PRODUCT : COTTON MUSK

PRODUCT CODE :

QUALITY STANDARD : As per Customer Specification

MONTH & YEAR : June, 2020

PREPARED BY : MSME DEVELOPMENT INSTITUTE

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Ministry of MSME,
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A. INTRODUCTION:

Cotton cloths are being used by most of the people of 21st century, due to its high rate of sweat/moisture absorbency and good air permeability. In present pandemic COVID 19 situation, multiple layer of Cotton Cloth could be used as protective items/items to prevent many virus & Bacteria Infection.

B. MARKETING & SCOPE:

In present pandemic COVID 19 situations, Ministry of Home Affair (MHA), Govt. of India has already given guidelines to use MASK when go outside of Home. As a result there will be huge demand of quality Mask to combat the Post COVID 19 situation. In the present scenario, we must make a habit of using mask as a protective items like others items for combating with Virus & Bacteria.

C. SPECIFICATIONS OF PRODUCTS:

There are many specifications for Mask viz. surgical, normal etc. However in the present project report, Multilayer Cotton Musk will be used by common people. This type of mask can be reused by washing with soap followed by drying and pressing.

D. BASIS AND PRESUMPTIONS:

1. The Project Profile has been prepared on the basis of single shift of 8 hours each day, 25 days in a month and at 75% efficiency.
2. It is presumed that in the 1st year, the capacity utilization will be 60% followed by 75% in the next year and 80% in the subsequent years.
3. The rates quoted in respect of salaries and wages for skilled workers and others are the minimum rates in the State/neighboring States.
4. Interest rate for fixed and working capital has been taken @ 12% of an average, whether financed by the Banks or by Financial Corporations.
5. Margin money required is minimum 30% of the Projected invested.
6. Pay Back Period of the Project: After the initial gestation period of one and a half year, it will require 3 years to pay back the loans.
7. The rental value of the work shed of Area 100 Sq meter and other built up/covered area has been taken at the rate of Rs. 70/- per square meter.
8. The rates quoted in respect of machines, equipments and raw materials are those prevailing at the time of preparation of this Project.
Profile and are likely to vary from supplier to supplier and place to place. When a tailor-made Project Profile is prepared, necessary changes are to be made.

E. IMPLEMENTATION SCHEDULE:

1. Preparation of Project Report: -
   a) Calling quotations. 1 Week
   b) Preparation. 1 Week
2. Financial arrangements. 1 Month.
3. Purchase and Procurement of Machinery. 2 week.
4. Installation of machines & Electrification 1 Week.
5. Recruitment of Staff & Labor 3 days.

F. TECHNICAL ASPECT:

PROCESS OF MANUFACTURE:

1. **Procurement of Cotton cloth (Weave & Knitted):**
   The raw material cotton cloths & are easily available in local market and need to be procured from there. The cloth which is procured from local market must be free from all types of fabric defects viz thick thin place, stitch, short pick, tightness, broken Needle, thick /thin yarn, holes, oil stains etc.

2. **Cutting & Stitching:**
   After inspection the fabric is placed on the cutting table in the form of layer and marked by marker as per different sizes required for manufacturing Musk. Cutting of layer have been carried out by electric straight knife cutting machine. Then stitch the piece and make the Musk as per specification by the help of sewing machine.

3. **Checking , Pressing and Packing:**
   The stitched vests are checked to remove defects and after removing defects send to packing division for final packing as per customer requirements. After packing the finish products send to market for sale.
4. **Production Capacity:**

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Name of product</th>
<th>Price /pcs</th>
<th>Production per year</th>
<th>Total values</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2 Layer Musk (Cotton)</td>
<td>20</td>
<td>264000</td>
<td>5280000.00</td>
</tr>
<tr>
<td>2</td>
<td>3 layer Musk (Cotton)</td>
<td>24</td>
<td>480000</td>
<td>11520000.00</td>
</tr>
<tr>
<td>3</td>
<td>3 layer Musk (Knitted) Small Size</td>
<td>18</td>
<td>300000</td>
<td>5400000.00</td>
</tr>
<tr>
<td>4</td>
<td>2 Layer Musk (Knitted) Small Size</td>
<td>12</td>
<td>264000</td>
<td>3168000.00</td>
</tr>
</tbody>
</table>

Total values of Product **25368000.00**

5. **Motive Power Requirements:** 6 H.P.

6. **Pollution Control Needs:**

There is no pollution control measures required, as this industry does not involve any pollution.

7. **Energy Conservation:**

As the power requirement is very small, this can be conserved by proper housekeeping.

G. **FIXED CAPITAL:**

1. **Land & Building:**

100 sq.mts The building is considered rental with monthly rent of Rs.7,000/-p.m. @ Rs.70/- per sq. meter.

2. **Machinery & Equipments:**

<table>
<thead>
<tr>
<th>S.n o.</th>
<th>Description</th>
<th>Indian / Imported</th>
<th>Qty</th>
<th>Rate (Rs)</th>
<th>Value (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High speed Flat lock Stitch machine</td>
<td>Imported</td>
<td>4</td>
<td>70000</td>
<td>280000.00</td>
</tr>
<tr>
<td>2</td>
<td>High Speed Single Needle Lock Stitch</td>
<td>Imported</td>
<td>4</td>
<td>35000</td>
<td>120000.00</td>
</tr>
<tr>
<td>3</td>
<td>Vertical Fabric Cutter</td>
<td>&quot;</td>
<td>2</td>
<td>20000</td>
<td>40000.00</td>
</tr>
<tr>
<td>4</td>
<td>Steam press. with table</td>
<td>&quot;</td>
<td>1</td>
<td>50000</td>
<td>50000.00</td>
</tr>
</tbody>
</table>
5. Rib Cutting machines  
   1  15000  15000.00

6. Laboratory equipment  
   such as weighing  
   balance magnifying  
   glass, micros scope  
   and other testing  
   equipment and  
   chemicals.  
   L.S. - 22000.00

Total  527000.00

3. Other Fixed Expenses:

   Wooden/ Table for Cloth Cutting  50000.00
   Stools & Tables / Almirah  20000.00
   Other pre–operative expenses  15000.00

Total  85000.00

4. TOTAL FIXED CAPITAL (Excluding Building Rent):

   Machinery & Equipments charges  527000.00
   Other Fixed Expenses  85000.00

Total  612000.00

H. WORKING CAPITAL:

i) Staff & Labor per Month

<table>
<thead>
<tr>
<th>S.No</th>
<th>Personal</th>
<th>No.</th>
<th>Salary Rs.</th>
<th>Total Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Marketing Manager</td>
<td>1</td>
<td>25000</td>
<td>25000.00</td>
</tr>
<tr>
<td>2.</td>
<td>Supervisor (Technical)</td>
<td>1</td>
<td>15000</td>
<td>15000.00</td>
</tr>
<tr>
<td>3.</td>
<td>Cutting Master</td>
<td>1</td>
<td>12000</td>
<td>12000.00</td>
</tr>
<tr>
<td>4.</td>
<td>Accountant (Part time)</td>
<td>1</td>
<td>6000</td>
<td>6000.00</td>
</tr>
<tr>
<td>5.</td>
<td>Watchman/Peon</td>
<td>1</td>
<td>9000</td>
<td>9000.00</td>
</tr>
<tr>
<td>6.</td>
<td>Skilled worker</td>
<td>8</td>
<td>10000</td>
<td>80000.00</td>
</tr>
<tr>
<td>7.</td>
<td>Semi- skilled Worker</td>
<td>1</td>
<td>8500</td>
<td>8500.00</td>
</tr>
<tr>
<td>8.</td>
<td>Helper</td>
<td>3</td>
<td>6000</td>
<td>18000.00</td>
</tr>
</tbody>
</table>

Total  173500.00
ii) **Raw Material (Including Packing) P.M.**

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Description</th>
<th>Cloth Qty in meter</th>
<th>Rate per meter Rs</th>
<th>Value Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2 Layers Musk (Cotton)</td>
<td>6300</td>
<td>50</td>
<td>315000.00</td>
</tr>
<tr>
<td>2.</td>
<td>3 layers Musk (Cotton)</td>
<td>16000</td>
<td>50</td>
<td>800000.00</td>
</tr>
<tr>
<td>3.</td>
<td>3 layers Musk (Knitted)</td>
<td>3600</td>
<td>80</td>
<td>280000.00</td>
</tr>
<tr>
<td>4.</td>
<td>2 Layers Musk (Knitted)</td>
<td>3200</td>
<td>80</td>
<td>256000.00</td>
</tr>
<tr>
<td>5.</td>
<td>Sewing thread, stickers, labels, Polythene bags, etc.</td>
<td>L.S.</td>
<td></td>
<td>10000.00</td>
</tr>
</tbody>
</table>

Total 1661000.00

iii) **Utilities (P.M.)**

- Electricity, water requirement = Rs 8000/-

iv) **Other Contingent Expenses (P.M.)**

<table>
<thead>
<tr>
<th>Rs.</th>
</tr>
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<tbody>
<tr>
<td>a. Rent.</td>
</tr>
<tr>
<td>b. Postage &amp; Stationery</td>
</tr>
<tr>
<td>c. Consumable Stores</td>
</tr>
<tr>
<td>d. Repair &amp; Maintenance</td>
</tr>
<tr>
<td>e. Washing</td>
</tr>
<tr>
<td>f. Insurance</td>
</tr>
<tr>
<td>g. Misc. expenses</td>
</tr>
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</table>

Total Rs. 32500.00

v) **Total Recurring Expenditure (P.M.)**

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<tr>
<td>a. Staff &amp; Labour.</td>
</tr>
<tr>
<td>b. Raw Material.</td>
</tr>
<tr>
<td>c. Utilities.</td>
</tr>
<tr>
<td>d. Other contingent expenses.</td>
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</table>

Total Rs. 1875000.00

vi) **Total Working Capital (on 3 months basis)**

\[
\text{Rs. 1875000.00} \times 3 = \text{Rs 5625000.00}
\]

Say Rs 5625000.00
I. **TOTAL CAPITAL INVESTMENT.**

a. Fixed Capital 612000.00  
b. Working Capital 5625000.00  
Total Rs. 6237000.00

J. **MACHINERY UTILIZATION:**

75% Machinery utilization is considered for achieving the projected target.

K. **FINANCIAL ANALYSIS.**

1. **Cost of Production (per year):**

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Total values of Product 25608000.00

Say Rs 23318000.00

2. **Turn Over (Per Year):**

3. **Net Profit (Per Year):**

   Rs 25368000- Rs 23318000 = **Rs. 2050000/-**
5. **Net Profit Ratio:** \[
\frac{\text{Net Profit}}{\text{Turnover per annum}} \times 100 = \frac{2290000 \times 100}{25608000} = 8.94% 
\]

6. **Net Rate of Return:** \[
\frac{\text{Net Profit}}{\text{Total Investment}} \times 100 = \frac{2290000 \times 100}{6237000} = 36.72% 
\]

7. **Break Even Point:**

   I. **Fixed Cost:**
      a. Depreciation on machinery & equipment 52700.00
      b. Depreciation on furniture. 17000.00
      c. Rent 84000.00
      d. Interest on total investment 748440.00
      e. 40% of salary & wages 832800.00
      f. 40% of other expenses except rent. 112800.00
      g. Insurance 24000.00
      Total Rs. 1871740.00

   II. **PROFIT:** Rs. 2918760/-

   \[
   \text{BEP:} \quad \frac{\text{Fixed cost}}{\text{Fixed cost} + \text{Profit}} \times 100 \\
   \]

   \[
   = \frac{1757044 \times 100}{1757044 + 2310840} \\
   = 44.97% 
   \]
L. **NAMES AND ADDRESSES OF SUPPLIERS:**

1. M/s Juki India Pvt Ltd  
   Address: Ab 1, Prafulla Kanan, Kolkata -1
   Address: P360 Keyatala Road, Kolkata-700029
3. M/s Khanna Sewing Machine  
   Address: 187 Rabindra Sarani, Burrabazar, Kolkata-7
4. M/s Usha World  
   Address: 15/6 Jawaharlal Nehru Road, Kolkata 13

M. **Address of Raw Material (Knitted) Suppliers:**

1. M/s Subhas Hosiery Factory  
   Address: 28 B T Road, 1st Floor Kolkata 700002

2. M/s Kothari Knit Industries  
   Address: 7 Biplabi Rash behari Road, Kolkata-700001

3. Woven cloths are readily available in local market.

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