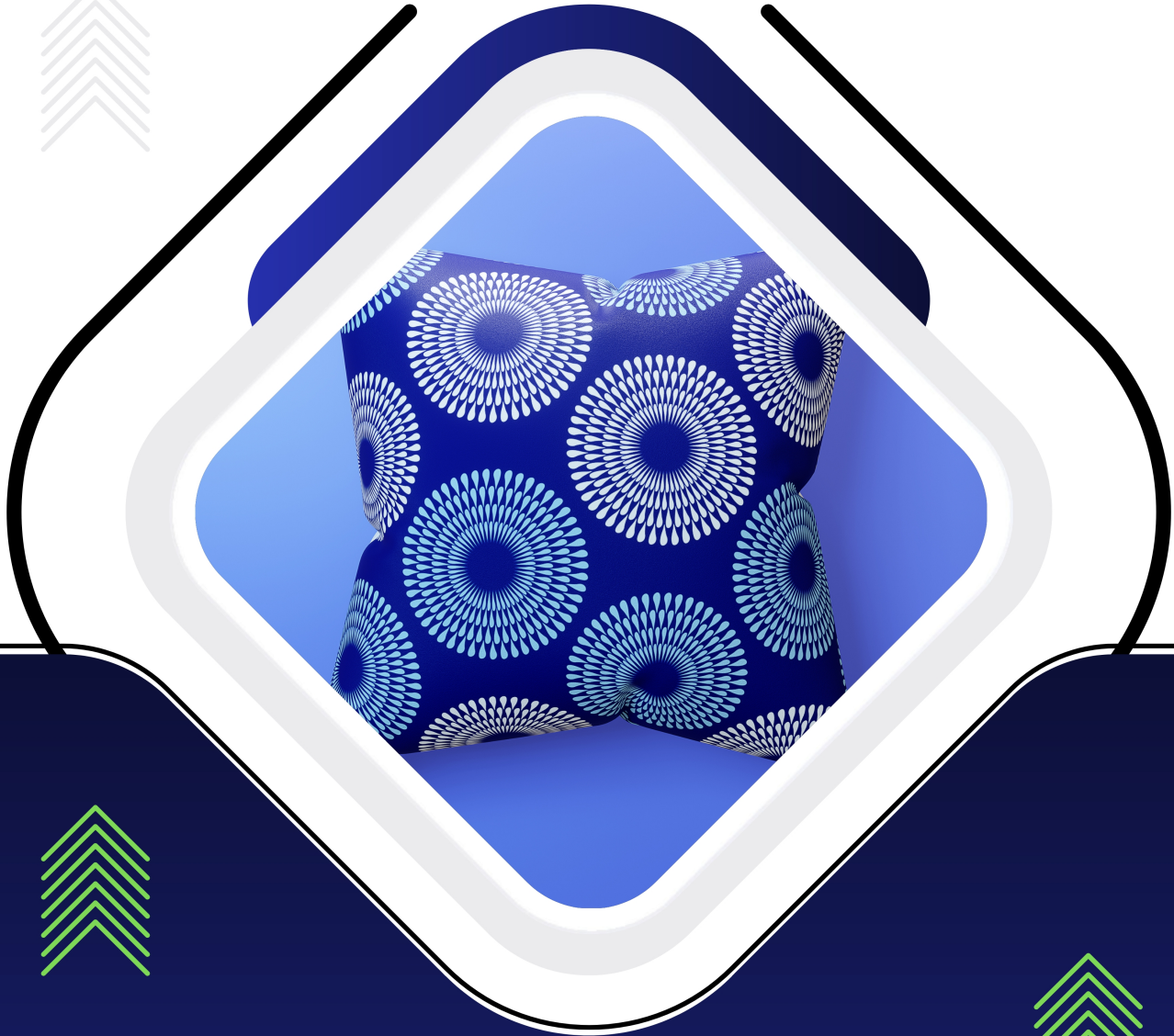




MODEL PROJECT REPORT



PROJECT REPORT ON CUSHION COVER

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 State: xxxxx
Mobile xxxxxxxx
- 5 Product and By Product : **CUSHION COVER**
- 6 Name of the project / business activity proposed : **CUSHION COVER MAKING UNIT**
- 7 Cost of Project : Rs.8.2 Lakhs
- 8 Means of Finance
Term Loan Rs.5.58 Lakhs
Own Capital Rs.0.82 Lakhs
Working Capital Rs.1.8 Lakhs
- 9 Debt Service Coverage Ratio : 2.94
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 33%
- 13 Employment : 9 Persons
- 14 Power Requirement : 4.00 HP
- 15 Major Raw materials : Cotton Fabric, Thread, Tracing paper,needle,chalk pencil,ruler
- 16 Estimated Annual Sales Turnover (Max Capacity) : 45.77 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Civil Work	5.00
Plant & Machinery	0.80
Furniture & Fixtures	0.40
Working Capital	2.00
Total	8.20

MEANS OF FINANCE

Particulars	Amount
Own Contribution	0.82
Working Capital(Finance)	1.80
Term Loan	5.58
Total	8.20

CUSHION COVER MANUFACTURING UNIT

Introduction:

Cushions are used inside the house as well as outdoors on the patio or in the garden, so the fabric you pick should reflect this. Cushions in a bedroom, for example, do not need to be as durable as those in your main area or on your garden seat. A cushion for an underused chair does not need to be as long-lasting as one for the main family sofa. There are various sorts of synthetic materials that may be used in the house for common purposes. Polyester and nylon are commonly utilised in the production of cushion coverings. Most synthetic materials are made up of a variety of fibres that may be used to resemble anything from silk to wool. Apart from natural fibres such as cotton, silk, wool, linen, and others, man-made fibres such as polyester, rayon, nylon, polypropylene, Teflon, recron, acrylic, and others are also widely used in household textiles. Cushions are an excellent way to bring colour and design to your home. Because they dress up a room, they act as jewels. They provide you the opportunity to show off your uniqueness and originality. They also make a space feel more welcoming and cosier. Even better than using store-bought cushions is to make your own cushion covers.



Uses & Market Potential:

Using a pillow or cushion cover will help to prevent bacteria, dirt, and dead skin from accumulating within a pillow. Zippered cushion covers are simple to remove and wash, ensuring that your pillows stay fresh, fluffy, and spotless. Cushions and cushions are also known for trapping and retaining allergens. The worldwide home textiles market was estimated at USD 94.73 billion in 2018, with a CAGR of 5.01 percent predicted from

2019 to 2025. The worldwide market is expected to be driven by growth in end-use sectors such as hospitality and residential, as well as growing knowledge about shifting home décor trends. Developing nations account for around 60% of European textile furnishings imports, including cushion coverings. Cushion covers are classified as home textiles in the home decorating and home textiles (HDHT) industry. A cushion cover, like a pillowcase, is a cloth covering that covers cushions.

Product:

CUSHION COVER

Raw Material:

1. Cotton Fabric
2. Thread
3. Tracing Paper
4. Consumables like Needle, Chalk Pencil, Ruler or Set Square

Manufacturing Process:

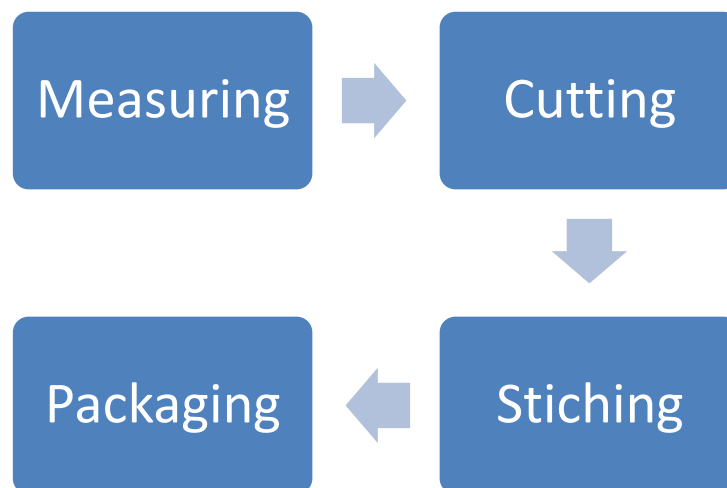


Fig. 1 – Process Flowchart

Area:

The required land for Cushion Cover making is estimated to be around 1000sqft.

Cost of Machines:

S No.	Machine	Unit	Price (INR)
1.	Sewing Machine	3	75,000/-
2.	Scissors & Other Tools		5,000/-
	Total		80,000/-

Power Requirement- - The estimated Power requirement is taken at 4 HP.

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-3
- Helper- 4
- Stitching Person- 2

FINANCIALS

<u>PROJECTED BALANCE SHEET</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
<u>Capital Account</u>					
Opening Balance	-	1.38	2.18	3.03	4.15
Add: Additions	0.82	-	-	-	-
Add: Net Profit	1.96	2.60	3.34	4.12	5.13
Less: Drawings	1.40	1.80	2.50	3.00	3.80
Closing Balance	1.38	2.18	3.03	4.15	5.48
CC Limit	1.80	1.80	1.80	1.80	1.80
Term Loan	4.96	3.72	2.48	1.24	-
Sundry Creditors	0.63	0.72	0.81	0.90	1.00
TOTAL :	8.77	8.42	8.11	8.08	8.27
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	6.20	6.20	6.20	6.20	6.20
Gross Dep.	0.66	1.25	1.77	2.24	2.66
Net Fixed Assets	5.54	4.95	4.43	3.96	3.54
Current Assets					
Sundry Debtors	1.31	1.56	1.79	2.04	2.29
Stock in Hand	1.32	1.53	1.74	1.96	2.20
Cash and Bank	0.60	0.38	0.15	0.12	0.24
TOTAL :	8.77	8.42	8.11	8.08	8.27
	-	-	-	-	-

<u>PROJECTED PROFITABILITY STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	26.10	31.27	35.88	40.71	45.77
Total (A)	26.10	31.27	35.88	40.71	45.77
B) COST OF SALES					
Raw Material Consumed	12.60	14.38	16.20	18.07	19.98
Electricity Expenses	0.36	0.40	0.45	0.49	0.54
Repair & Maintenance	0.26	0.31	0.36	0.41	0.46
Labour & Wages	9.70	11.35	13.17	15.27	17.11
Depreciation	0.66	0.59	0.52	0.47	0.42
Cost of Production	23.58	27.03	30.70	34.71	38.50
Add: Opening Stock /WIP	-	0.90	1.05	1.20	1.36
Less: Closing Stock /WIP	0.90	1.05	1.20	1.36	1.53
Cost of Sales (B)	22.68	26.89	30.54	34.55	38.33
C) GROSS PROFIT (A-B)	3.42	4.39	5.34	6.17	7.44
	13.10%	14.02%	14.87%	15.15%	16.26%
D) Bank Interest i) (Term Loan)	0.61	0.49	0.36	0.22	0.09
ii) Interest On Working Capital	0.20	0.20	0.20	0.20	0.20
E) Selling & Adm Expenses Exp.	0.65	1.09	1.44	1.63	1.83
F) TOTAL (D+E)	1.46	1.79	1.99	2.05	2.11
G) NET PROFIT	1.96	2.60	3.34	4.12	5.33
	7.5%	8.3%	9.3%	10.1%	11.6%
H) Taxation	-	-	-	-	0.20
J) PROFIT (After Tax)	1.96	2.60	3.34	4.12	5.13

<u>PROJECTED CASH FLOW STATEMENT</u>					
PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	0.82	-			
Reserve & Surplus	1.96	2.60	3.34	4.12	5.33
Depreciation & Exp. W/off	0.66	0.59	0.52	0.47	0.42
Increase In Cash Credit	1.80				
Increase In Term Loan	5.58	-	-	-	-
Increase in Creditors	0.63	0.09	0.09	0.09	0.10
TOTAL :	11.45	3.28	3.96	4.68	5.84
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	6.20	-	-	-	-
Increase in Stock	1.32	0.21	0.21	0.22	0.23
Increase in Debtors	1.31	0.26	0.23	0.24	0.25
Repayment of Term Loan	0.62	1.24	1.24	1.24	1.24
Taxation	-	-	-	-	0.20
Drawings	1.40	1.80	2.50	3.00	3.80
TOTAL :	10.85	3.50	4.18	4.71	5.72
Opening Cash & Bank Balance	-	0.60	0.38	0.15	0.12
Add : Surplus	0.60	- 0.23	- 0.22	- 0.03	0.12
Closing Cash & Bank Balance	0.60	0.38	0.15	0.12	0.24

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	0.90	1.05	1.20	1.36	1.53
<u>Raw Material</u>					
(10 Days requirement)	0.42	0.48	0.54	0.60	0.67
Closing Stock	1.32	1.53	1.74	1.96	2.20

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net
			Amount
Stock in Hand	1.32		
Less:			
Sundry Creditors	0.63		
Paid Stock	0.69	0.07	0.62
Sundry Debtors	1.31	0.13	1.17
Working Capital Requirement			1.80
Margin			0.20
MPBF			1.80
Working Capital Demand			1.80

REPAYMENT SCHEDULE OF TERM LOAN						11.0%	
Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	5.58	5.58	0.15	-	5.58
	IInd Quarter	5.58	-	5.58	0.15	-	5.58
	IIIRD Quarter	5.58	-	5.58	0.15	0.31	5.27
	Ivth Quarter	5.27	-	5.27	0.14	0.31	4.96
					0.61	0.62	
II	Opening Balance						
	Ist Quarter	4.96	-	4.96	0.14	0.31	4.65
	IInd Quarter	4.65	-	4.65	0.13	0.31	4.34
	IIIRD Quarter	4.34	-	4.34	0.12	0.31	4.03
	Ivth Quarter	4.03		4.03	0.11	0.31	3.72
					0.49	1.24	
III	Opening Balance						
	Ist Quarter	3.72	-	3.72	0.10	0.31	3.41
	IInd Quarter	3.41	-	3.41	0.09	0.31	3.10
	IIIRD Quarter	3.10	-	3.10	0.09	0.31	2.79
	Ivth Quarter	2.79		2.79	0.08	0.31	2.48
					0.36	1.24	
IV	Opening Balance						
	Ist Quarter	2.48	-	2.48	0.07	0.31	2.17
	IInd Quarter	2.17	-	2.17	0.06	0.31	1.86
	IIIRD Quarter	1.86	-	1.86	0.05	0.31	1.55
	Ivth Quarter	1.55		1.55	0.04	0.31	1.24
					0.22	1.24	
V	Opening Balance						
	Ist Quarter	1.24	-	1.24	0.03	0.31	0.93
	IInd Quarter	0.93	-	0.93	0.03	0.31	0.62
	IIIRD Quarter	0.62	-	0.62	0.02	0.31	0.31
	Ivth Quarter	0.31		0.31	0.01	0.31	0.00
					0.09	1.24	
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>	2.62	3.19	3.87	4.59	5.55
Interest on Term Loan	0.61	0.49	0.36	0.22	0.09
Total	3.23	3.68	4.23	4.81	5.63
<u>REPAYMENT</u>					
Repayment of Term Loan	0.62	1.24	1.24	1.24	1.24
Interest on Term Loan	0.61	0.49	0.36	0.22	0.09
Total	1.23	1.73	1.60	1.46	1.33
DEBT SERVICE COVERAGE R	2.64	2.12	2.65	3.29	4.25
AVERAGE D.S.C.R.			2.94		

Assumptions:

1. Production Capacity of Cushion Cover is 150 set. 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 4 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.