

PROJECT REPORT

Of

COLORING AND DYEING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Coloring and Dyeing 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 : xxxxxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **Colouring & Dyeing Unit**
- 6 Name of the project / business activity proposed : **Colouring & Dyeing Unit**
- 7 Cost of Project : Rs.15.86 Lakhs
- 8 Means of Finance
- Term Loan Rs.10.8 Lakhs
- Own Capital Rs.1.59 Lakhs
- Working Capital Rs.3.48 Lakhs
- 9 Debt Service Coverage Ratio : 2.73
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 46%
- 13 Employment : 12 Persons
- 14 Power Requirement : 5.00 KW
- 15 Major Raw materials : Major raw materials used are salts, brightol C paste and dyes etc.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 77.37 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	11.40
Furniture & Fixtures	0.60
Working Capital	3.86
Total	15.86

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.59
Working Capital(Finance)	3.48
Term Loan	10.80
Total	15.86

DUPATTA COLORING AND DYEING 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 is the coloring effect throughout the cross section of fiber, and this effect can be produced on any form of textile substrate including fiber/yarn, fabric, garment, and clothing articles. However, any dyestuff is suitable for a particular type of fiber for dyeing. In the recent years, the garment dyeing has been slowly emerging as a process to meet the ephemeral fashion trends adopted by the consumers and new machines and methods have made this process to wear a brighter future for it. However, the garment dyeing is not coming without any strings attached to it; the cautions are often pronounced in terms of fabrics and their preparation, accessories used in the garments for safe operation. Along with raw stock dyeing, yarn dyeing and piece dyeing, garment dyeing has also taken its place as another form of dyeing textiles. In the case of garment dyeing, the volume of popular and unpopular colors can be increased or decreased as envisaged from the market requirements.



Uses & Market Potential:

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.

Product:

DUPATTA COLORING AND DYEING UNIT

Raw Material:

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

Dyeing Process:

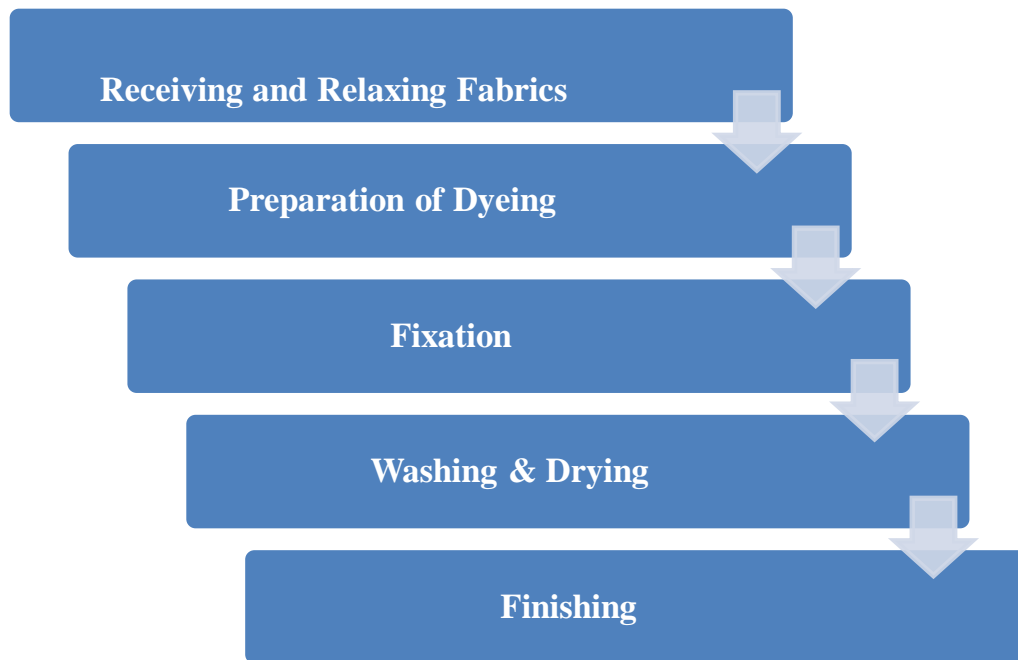


Fig. 1 - Process Flowchart

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	1,65,000/-
2.	Drum Machines	2,70,000/-
3.	Washing-centrifugal machines	2,55,000/-
4.	Jet dyeing centrifugal machines	4,50,000/-
	Total	11,40,000/-

Power Requirement- - The estimated Power requirement is taken at 5 KWH

Manpower Requirement- Following manpower is required:

- Skilled/unskilled worker-4
- Helper - 6
- Manager -1
- Supervisor- 1

FINANCIALS

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
A) SALES					
Gross Sale	51.27	58.66	64.66	70.89	77.37
Total (A)	51.27	58.66	64.66	70.89	77.37
B) COST OF SALES					
Raw Material Consumed	28.08	30.84	33.71	36.67	39.74
Electricity Expenses	0.98	1.05	1.13	1.20	1.28
Repair & Maintenance	1.54	1.76	1.94	2.13	2.32
Labour & Wages	9.95	10.95	12.04	13.25	14.57
Depreciation	1.77	1.51	1.28	1.09	0.93
Cost of Production	42.32	46.11	50.11	54.34	58.84
Add: Opening Stock /WIP	-	1.77	1.96	2.16	2.37
Less: Closing Stock /WIP	1.77	1.96	2.16	2.37	2.58
Cost of Sales (B)	40.55	45.92	49.91	54.13	58.62
C) GROSS PROFIT (A-B)	10.72	12.74	14.75	16.76	18.74
	20.91%	21.72%	22.81%	23.64%	24.23%
D) Bank Interest i) (Term Loan)	1.17	0.96	0.69	0.43	0.17
ii) Interest On Working Capital	0.38	0.38	0.38	0.38	0.38
E) Salary to Staff	4.03	4.52	4.97	5.71	6.57
F) Selling & Adm Expenses Exp.	1.54	1.76	2.59	2.84	3.09
G) TOTAL (D+E+F)	7.12	7.62	8.63	9.36	10.21
H) NET PROFIT	3.60	5.13	6.12	7.40	8.53
	7.0%	8.7%	9.5%	10.4%	11.0%
I) Taxation	-	0.16	0.36	0.63	0.86
J) PROFIT (After Tax)	3.60	4.97	5.76	6.77	7.67

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.59	-	-	-	-
Reserve & Surplus	3.60	5.13	6.12	7.40	8.53
Depreciation & Exp. W/off	1.77	1.51	1.28	1.09	0.93
Increase In Cash Credit	3.48	-	-	-	-
Increase In Term Loan	10.80	-	-	-	-
Increase in Creditors	1.40	0.14	0.14	0.15	0.15
TOTAL :	22.64	6.77	7.55	8.64	9.62
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	12.00	-	-	-	-
Increase in Stock	2.70	0.28	0.30	0.31	0.32
Increase in Debtors	2.56	0.37	0.30	0.31	0.32
Repayment of Term Loan	1.20	2.40	2.40	2.40	2.40
Taxation	-	0.16	0.36	0.63	0.86
Drawings	2.90	3.30	3.75	4.50	5.20
TOTAL :	21.37	6.51	7.11	8.15	9.11
Opening Cash & Bank Balance	-	1.27	1.53	1.97	2.46
Add : Surplus	1.27	0.26	0.44	0.49	0.51
Closing Cash & Bank Balance	1.27	1.53	1.97	2.46	2.97

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	1.77	1.96	2.16	2.37	2.58
<u>Raw Material</u>					
(10 Days requirement)	0.94	1.03	1.12	1.22	1.32
Closing Stock	2.70	2.99	3.28	3.59	3.91

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	2.70		
Less:			
Sundry Creditors	1.40		
Paid Stock	1.30	0.13	1.17
Sundry Debtors	2.56	0.26	2.31
Working Capital Requirement			3.48
Margin			0.39
MPBF			3.48
Working Capital Demand			3.48

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	10.80	10.80	0.30	-	10.80
	IInd Quarter	10.80	-	10.80	0.30	-	10.80
	IIIRD Quarter	10.80	-	10.80	0.30	0.60	10.20
	Ivth Quarter	10.20	-	10.20	0.28	0.60	9.60
					1.17	1.20	
II	Opening Balance						
	Ist Quarter	9.60	-	9.60	0.26	0.60	9.00
	IInd Quarter	9.00	-	9.00	0.25	0.60	8.40
	IIIRD Quarter	8.40	-	8.40	0.23	0.60	7.80
	Ivth Quarter	7.80		7.80	0.21	0.60	7.20
					0.96	2.40	
III	Opening Balance						
	Ist Quarter	7.20	-	7.20	0.20	0.60	6.60
	IInd Quarter	6.60	-	6.60	0.18	0.60	6.00
	IIIRD Quarter	6.00	-	6.00	0.17	0.60	5.40
	Ivth Quarter	5.40		5.40	0.15	0.60	4.80
					0.69	2.40	
IV	Opening Balance						
	Ist Quarter	4.80	-	4.80	0.13	0.60	4.20
	IInd Quarter	4.20	-	4.20	0.12	0.60	3.60
	IIIRD Quarter	3.60	-	3.60	0.10	0.60	3.00
	Ivth Quarter	3.00		3.00	0.08	0.60	2.40
					0.43	2.40	
V	Opening Balance						
	Ist Quarter	2.40	-	2.40	0.07	0.60	1.80
	IInd Quarter	1.80	-	1.80	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
					0.17	2.40	

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>	5.37	6.48	7.04	7.86	8.60
Interest on Term Loan	1.17	0.96	0.69	0.43	0.17
Total	6.54	7.43	7.73	8.29	8.76
<u>REPAYMENT</u>					
Principal Repayment of Term Loan	1.20	2.40	2.40	2.40	2.40
Interest on Term Loan	1.17	0.96	0.69	0.43	0.17
Total	2.37	3.36	3.09	2.83	2.57
DEBT SERVICE COVERAGE RATIO	2.76	2.21	2.50	2.93	3.42
AVERAGE D.S.C.R.	2.73				

Assumptions:

1. Production Capacity of Coloring & Dyeing unit is taken at 800 MTR per day. First year, Capacity has been taken @ 65%.
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 5 KW.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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