



MODEL PROJECT REPORT



PROJECT REPORT ON BEDSHEET MANUFACTURING

SWAVALAMBI BHARAT ABHIYAN

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx

District : xxxxxxxx
Pin: xxxxxxxx
Mobile : xxxxxxxx

State: xxxxx
- 5 Product and By Product : **BEDSHEET**
- 6 Name of the project / business activity proposed : **BEDSHEET MANUFACTURING UNIT**
- 7 Cost of Project : Rs.14.16 Lakhs
- 8 Means of Finance

Term Loan
Own Capital
Working Capital

Rs.8.73 Lakhs
Rs.1.42 Lakhs
Rs.4.01 Lakhs
- 9 Debt Service Coverage Ratio : 2.93
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 35%
- 13 Employment : 13 Persons
- 14 Power Requirement : 16.00 HP
- 15 Major Raw materials : Cotton yarn spools, starches, chlorine
- 16 Estimated Annual Sales Turnover (Max Capacity) : 103.12 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	8.20
Furniture & Fixtures	1.50
Working Capital	4.46
Total	14.16

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.42
Working Capital(Finance)	4.01
Term Loan	8.73
Total	14.16

BEDSHEET MANUFACTURING UNIT

Introduction:

Home decor is seen to reflect the status and taste of the owner who is ready to spend money on it. As part of the interior bedroom, a good Bedsheets with an aesthetic appearance is essential. A bed sheet is a flat-woven textile that is used on a bed. Today, the Bedsheets is part of a set of bed linens that comprises the fitted sheet (to cover the mattress), the flat sheet, and at least one pillowcase that matches in color and fabric. The Bedsheets can be constructed of a number of textiles, including linen, cotton, synthetics (which are frequently combined with natural fibers like cotton), and silk. Fabrics used to make Bedsheets are diverse.



Uses & Market Potential:

Traditionally, fitted sheets cover the mattress the elastic band holds them firmly in right place. Their purpose is to protect the mattress and provide you with a smooth, comfortable surface to lie on. Premium bedding items, together with their functional benefits, are assisting in industry improved performance, indicating an increase in demand for home bedding products. The global home bedding market was worth USD 73.88 billion in 2020, and it is predicted to increase at a CAGR of 9.0 percent from 2021 to 2028. In the worldwide scenario, the market is being driven by the increasing popularity of low-profile beds and greyscale color palettes, suggesting the trend of minimalist bedrooms. Furthermore, the increased popularity of adjustable beds, particularly among the baby boomer age, is driving up demand for tailored mattresses and bed linens, boosting global home bedding sales. The market's development prospects have been boosted by the housing boom and rising consumer expenditure on home furnishings.

Product:

BEDSHEET

Raw Material:

1. Cotton Yarn Spool
2. Starches
3. Chlorine and/or hydrogen peroxide solutions

Manufacturing Process:

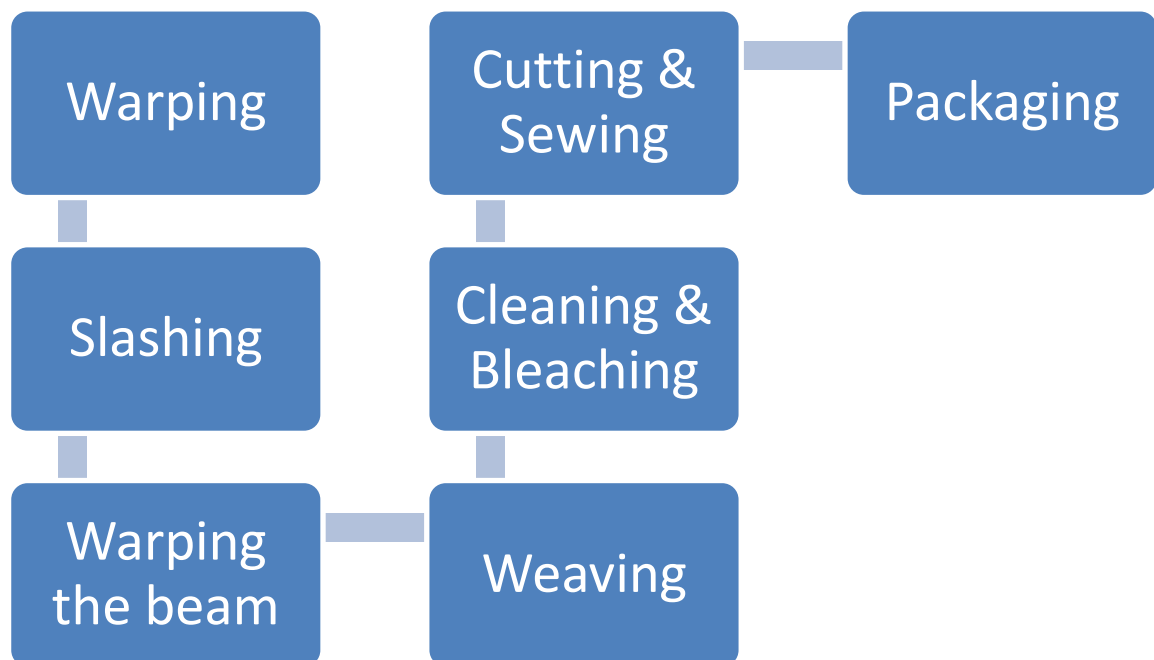


Fig. 1 – Process Flowchart

Area:

The industrial setup requires space for manufacturing 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 1500-2000Sq. ft. approximately.

Cost of Machines:

S No.	Machine	Unit	Price (INR)
1.	Power Loom Machine	1	1,57,000/-
2.	Length Cutting Machine	1	5,38,000/-
3.	Stitching Machine	3	75,000/-
4.	Other Tools & Equipment's		50,000/-
	Total		8,20,000/-

Power Requirement- - The estimated Power requirement is taken at 16 HP.

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-3
- Helper- 5
- Machine Operator- 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	-	2.25	3.35	4.85	6.57
Add: Additions	1.42	-	-	-	-
Add: Net Profit	2.84	3.89	5.00	6.22	7.75
Less: Drawings	2.00	2.80	3.50	4.50	5.50
Closing Balance	2.25	3.35	4.85	6.57	8.81
CC Limit	4.01	4.01	4.01	4.01	4.01
Term Loan	7.76	5.82	3.88	1.94	-
Sundry Creditors	1.62	1.86	2.12	2.38	2.65
TOTAL :	15.64	15.04	14.86	14.90	15.47
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	9.70	9.70	9.70	9.70	9.70
Gross Dep.	1.38	2.56	3.57	4.44	5.18
Net Fixed Assets	8.32	7.14	6.13	5.26	4.52
Current Assets					
Sundry Debtors	2.96	3.53	4.05	4.59	5.16
Stock in Hand	3.12	3.60	4.12	4.65	5.21
Cash and Bank	1.25	0.77	0.56	0.39	0.58
TOTAL :	15.64	15.04	14.86	14.90	15.47
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	59.16	70.61	80.95	91.79	103.12
Total (A)	59.16	70.61	80.95	91.79	103.12
<u>B) COST OF SALES</u>					
Raw Material Consumed	32.40	37.26	42.30	47.52	52.92
Electricity Expenses	1.43	1.61	1.79	1.97	2.15
Repair & Maintenance	1.66	1.98	2.27	2.57	2.89
Labour & Wages	13.80	15.87	18.25	20.62	22.89
Depreciation	1.38	1.18	1.01	0.86	0.74
Cost of Production	50.67	57.90	65.61	73.54	81.58
Add: Opening Stock /WIP	-	2.04	2.36	2.71	3.07
Less: Closing Stock /WIP	2.04	2.36	2.71	3.07	3.45
Cost of Sales (B)	48.63	57.57	65.27	73.18	81.21
C) GROSS PROFIT (A-B)	10.53	13.04	15.69	18.61	21.92
	17.81%	18.47%	19.38%	20.27%	21.25%
D) Bank Interest i) (Term Loan)	0.95	0.77	0.56	0.35	0.13
ii) Interest On Working Capital	0.44	0.44	0.44	0.44	0.44
E) Salary to Staff	4.54	5.67	7.09	8.36	9.62
F) Selling & Adm Expenses Exp.	1.77	2.26	2.43	2.75	3.09
G) TOTAL (D+E+F)	7.70	9.14	10.52	11.91	13.29
H) NET PROFIT	2.84	3.89	5.17	6.70	8.63
	4.8%	5.5%	6.4%	7.3%	8.4%
I) Taxation	-	-	0.16	0.48	0.89
J) PROFIT (After Tax)	2.84	3.89	5.00	6.22	7.75

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.42	-			
Reserve & Surplus	2.84	3.89	5.17	6.70	8.63
Depreciation & Exp. W/off	1.38	1.18	1.01	0.86	0.74
Increase In Cash Credit	4.01				
Increase In Term Loan	8.73	-	-	-	-
Increase in Creditors	1.62	0.24	0.25	0.26	0.27
TOTAL :	19.99	5.32	6.43	7.83	9.64
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	9.70	-	-	-	-
Increase in Stock	3.12	0.48	0.51	0.54	0.56
Increase in Debtors	2.96	0.57	0.52	0.54	0.57
Repayment of Term Loan	0.97	1.94	1.94	1.94	1.94
Taxation	-	-	0.16	0.48	0.89
Drawings	2.00	2.80	3.50	4.50	5.50
TOTAL :	18.75	5.80	6.63	8.00	9.45
Opening Cash & Bank Balance	-	1.25	0.77	0.56	0.39
Add : Surplus	1.25	- 0.48	- 0.21	- 0.17	0.19
Closing Cash & Bank Balance	1.25	0.77	0.56	0.39	0.58

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.04	2.36	2.71	3.07	3.45
<u>Raw Material</u>					
(10 Days requirement)	1.08	1.24	1.41	1.58	1.76
Closing Stock	3.12	3.60	4.12	4.65	5.21

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	3.12		
Less:			
Sundry Creditors	1.62		
Paid Stock	1.50	0.15	1.35
Sundry Debtors	2.96	0.30	2.66
Working Capital Requirement			4.01
Margin			0.45
MPBF			4.01
Working Capital Demand			4.01

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	8.73	8.73	0.24	-	8.73
	Iind Quarter	8.73	-	8.73	0.24	-	8.73
	IIIrd Quarter	8.73	-	8.73	0.24	0.49	8.25
	Ivth Quarter	8.25	-	8.25	0.23	0.49	7.76
					0.95	0.97	
II	Opening Balance						
	Ist Quarter	7.76	-	7.76	0.21	0.49	7.28
	Iind Quarter	7.28	-	7.28	0.20	0.49	6.79
	IIIrd Quarter	6.79	-	6.79	0.19	0.49	6.31
	Ivth Quarter	6.31		6.31	0.17	0.49	5.82
					0.77	1.94	
III	Opening Balance						
	Ist Quarter	5.82	-	5.82	0.16	0.49	5.34
	Iind Quarter	5.34	-	5.34	0.15	0.49	4.85
	IIIrd Quarter	4.85	-	4.85	0.13	0.49	4.37
	Ivth Quarter	4.37		4.37	0.12	0.49	3.88
					0.56	1.94	
IV	Opening Balance						
	Ist Quarter	3.88	-	3.88	0.11	0.49	3.40
	Iind Quarter	3.40	-	3.40	0.09	0.49	2.91
	IIIrd Quarter	2.91	-	2.91	0.08	0.49	2.43
	Ivth Quarter	2.43		2.43	0.07	0.49	1.94
					0.35	1.94	
V	Opening Balance						
	Ist Quarter	1.94	-	1.94	0.05	0.49	1.46
	Iind Quarter	1.46	-	1.46	0.04	0.49	0.97
	IIIrd Quarter	0.97	-	0.97	0.03	0.49	0.48
	Ivth Quarter	0.48		0.48	0.01	0.49	- 0.00
					0.13	1.94	
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
<u>CASH ACCRUALS</u>	4.22	5.08	6.01	7.08	8.49
Interest on Term Loan	0.95	0.77	0.56	0.35	0.13
Total	5.16	5.85	6.57	7.43	8.62
<u>REPAYMENT</u>					
Repayment of Term Loan	0.97	1.94	1.94	1.94	1.94
Interest on Term Loan	0.95	0.77	0.56	0.35	0.13
Total	1.92	2.71	2.50	2.29	2.07
DEBT SERVICE COVERAGE R	2.69	2.16	2.63	3.25	4.16
AVERAGE D.S.C.R.			2.93		

Assumptions:

1. Production Capacity of Bedsheet is 150 pcs per day. First year, Capacity has been taken @ 40%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock 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 16 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.