

Profile No.: 05

NIC Code: 13924

BED LINEN

1. INTRODUCTION:

Bed Linen comprises of articles made out of fabric and used in bed like bed sheets & pillow covers (also known as Pillowcase). Bed sheets are used for spreading on the bed. Sometimes two bed sheets are stitched together to form a sandwich sheet called Dohar. Such a sheet becomes thicker, traps air inside and works as a very light blanket. However, usage of Dohar in India is limited to certain States only.

2. PRODUCT & ITS APPLICATION:

Bed sheets come in different weaves, sizes, colors and prints. The major classification is Single bed sheet and Double bed sheet. Various sizes are available in double bed sheet like Regular, Queen, King etc. matching the size of bed and mattress. Hospitals and Hotels usually use white bed sheets and pillow covers. Single bed sheets come in one size only although single beds used by Hotels, Hospitals, Hostels and kids vary in size. Bed sheets are used for spreading on the mattress to give the bed a better look and to protect the mattress. Similarly a pillow cover enhances beauty of the pillow and also protects it from soiling over long run. Bed sheets and pillow covers are made out of woven fabric of cotton or blended fibers. Cotton fabric is preferred in warm weather because of its moisture absorption property although it is expensive compared to blended fabrics and also gets more wrinkles and therefore frequent washing and ironing.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Graduate in any discipline.

4. INDUSTRY OUTLOOK & TRENDS:

Bed linen is a necessity. Continuous rise in disposable income of the families leads to a robust demand for such products and the trend is bound to continue for several years.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

Bed sheets and pillow covers of different cost and quality are used in each household. Growing awareness about cleanliness and hygiene has also led to higher demand for clean and crisp bed linen in Hospitals, Railways, Hotels, Hostels and such other institutional buyers. Improving income levels has also fueled people's aspiration to buy quality bed linen to enhance their home décor. The market is growing continuously in line with population & income levels.

6. RAW MATERIAL REQUIREMENTS:

The main raw material is cotton or blended fabric of varying quality which is easily available in grey and dyed forms. Printed fabric is also used in some made ups. Fabric quality is generally expressed in terms of Thread Count (TC) which means a sum total of warp and weft threads in one square inch of the fabric. Although general perception is higher the TC better the quality, it may not always be true because quality of each thread or yarn also matters quite a bit which in turn depends on quality of the fiber used in yarn. Fabrics of multiple thread counts, colors and prints are easily available throughout India. Since a double bed sheet is 9 to 10 feet wide, fabric of wide width (120") is normally used in bed linen.

7. MANUFACTURING PROCESS:

The fabric purchased in roll form is spread in layers on the cutting table. Patterns of various bed sheets or pillow covers made out of card board or plywood or metal are laid on the fabric in such a way that wastage of fabric is minimized. Several layers of fabric

are then cut through vertical motorized blade. Bed sheets and pillow covers are stitched in assembly line manner wherein each machine operator completes only a part of the product. The stitching starts on the 1st machine and gets completed at the last stage where the product is inspected for quality defects if any. Sometimes pillow covers are sent for further work like embroidery, special patch-work, border etc. Products are finally cleaned of loose yarn or dirt and packed in plastic bags as per customer requirements. Bed linen is sold in sets as well as individually.

8. MANPOWER REQUIREMENT:

The enterprise shall need 39 employees as detailed below:

Sr. No.	Designation of Employees	Monthly Salary -	Number of employees required	Annual cost - . in lacs
1	Machine Operators	12,000	23	33.12
2	Helpers	8,000	12	11.52
3	Production supervisor	25,000	1	3.00
4	Accounts Executive	15,000	1	1.80
5	Stores Assistant	12,000	1	1.44
6	Office Boy	8,000	1	0.96
	Total		39	51.84

9. IMPLEMENTATION SCHEDULE:

The project can be implemented in 3 months as shown below:

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	-
3	Procurement & installation of Plant & Machinery	2
4	Arrangement of Finance	2
5	Recruitment of required manpower	2
	Total time required <i>(some activities shall run concurrently)</i>	3

10. COST OF PROJECT:

Detailed cost of project is shown below:

Sr. No.	Particulars	• in Lacs
1	Land	-
2	Building	-
3	Plant & Machinery	18.35
4	Furniture, Electrical Installations	5.50
5	Other Assets including Preliminary / Pre-operative expenses	1.50
6	Margin for Working Capital	12.01
	Total	37.36

11. MEANS OF FINANCE:

Bank term loans are assumed @ 60% of fixed assets. The proposed funding pattern is as under:

Sr. No.	Particulars	• in Lacs
1	Promoter's contribution	22.15
2	Bank Finance	15.21
	Total	37.36

12. WORKING CAPITAL CALCULATION:

The project requires working capital of • 25.38 lacs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	19.59	40%	7.84	11.75
2	Receivables	16.41	40%	6.56	9.84
3	Overheads	3.10	100%	3.10	-

4	Creditors	-13.71	40%	-5.48	-8.23
	Total	25.38		12.01	13.37

13. LIST OF MACHINERY REQUIRED AND THEIR MANUFACTURERS

Sr. No.	Particulars	UOM	Qty	Rate (·)	Value (· in Lacs)
	Plan & Machinery / equipments				
a)	Main Machinery				
i.	Single Needle Machine	Nos.	10.00	60,000	6.00
ii.	Double Needle Machine	Nos.	5.00	75,000	3.75
iii.	Over-lock Machine	Nos.	4.00	40,000	1.60
iv	Cutting Table & machine	Nos.	2.00	3,00,000	6.00
v.	Embroidery machine	Nos.	2.00	50,000	1.00
	<i>sub-total Plant & Machinery</i>				18.35
	Furniture / Electrical installations				
a)	Inspection tables	Nos.	2.00	50,000	1.00
b)	Office & Store furniture	LS	1.00	1,50,000	1.50
c)	Desktop computer & printer	Nos.	2.00	50,000	1.00
d)	Storage system	LS	1.00	2,00,000	2.00
	<i>sub total</i>				5.50
	Other Assets				
a)	Rent Deposits		2.00	75,000	1.50
	<i>sub-total Other Assets</i>				1.50
	Total				25.35

Single Needle and Double Needle stitching machines are available from following suppliers. They have offices across several cities in India. There may also be other local machinery manufacturers offering alternate machines of various makes and models.

- IIGM Private Limited
Springdale No. 51,

Residency Road, 3rd cross,
Bangalore 560025
www.iigm.in

- Juki India Private Ltd
1090/I, Ground Floor,
18th Cross, Sector III,
HSR Layout,
Bangalore 560102
www.jukiindia.com
- Brother International (India) Pvt Ltd
Unit No.408, 215, Atrium B-Wing,
4th floor, Opp. Sangam Cinema,
Andheri Kurla Road, Andheri (East),
Mumbai 400093
www.brother.in

14. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity Utilization	%	60%	70%	80%	90%	100%
2	Sales	• in Lacs	198.14	231.16	264.18	297.20	330.23
3	Raw Materials & Other direct inputs	• in Lacs	177.05	206.56	236.07	265.58	295.09
4	Gross Margin	• in Lacs	21.08	24.60	28.11	31.62	35.14
5	Overheads except interest	• in Lacs	18.58	18.58	18.58	18.58	18.58
6	Interest	• in Lacs	3.41	3.41	3.41	3.41	3.41
7	Depreciation	• in Lacs	1.87	1.87	1.87	1.87	1.87
8	Net Profit before tax	• in Lacs	-2.78	0.74	4.25	7.76	11.28

The above calculations are based on assumed unit sales price varying from ₹ 300 to ₹ 500 for various products. The key raw material is assumed at a cost range of ₹ 120 to ₹ 130 per meter. Electricity tariff is assumed at ₹ 8 per kWh.

15. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 62.58% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹ . In Lacs	330.23
2	Variable costs	₹ . In Lacs	295.09
3	Fixed costs incl. interest	₹ . In Lacs	21.99
4	BEP = FC/SR-VC x 100 =	% of sales	62.58%

16. STATUTORY/ GOVERNMENT APPROVALS

The project does not require any specific government approval. Registration with MSME is optional. An Entrepreneur may be required to obtain Shops & Establishment Registration and Professional Tax registration by local Municipal authorities. Registration under Factories Act, Provident Fund Act and ESI provisions would be required depending upon the number of employees, the location, the level of mechanization and the age of the enterprise. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD AND FORWARD INTEGRATION:

As the machines used in the project are versatile, the Entrepreneur can also consider manufacture of other articles like bags, wall hangings and garments etc. depending on opportunities in the market he / she is familiar with.

18. TRAINING CENTERS/COURSES

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.