is no problem of marketing printed fabrics as the requirement tends to increase and also these items will satisfy individual customer's needs and requirements in terms of colour combination, design requirements etc.

BASIS AND ASSUMPTIONS

This project is based on single shift basis and 300 working days in a year and time period for achieving maximum capacity utilisation is considered from 5th year from the date on which production is started. The costs of machinery and equipment/material indicated refer to a particular make and approximate to those prevailing at the time of preparation of this project.

IMPLEMENTATION SCHEDULE

The implementation period for executing different types of work right from selection of site/working shed and forming of company to selection of market channel and miscellaneous work will take a total period of 6 months. However, on considering that some of the activities may be overlapping, the actual project implementation may hardly take 3 months.

TECHNICAL ASPECTS

Process of Manufacture

The various steps involved in printing process are preparation of printing paste, printing of fabric, fixation of dye stuff by curing/steaming, washing off, calendaring, folding and packing. Scoured and bleached cotton fabric as obtained from dealers is inspected to remove any objectionable faults and stretched evenly on printing table. Screens containing the designs is placed over the table and the dye paste is pressed over the screen by means of rubber squeezer. The selection of dyes and gums depends on the construction of basic cloth to be printed and their end use. After printing, the printed clothes are cured or steamed for the fixation of the colour. Later, the printed material is thoroughly washed to remove loose dye stuffs. Then, it is calendared, folded and packed for the delivery.

Quality Control and Standards

A quality printed item should have good fastness to washing, rubbing and light. This can be achieved by properly fixing the print on the cloth by curing or steaming. Dyes to be used should be of good quality and capable of giving bright shades. Printing quality is not covered by any specifications.

Pollution Control

Textile printing does not necessarily produce sufficient effluents (except washing section) so as to create pollution problems. However, a no objection certificate from the State Pollution Control Board is required before setting up of the project.

Energy Conservation

Wastage of energy should be minimised as much as possible so that the unit can withstand competition with similar unit.

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	0.93	0.93	0.93	0.93	0.93
Retained Profit	2.31	5.55	9.83	15.04	21.50
Term Loan	5.40	4.05	2.70	1.35	-
Cash Credit	1.64	1.64	1.64	1.64	1.64
Sundry Creditors	0.03	0.19	0.22	0.25	0.28
TOTAL :	10.31	12.35	15.32	19.21	24.35
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	7.50	7.50	7.50	7.50	7.50
Gross Dep.	1.08	2.02	2.82	3.50	4.08
Net Fixed Assets	6.43	5.49	4.68	4.00	3.42
Current Assets					
Sundry Debtors	0.50	0.62	0.73	0.83	0.94
Stock in Hand	1.35	1.64	1.92	2.19	2.47
Cash and Bank	2.04	4.60	7.99	12.18	17.53
TOTAL :	10.31	12.35	15.32	19.21	24.35

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PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	0.93	-			
Reserve & Surplus	2.31	3.23	4.29	5.78	7.18
Depriciation & Exp. W/off	1.08	0.94	0.80	0.68	0.58
Increase in Cash Credit	1.64	-	-	-	-
Increase In Term Loan	6.75	-	-	-	-
Increase in Creditors	0.03	0.16	0.03	0.03	0.03
TOTAL :	12.74	4.33	5.12	6.50	7.80
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	7.50	-	-	-	-
Increase in Stock	1.35	0.29	0.27	0.27	0.27
Increase in Debtors	0.50	0.13	0.11	0.11	0.11
Repayment of Term Loan	1.35	1.35	1.35	1.35	1.35
Taxation	-	-	-	0.58	0.72
TOTAL :	10.70	1.77	1.73	2.31	2.45
Opening Cash & Bank Balance	-	2.04	4.60	7.99	12.18
Add : Surplus	2.04	2.56	3.39	4.19	5.35
Closing Cash & Bank Balance	2.04	4.60	7.99	12.18	17.53

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Capacity Utilisation %					
A) SALES					
Gross Sale(Textile Screen Printing)	21.38	26.78	31.28	35.78	40.28
Total (A)	21.38	26.78	31.28	35.78	40.28
B) COST OF SALES					
Raw Mateiral Consumed	8.98	11.25	13.14	15.03	16.92
Elecricity Expenses	-	-	-	-	-
Repair & Maintenance	-	0.54	0.63	0.72	0.81
Labour & Wages	5.28	5.81	6.39	7.03	7.73
Depreciation	1.08	0.94	0.80	0.68	0.58
Cost of Production	15.33	18.53	20.95	23.45	26.03
Add: Opening Stock /WIP	-	0.90	1.08	1.26	1.44
Less: Closing Stock /WIP	0.90	1.08	1.26	1.44	1.62
Cost of Sales (B)	14.43	18.35	20.77	23.27	25.85
C) GROSS PROFIT (A-B)	6.94	8.43	10.50	12.50	14.42
	32%	31%	34%	35%	36%
D) Bank Interest (Term Loan)	0.69	0.54	0.39	0.24	0.09
Bank Interest (C.C. Limit)	0.18	0.18	0.18	0.18	0.18
E) Salary to Staff	2.16	2.33	2.52	2.72	2.94
F) Selling & Adm Expenses Exp.	1.60	2.14	3.13	3.58	4.03
TOTAL (D+E)	4.63	5.19	6.22	6.72	7.24
H) NET PROFIT	2.31	3.23	4.29	5.78	7.18
I) Taxation	-	-	-	0.58	0.72
J) PROFIT (After Tax)	2.31	3.23	4.29	5.20	6.46
K) DIVIDEND	-	-	-	-	-
L) RETAINED PROFIT	2.31	3.23	4.29	5.20	6.46

COMPUTATION OF TEXTILE SCREEN PRINTING

Items to be Manufactured Textile Screen Printing

Manufacturing Capacity	Textile Screen Printing	100.00	Nos Per Day
		-	
No. of Working Hour		10	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum	Textile Screen Printing	30,000.00	Nos per Annum
		-	
Year		Capacity Utilization	
		Textile Screen Printing	
IST YEAR		50%	15,000.00
IIND YEAR		60%	18,000.00
IIIRD YEAR		70%	21,000.00
IVTH YEAR		80%	24,000.00
VTH YEAR		90%	27,000.00

COMPUTATION OF SALE**Textile Screen Printing**

Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	750.00	900.00	1,050.00	1,200.00
Production	15,000.00	18,000.00	21,000.00	24,000.00	27,000.00
	15,000.00	18,750.00	21,900.00	25,050.00	28,200.00
Less : Closing Stock	750.00	900.00	1,050.00	1,200.00	1,350.00
Net Sale	14,250.00	17,850.00	20,850.00	23,850.00	26,850.00
Sale Price Per Nos	150.00	150.00	150.00	150.00	150.00
Sale (in Lacs)	21.38	26.78	31.28	35.78	40.28

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR	
Finished Goods						
(15 Days requirement)	0.90	1.08	1.26	1.44	1.62	
Raw Material						
(15 Days requirement)	0.45	0.56	0.66	0.75	0.85	
Closing Stock	1.35	1.64	1.92	2.19	2.47	

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Total Amount		Own Margin		Bank Finance
Stock in Hand	1.35	10%	0.13	90%	1.21
Sundry Debtors	0.50	10%	0.06	90%	0.44
	1.85	10%	0.19	90%	1.65
Sundry Creditors	0.03	10%	0.01	90%	0.02
	1.82		0.18	-	1.64
WORKING CAPITAL (HYP) FRESH DEMAND			1.64		
			1.64		

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		10,000.00	2	20,000.00
Unskilled Worker		6,000.00	4	24,000.00
				44,000.00

Annual Cost (in lacs)

5.28

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		10,000.00	1	10,000.00
Marketing Executive		8,000.00	1	8,000.00
Total Salary Per Month				18,000.00

Annual Cost (in lacs)

2.16

COMPUTATION OF DEPRECIATION

Description	Land	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		15.00%	10.00%	
Opening Balance	Leased	-	-	-
Addition	-	7.00	0.50	7.50
	-	7.00	0.50	7.50
Less : Depreciation	-	1.05	0.03	1.08
WDV at end of Ist year	-	5.95	0.48	6.43
Additions During The Year	-	-	-	-
	-	5.95	0.48	6.43
Less : Depreciation	-	0.89	0.05	0.94
WDV at end of IInd Year	-	5.06	0.43	5.49
Additions During The Year	-	-	-	-
	-	5.06	0.43	5.49
Less : Depreciation	-	0.76	0.04	0.80
WDV at end of IIIrd year	-	4.30	0.38	4.68
Additions During The Year	-	-	-	-
	-	4.30	0.38	4.68
Less : Depreciation	-	0.64	0.04	0.68
WDV at end of IV year	-	3.65	0.35	4.00
Additions During The Year	-	-	-	-
	-	3.65	0.35	4.00
Less : Depreciation	-	0.55	0.03	0.58
WDV at end of Vth year	-	3.11	0.31	3.42

REPAYMENT SCHEDULE OF TERM LOAN

11%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I ST YEAR	Opening Balance						
	Ist Quarter	6.75	-	6.75	0.19	0.34	6.41
	Iind Quarter	6.41	-	6.41	0.18	0.34	6.08
	IIIrd Quarter	6.08	-	6.08	0.17	0.34	5.74
	Ivth Quarter	5.74	-	5.74	0.16	0.34	5.40
					0.69	1.35	
I IND YEAR	Opening Balance						
	Ist Quarter	5.40	-	5.40	0.15	0.34	5.06
	Iind Quarter	5.06	-	5.06	0.14	0.34	4.73
	IIIrd Quarter	4.73	-	4.73	0.13	0.34	4.39
	Ivth Quarter	4.39	-	4.39	0.12	0.34	4.05
					0.54	1.35	
I IIIRD YEAR	Opening Balance						
	Ist Quarter	4.05	-	4.05	0.11	0.34	3.71
	Iind Quarter	3.71	-	3.71	0.10	0.34	3.38
	IIIrd Quarter	3.38	-	3.38	0.09	0.34	3.04
	Ivth Quarter	3.04	-	3.04	0.08	0.34	2.70
					0.39	1.35	
I VTH YEAR	Opening Balance						
	Ist Quarter	2.70	-	2.70	0.07	0.34	2.36
	Iind Quarter	2.36	-	2.36	0.06	0.34	2.03
	IIIrd Quarter	2.03	-	2.03	0.06	0.34	1.69
	Ivth Quarter	1.69	-	1.69	0.05	0.34	1.35
					0.24	1.35	
I VTH YEAR	Opening Balance						
	Ist Quarter	1.35	-	1.35	0.04	0.34	1.01
	Iind Quarter	1.01	-	1.01	0.03	0.34	0.67
	IIIrd Quarter	0.67	-	0.67	0.02	0.34	0.34
	Ivth Quarter	0.34	-	0.34	0.01	0.34	0.00
					0.09	1.35	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
CASH ACCRUALS	3.39	4.17	5.09	5.89	7.05
Interest on Term Loan	0.69	0.54	0.39	0.24	0.09
Total	4.07	4.71	5.48	6.13	7.14
REPAYMENT					
Instalment of Term Loan	1.35	1.35	1.35	1.35	1.35
Interest on Term Loan	0.69	0.54	0.39	0.24	0.09
Total	2.04	1.89	1.74	1.59	1.44
DEBT SERVICE COVERAGE RATIO	2.00	2.49	3.15	3.85	4.95
AVERAGE D.S.C.R.			3.29		

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	21.38	26.78	31.28	35.78	40.28
Less : Op. WIP Goods	-	0.90	1.08	1.26	1.44
Add : Cl. WIP Goods	0.90	1.08	1.26	1.44	1.62
Total Sales	22.28	26.96	31.46	35.96	40.46
Variable & Semi Variable Exp.					
Raw Material & Tax	8.98	11.25	13.14	15.03	16.92
Electricity Exp/Coal Consumption at 85%	-	-	-	-	-
Wages & Salary at 60%	4.46	4.88	5.34	5.85	6.40
Repair & Maintenance	-	0.54	0.63	0.72	0.81
Selling & administrative Expenses 80%	1.28	1.71	2.50	2.86	3.22
Intt. On Working Capital Loan	0.18	0.18	0.18	0.18	0.18
Total Variable & Semi Variable Exp	14.90	18.56	21.79	24.63	27.52
Contribution	7.37	8.40	9.67	11.32	12.93
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.00	0.00	0.00	0.00	0.00
Wages & Salary at 40%	2.98	3.26	3.56	3.90	4.27
Interest on Term Loan	0.69	0.54	0.39	0.24	0.09
Depreciation	1.08	0.94	0.80	0.68	0.58
Selling & administrative Expenses 20%	0.32	0.43	0.63	0.72	0.81
Total Fixed Expenses	5.06	5.16	5.38	5.54	5.75
Capacity Utilization	50%	60%	70%	80%	90%
OPERATING PROFIT	2.31	3.23	4.29	5.78	7.18
BREAK EVEN POINT	34%	37%	39%	39%	40%
BREAK EVEN SALES	15.29	16.58	17.51	17.59	17.99

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