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LAUNDRY AND DRY CLEANING

SERVICE CAPACITY	: 60 Ton clothes
Value	: Rs. 12,00,000/-
MONTH AND YEAR OF PREPARATION	: July, 2014
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1. INTRODUCTION

Laundry and Dry cleaning is a service activity. Earlier clothes were washed by hand, washer men in ponds, rivers and then dried and pressed. But now a day's hand wash is outdated, due to work load. Washing machines of high capacity are developed and steam pressing and calendaring machines have also come up to make wrinkle free and press automatically. Dry cleaning is a process of cleaning costly clothes in specific solvent with the help of washing machine. In conventional washing, water is the main medium and detergent or soap is used for washing. In such case, costly clothes may shrink or colour may fade in the presence of strong alkalis. So valuable clothes, sarees, coats, etc. are dry washed. As dry cleaning need lot of care and systematic procedure and chemicals, it is not easy to carry out at home and service units are found in major towns for this activity. The Project will have automatic Washing machine also to undertake the order of wet cleaning of the cloths. Facility for pressing of the cloths of customer will also be available.

2. MARKET POTENTIAL

In the present scheme the provision of mechanical laundry wash is present but not dry wash. Demand of mechanical laundry and dry cleaning is increasing day by day in tune with population growth in towns and cities. As more and more women are nowadays getting engaged in different jobs and time is not available to do household activities like washing. Such service units are mushrooming in the market of small towns and cities. Such type of washing unit will collect the clothes from the service centers situated in different places and after washing the clothes will be sent back to the centers. Such type of units has very good demand in capital town where 75% of the population belong to service sector and will avail the facility promptly.

3. BASIS AND PRESUMPTIONS

i. 8 hr. per day 300 days per annum is taken as the working period.

ii. Minimum labour wages have been taken into consideration.

iii. 14% rate of interest has been taken into account.

iv. 80% of maximum capacity of machinery is considered in deciding turnover.

4. IMPLEMENTATION SCHEDULE

i.	Project profile preparation	1 month
ii.	Availability of finance	3 months
iii.	Installation of machinery	3 month
iv.	Recruitment of staff and trial run	1 month

Project may come in to working condition within six months because several activities may start simultaneously.

5. TECHNICAL ASPECTS

Washing of clothes in washing machine involve a simple procedure. It may be summarized as below:

1. The dirty clothes are loaded in the washing machine and washed with plain water in the first phase.
2. In the second phase water is again loaded and good quality detergent powder in liquid detergent is added in required proportion. Liquid detergent or enzyme based detergent is preferred to solid washing powder in washing in machines.
3. Depending upon quality of clothes like cotton, synthetic or mixed varieties time of washing is decided. Time of washing is decided from manual of the machinery used.
4. After washing the dirty water is drained and again fresh water is loaded. It is again washed for about 2 to 3 minutes and then that water is decanted.
5. Finally the clothes are washed with solvent like de odursided petrol/ethylene dibromide or other specific solvent to remove stain, water insoluble chemicals colures etc.
6. In the drier the time of drying also may depend on quality of clothes.
7. The vacuum finishing table with press is used to press the dried clothes automatically.
8. In calendaring machine the clothes are properly sized and folded automatically.

6. FINANCIAL ASPECT

6.1. Fixed Capital

Land & Building: Rented premise at Rs. 10,000/- per month.

6.1.1. Machinery and Equipments

Sr. No.	Specification	Qty./rate	Total Value (Rs.)
1.	Industrial Washing machine side loading 20 kg.	1	30,000
2.	Tumble Drier cap. 15 kg.	1	20,000
3.	Volt Vacuum finishing table with Press	1	15,000
4.	Calendaring machine	1	15,000
5.	Steam generator 5 kg	1	20,000
		Total	**1,00,000**
	Cost of Power Connection		5,000
	Electrification & Installation Charges @ 10% cost of machinery		10,000
	Office furniture with interior decoration		30,000
	Pre-operative Expenses		5,000
		Total Fixed Capital	**1,50,000/-**

6.2. Working Capital (per month)

6.2.1. Personnel

S. No.	Designation	No	Rate	Total (Rs.)
1	Manager	1	15,000	15,000
2	Skilled Labour	1	10,000	10,000
3	Semi-Skilled Labour	1	8,000	8,000
4	Peon/Watchman (Part Time)	1	5,000	5,000
			Total	**38,000**

6.2.2. Raw Materials including Packaging Materials

Liquid detergent	50 litres @ Rs.100/lit.	Rs. 5,000
Solvent	50 ltr. @ Rs.200/lit.	Rs. 10,000
Perfume/deodorant	1 lit. @ 400/litre	Rs. 400
Packing material	LS	Rs. 1,600
	Total	**Rs. 17,000**

6.2.3. Utilities

1. Electricity Rs. 5,000
2. Water Rs. 500

Total Rs. 5,500

6.2.4. Other Contingent Expenses

S. No.	Description	Value (Rs.)
1	Rent	10,000
2	Advertisement	500
3	Transportation	1,500
4	Telephone	500
5	Stationery/Packaging Material/Consumable	1,000
6	Maintenance	500
7	Insurance, Taxes & Miscellaneous Expenses	1,000
	Total	**15,000**

6.2.5. Total Recurring Expenditure (per month) Rs. 75,500/-

6.3. Total Capital Investment

Fixed Capital		Rs. 1,50,000
Working Capital (for 3 months)		Rs. 2,26,500
	Total	**Rs. 3,76,500/-**

7. FINANCIAL ANALYSIS

7.1. Cost of Operation (per annum)

S.No.	Description	Amount (Rs.)
1	Total Recurring Cost per year	9,06,000
2	Depreciation on Machinery & Equipment @ 10%	10,000
3	Depreciation on Office Equipment & Furniture @ 20%	6,000
4	Interest on Total Investment @ 14%	52,710
	Total	**9,74,710**

7.2. Turnover (per annum)

Service charge for 60 Ton clothes @ Rs. 20/kg. **Rs. 12,00,000/-**

7.3. Net Profit (per annum)

= Turnover – Cost of Operation

= **Rs. 2,25,290/-**

7.4. Net Profit Ratio

$$= \frac{\text{Net profit per year}}{\text{Turnover per year}} \times 100$$

= **18.8 %**

7.5. Rate of Return

$$= \frac{\text{Net profit per year}}{\text{Total Capital Investment}} \times 100$$

= **59.8 %**

7.6. Break-even Point

Fixed Cost (Per Annum)	**(Rs.)**
Rent	1,20,000
Total Depreciation	16,000
Total Interest	52,710
Insurances, Taxes, etc.	12,000
40% of salary and wages	1,82,400
40% of other Contingent expenses (Excluding rent & Insurance)	19,200
Total	**4,02,310**

B.E.P

$$= \frac{\text{Fixed Cost}}{\text{Fixed Cost + Net Profit}} \times 100$$

= **64.1 %**

Address of Machinery Suppliers

1. M/s. Ramsons Garment Finishing Equipment, H.O.320, Mysore Road, Bangalore-560026.
2. S.V.Engineers, A-3, Om Nagar, School Road, Badarpur, Delhi-44.
3. Pioneer Udyog, 24/11, Street No-6, Libaspur, Delhi-110042.