

UMBRELLA MANUFACTURING

1. Introduction

Umbrella is required to protect people from heat and rains during summer and rainy seasons respectively. Summer months in India are harsh, due to this elder and women are using umbrella to protect themselves.

The umbrellas are generally manufactured manually by assembling various items such as cloth, using needle and threads etc. and by stitching final shapes are made.

2. Market potential

There exists demand for umbrellas in almost all parts of the country. Various types and colours of umbrellas are available to cater to all sections of people

3. Technical details

Umbrellas are used during summer as well as rainy season. Since both the seasons together cover almost half of year, people from all the societies entirely depend on umbrella. In view of this, market potential of the umbrella is very high. With regard to manufacturing process, the cloth is cut into required size and stitched on sewing machines. All parts like ribs, handles, brass ring, M.S. pipes etc. can easily be purchased from local market.

4. Cost of project

S. No.	Items	Total Cost (Rs. in lakhs)
1.	Building	Rented
2.	Plant & machinery	0.37
3.	Preliminary & pre-operative expenses including interest during implementation period	0.10
4.	Working capital	0.21
	TOTAL	0.68

5. Means of finance

S. No.	Source	Amount (in Rs.)	% age
1.	Promoter's contribution	-	-
2.	MML - SCA	8,000.00	11.76
3.	Term loan – NSTFDC	60,000.00	88.24
	Total	68,000.00	100.00

Note: The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

6. Raw material requirement

S. No.	Particulars	Quantity	Unit rate	Amount (in Rs.)
1.	Cloth	1800 m.	12.50	22,500.00
2.	Umbrella ribs	9600 m.	1.50	14,400.00
3.	Brass ring	1200 no.	1.50	1,800.00
4.	M.S. Pipe	3200 m.	1.50	4,800.00
5.	Plastic handles	1200 no.	2.50	3,000.00
6.	Spring & clips	1200 no.	0.50	600.00
7.	Slotted cap pipe	1200 no.	0.50	600.00
8.	Thread	1200 no.	0.50	600.00
9.	Elastic tapes	200 m.	10.00	2,000.00
10.	Runners	1200 no.	1.25	1,500.00
			TOTAL	51,800.00
			SAY	52,000.00

7. Manpower requirement

S. No.	Particulars	No.	Salary/Month	Total (in Rs.)
1.	Manager	Self	-	
2.	Skilled worker	3	2,500.00	7,500.00
3.	Unskilled worker	2	2,000.00	4,000.00
			TOTAL	11,500.00

8. Other expenses (per month)

S. No.	Particulars	Amount (in Rs.)
1.	Rent	1,500.00
2.	Power & water	1,000.00
3.	Stationery	300.00
4.	Telephone & postage	500.00
5.	Travel expenses	600.00
6.	Consumable stores	1,000.00
7.	Advertisement	500.00
8.	Miscellaneous	1,000.00
	TOTAL	6,400.00

9. Working capital requirement

S. No.	Particulars	Amount (in Rs.)
1.	Raw materials	52,000.00
2.	Salary & wages	11,500.00
3.	Other expenses	6400.00
	TOTAL	69,900.00
	SAY	70,000.00

10. Sales at 100% capacity utilization: (1100 nos.), Working capital margin @30%=Rs.21,000/-

S. No.	Particular	Quantity	Unit price	Total (in Rs.)
1.	Umbrellas	880 (80%)	90.00	79,200.00
	For 12 months			9,50,400.00

11. Project economics

(Rs. in lakhs)

S. No.	Particulars	From 1st year Onwards
A.	No. of working days in a year	300 days
B.	Sales Realisation	9.50
C.	Cost of production	
(i)	Raw materials	6.24
(ii)	Salary & wages	1.38
(iii)	Other expenses	0.77
(iv)	Sustenance allowance	0.48
	TOTAL	8.87
D.	Gross profit (A-C)	0.63
E.	Interest	0.04
F.	Depreciation (20%)	0.07
G.	Profit before tax	0.52
H.	Tax liability	-
I.	Profit after tax	0.52
J.	Cash profit	0.59

12. Viability indicators

S. No.	Particulars	Amount
1.	Repayment per annum (period - 5 years)	0.14
2.	Return on investment	76.47%
3.	Debt service coverage ratio	3.50

13. Interest, moratorium & repayment period for beneficiaries

- (a) Interest : 6% p.a. on NSTFDC term loan
- (b) Moratorium period : 6 months from date of release of funds by SCA.
- (c) Repayment period : 5 years excluding moratorium period.

14. Assumptions/remarks

- ❑ Optimum working capital cycle has been considered for calculating the requirements. Raw materials shall be procured from local areas and quotations, wherever applicable may be obtained.
- ❑ The cost of project will vary in different States & Regions.
- ❑ It is assumed that the products have good demand, and the promoters have sound experience in the relevant fields