

TARPAULIN

Product and Its Uses:

The cotton canvas common proofed Tarpaulins are generally required by D.G.S. & D. & Railways & other government undertakings. This is an essential store for the protection against rains. There is also a good demand for this item in local markets. For trucks & transport vehicles and with the industrialization of the country, its demand is ever increasing. The machinery involved in the manufacture of the item is available indigenously although the Paraffin Wax, the main proofing agent is a bit in short supply.

Market Potential:

The use of Tarpaulin during rainy season is must for transport vehicles, godowns, shops etc. There is ample market for this store throughout the country. The raw material i.e. canvas cloth and machinery are available from indigenous sources. The water proofing chemicals are also available locally. The demand of the tarpaulin is increasing day by day due to the rising standard of living of the people. There is a good scope of this industry to be developed in SSI Sector.

Suggested capacity:

A production capacity of 10,00,000 Mtrs. of Tarpaulin per annum has been suggested.

Process of Manufacture:

All the chemical agents are first mixed and dissolved in the Melting Pan. This melted solution is then transferred in the proofing machine where the Canvas is dipped into it and passed through rollers of the machine for extraction of excess material. After drying of the proofed material, it is cut according to the required sizes of Tarpaulins, stitched and eyelets are fixed before marketing.

Quality control Standards:

For supply to the government Departments, Tarpaulins must follow the IS: Standard No. 2089/1962, 1972 and 1977. For general use attention must be paid to the proper proofing and stitching of the articles.

Machinery & Equipment:

Sl.No.	Description	Imp/Ind.	Quantity (Nos.)
1.	Proofing Machine (60"x8" dia)	Ind.	1
2.	Baby boiler 125 lbs. Pressure	Ind.	1
3.	Melting Vessels (6'x3')	Ind.	1
4.	Sewing Machines (45/K/15) Model type	Ind.	25
5.	Hand Ball Press (½ ")	Ind.	2
6.	Installation including light points	Ind.	-
7.	Erection of machinery	Ind.	-
8.	Contingency	Ind.	-
9.	Cutting Knife	Ind.	2

Raw Materials:

Sl.No.	Description	Rate (Rs.)	Value (Rs.in lakh)
1.	83,500 Mtr. of Grey Canvas	@ 25/mtr.	20.88
2.	Sewing Thread 25 Kg (Flax) 5/10	@ 50/Kg	0.01
3.	Paraffin Wax 34 MT	@ 18,000/MT	6.12
4.	Stearate (A.C.) 855 Kg.	@ 30/Kg	0.26
5.	Copper Napthenate 308 Kg.	@ 25/Kg	0.07
6.	Pigment 5.60 MT	@ 2000/MT	0.11
7.	Coal & Fuels	L.S.	0.10
8.	Brass Sheet (for Eyelets) 79,000 Nos.		0.15
9.	Packing materials		1.00
	Total:		28.70
	Cost of Raw materials per annum is Rs. 334.40 lakh (Rs 28.70 x 12)		

Staff & Labour**(a) Administrative & Supervisory:**

Sl.No.	Category	Nos.	Salary/month (Rs.)	Total Wage & Salary (Rs.)
1.	Manager	1	8000	8000
2.	Accountant/Typist	1	4000	4000
3.	Eon cum Watchman	1	3000	3000
	Total (A)			15,000

(b) Technical (Skilled/Unskilled) :

Sl.No.	Category	Nos.	Salary/month (Rs.)	Total Wage & Salary (Rs.)
1.	Skilled Workers	15	800/-	12,000
2.	Un-skilled workers	5	600/-	3,000
	Total (B)			15,000
	Total (A) + (B)			30,000
	Total Annual Salary (30,000 x 12)			3,60,000

Infrastructure:

The main infrastructural requirements are :

Total Area	: 4000 Sq.ft.
Shed	: 3000 Sq.ft.
Power	: 2 KW
Water	: 500 Ltr./Day

Location:

The preferred locations are :

Assam	: Guwahati, Silchar, Tinsukia
Meghalaya	: Shillong
Nagaland	: Dimapur
Manipur	: Imphal

TOTAL CAPITAL REQUIREMENT

The total capital requirement including fixed capital and margin money for working capital is estimated at Rs. 27.10 lakhs as follows:

		(Rs. In lakh)	
A.	Fixed Capital:		
	Land 4000 Sq.ft.		5.00
	Shed		6.00
	Machinery		4.80
	Miscellaneous fixed assets		1.85
	Preliminary and pre-operative expenses		1.25
	Total (A) :		18.90
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B.	Working Capital:		
	Raw materials & packing materials	15 Days	14.35
	Finished goods	7 Days	8.70
	Working expenses	7 Days	0.43
	Receivables	7 Days	9.32
	Total (B)		32.80
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Note: Working capital may be financed as:

Bank Finance	...	Rs.24.60 lakh
Margin Money	...	Rs. 8.20 lakh

Rs. 32.80 lakh

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MEANS OF FINANCE

The project cost of Rs. 27.10 lakhs including margin money for working capital may be financed as under:

Promoter's Contribution(25%)	...	Rs. 6.78 lakh
Term Loan(75%)	...	Rs. 20.32 lakh

Rs. 27.10 lakh

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OPERATING EXPENSES

The annual operating expenses are estimated at Rs. 382.26 lakhs as given below:

	(Rs. In lakhs)
1. Raw materials and packing materials	334.40
3. Utilities	2.20
4. Wages & Salaries	3.60
6. Other overheads	3.80
7. Selling expenses @ 8% on annual sales	32.00
8. Interest	5.20
9. Depreciation	1.06

382.26

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SALES REALISATION

By sale of proofer canvas for Tarpaulin of 10,00,000 Mtrs. @ Rs.40/- per mtr. the annual sales realization is estimated at Rs. 400.00.

PROFITABILITY

Based on the sales realization and the operating expenses, the profit at rated capacity utilization would be Rs. 17.74 lakhs per year. This works out to a return on investment of 65%. The unit will break even at about 51% of the rated capacity.

HIGHLIGHTS

The major highlights of the project are as follows:

Total Capital Requirement	Rs. 27.10 lakhs
Promoter's contribution	Rs. 6.78 lakh
Annual Sales realization	Rs. 400.00 lakhs
Annual operating expenses	Rs. 382.26 lakhs
Annual profit (pre-tax)	Rs. 17.74 lakhs
Annual Pre-tax return on sales	4.5%
Break-Even Point	51%
No. of persons employed	23

MANUFACTURER/SUPPLIER OF MACHINERY

1. M/s. Ganges Waterproof Works (P) Ltd.
Bechulal Road,
Kolkata
2. M/s. Industrial Machinery Corporation,
1/2 B.T. Road,
Kolkata
3. M/s. Fancy Engineering Co.,
5, Bireswar Dhole Lane,
Kolkata – 35

SEWING MACHINE SUPPLIER

1. M/s. Singer Sewing Machine Co. Ltd.,
29, Waterloo Street,
Kolkata-1
2. M/s. Jay Engineering Works Ltd.,
Acharva Jagadish Bose Road,
Kolkata – 1
3. M/s. Rita Mechanical Works,
Industrial Area “B”
Ludhiana

RAW MATERIALS SUPPLIER

1. Parafin Wax - M/s. Balmer Lawrie I Co.,
21 N.S. Road,
Kolkata

Cotton Duck Canvas

1. M/s. Madura Mills Co. Ltd.,
Madurai
Tamilnadu
2. M/s. Swadeshi Cotton Mills Co. Ltd.,
Kanpur,
U.P.
3. M/s. Simplex Mills Co. Ltd.,
30, Clerk Road,
Jacob Circle,
Mumbai - 11

Sewing Thread

1. M/s. J.P. Coats (India) Pvt. Ltd.,
Korrati,
District Trichur,
Kerala.
2. M/s. Modi Spinning & Weaving Co. Ltd.,
Modinagar,
U.P.