

**PROJECT PROFILE ON COMPUTERIZED MACHINE
(JOB WORK)**

PRODUCT : Embroidery on, Computerized Machine
(Job Work)

PRODUCT CODE : 262100002

QUALITY STANDARD. : The Product is fashioned item and there is not
such specification for this product.

**MONTH & YEAR OF
PREPARATION** : February, 2011

PREPARED BY : **MSME DEVELOPMENT INSTITUTE**
Government of India,
Ministry of MSME,
Industrial Area-‘B’
LUDHIANA-141 003 (Punjab)
Telephone No.: 2531733-34-35
Fax: 091-0161-2533225
Website: msmedildh.gov.in

A. INTRODUCTION.

Embroidery is becoming a fashion trend in outerwear's shirts, Pyjamas, Petticoats, Blouses, Baby dresses, Shawls and ladies dresses etc. Embroidery is a method of decorating a fabric by stitching a design on it with a needle and thread. Earlier it was done by hand or by the zigzag action of power operated embroidery machine but with the changing industrial scenario and change in the people for quality product computerised embroidery is in great demand. The embroidery is done on the fabric in different motifs like names, trees, flowers and figures with different colours of embroidery threads. The embroidery work in fabric is an advantage in sale of the fabric. Now a day, most of the outerwear's are available with embroidery designs.

B. MARKET POTENTIAL.

Embroidery is a fashion work on outerwears for attracting people to buy the fabrics. In now days, almost all the outerwear's used by the youngsters are coming in the market with some embroidery work. Embroidery is a work on the plain fabric, which create new designs and new look of the fabrics. The customers are sending their material for embroidery work on Job work basis also. Embroidery on pillow covers, cushions, tablemats, ladies suits and a children wear has become a fashion, there is no market problem on job work basis.

C. 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 Ist year, the capacity utilisation will be 60% followed by 70% 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 @ 16% of an average, whether financed by bankers or by Financial Corporation.
5. Margin money required is minimum 30% of the project investment.
6. The rental value of the Workshed and other built up/covered area has been taken at the rate of Rs. 40.00 per square meter.
7. Pay back period of the project is five years after initial gestation period of one & half year.
8. The rates quoted in respect of machines, Equipment 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.

IMPLEMENTATION SCHEDULE.

- | | | |
|------|--|----------|
| i. | Preparation of Project Report. | |
| | a) Calling quotations | 1 Month |
| | b) Preparation | 2 Weeks |
| ii. | Provisional Registration as SSI | 1 week |
| iii. | Financial Arrangement | 3 Months |
| iv. | Purchase and procurement of machines and equipments. | 2 Months |
| v. | Installation of Machines | 1 month |
| vi. | Electrification | 1 month |
| vii. | Recruitment of Staff & Workers | 1 month |

E. TECHNICAL ASPECTS.

1. Process of Manufacture: -

Embroidery work is attached to another readymade garment unit who are manufacturing pajamas, shirts, petticoats, pillow covers, tablemats, ladies suits etc. They get job work from these garment units. After getting the orders as demands by the customers regarding the designs or proposed designs, select the suitable embroidery colour threads. Prepare the designing floppy and put the floppy in the machine and starts the functioning of the machine after placing the fabric in a frame along with buckram cloth etc.

2. Quality Specifications.

The product is a fashion item and there is no such specification for this item, however, quality of the embroidery depends upon the quality of the ground fabric, the intricacy of the design and the closeness of the stitches.

3. Production Capacity (Per Annum)

<u>ITEM</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
Embroidery of Garments	2,16,000 Pcs.	43,20,000/-

4. Approximate Motive Power Requirements: = 10 KW.

5. Pollution Control Requirements:

As this industry does not involve any pollution as such, no pollution control measures are required.

6. Energy Conservation Needs.

As the power requirement is small proper house keeping can save it.

F. FINANCIAL ASPECTS.

1. Fixed Capital.

Building – Rented = 150 Sq. Mtrs – The building is considered rental with monthly rent of Rs. 6000/- per month @ Rs. 40/- per Sq. Mtr.

2. Machinery & Equipments. (Rs.)

<u>S.No</u>	<u>Description Of Machines.</u>	<u>Qty</u>	<u>Rate</u>	<u>Price</u>
1.	Computerised embroidery machine with 6 heads and 9 colours (With servomotor, multifunction computer with colour monitor, embroidery range of 400X680 mm, power required 1.5(kW)	2	900000	1800000
2.	Table, Stools, Scissors, Measuring tapes, Frames, etc.	L.S.	L.S.	30000
3.	Office Furniture	L.S.	L.S.	20000
			Total Rs.	<u>1850000</u>

4) Working Capital (Per Month).

i) Personnel:

<u>S.No.</u>	<u>Designation.</u>	<u>No.</u>	<u>Salary</u>	<u>Total (Rs.)</u>
1.	Supervisor/-Designer	1	8000/-	8000/-
2.	Accountant /Clerk (Part Time)	1	2000/-	2000/-
3.	Machine Operators	2	4500/-	9000/-
4.	Helper	1	3500/-	3500/-
			Total Rs.	22500/-
			Add Pre-requisites @ 20% of salary.	4500/-

Total: 27000/-

ii) Raw Materials Requirements. (Per Month).

<u>Particulars</u>	<u>Value (Rs.)</u>
Embroidery threads of different colours.	2,00,000/-
Buckram Cloth, Marker ,Craft Paper Etc.	10,000/-
Total	2,10,000/-

iii) Utilities (Per Month) :-

Power 10 KW	10000/-
Water	500/-
Total	10500/-

iv) Other Contingent Expenses (P.M.)

	<u>(In Rupees.)</u>
1. Rent of building	6000/-
2. Repair & Maintenance.	1500/-
3. Needles, Lubricants etc.	1500/-
4. Transportation & Misc.	2000/-
Total Rs.	<u>11,000/-</u>

v) Total Recurring Expenses (Per Month):

1. Raw Material	210000/-
2. Personnel.	27000/-
3. Utilities	10500/-
4. Other contingent expenses	11000/-
Total Rs.	<u>253500/-</u>

Working Capital for 3 months = 253500 X 3= 760500/-

5) **Total Capital Investment.**

i.	Fixed Capital.	1850000/-
ii.	Working capital for 3 Months	760500/-
	Total Rs.	<u>2610500/-</u>

(G) **MACHINERY UTILISATION.**

75% machinery utilisation is considered for achieving the projected target.

(H) **FINANCIAL ANALYSIS.**

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

i.	Total recurring cost per year.	3042000/-
ii.	Depreciation on machinery & equipments @ 10%	190000/-
iii.	Depreciation furniture fixtures. @20% per annum	10000/-
iv.	Interest on total investment @12% per annum	417680/-
	Total Rs.	<u>3659680/-</u>

2. **Turnover (per year).**

S.No	<u>Item</u>	<u>Qty</u>	<u>Rate (Rs.)</u>	<u>Value</u> <u>(Rs.)</u>
1.	Job work of Embroidery of various Garments	216000 Pcs (of different designs.)	20/- per Pcs. (Average)	4320000

3. **Net Profit per year (before Income tax)**

$$\begin{aligned}\text{Profit} &= \text{Sale} - \text{Production Cost.} \\ &= 4320000 - 3659680 \\ &= \mathbf{660320/-}\end{aligned}$$

4. **Net Profit Ratio**

$$\begin{aligned}&= \frac{\text{Net Profit}}{\text{Turn over per year}} \times 100 \\ &= \frac{660320 \times 100}{4320000}\end{aligned}$$

$$\begin{aligned}
 &= 15.28 \% \\
 5. \quad \underline{\text{Rate of return}} &= \frac{\text{Net Profit} \times 100}{\text{Total Investment}} \\
 &= \frac{660320 \times 100}{2610500} \\
 &= 25.29 \%
 \end{aligned}$$

6. Break Even Point (% of total Production envisaged)

(i) <u>Fixed Cost (per year).</u>	(RUPEES.)
a. Total Depreciation	200000
b. Rent	72000
c. Total interest	417680
d. 40% of salary & wages.	129600
e. 40% of other contingent expenses (excluding rent)	24000
Total Fixed Cost.	<u>843280</u>
 (ii) Net Profit per year	 = <u>660320/-</u>

$$\begin{aligned}
 \text{B.E.P.} &= \frac{\text{Fixed Cost} \times 100}{\text{Fixed cost} + \text{Profit}} \\
 &= \frac{843280 \times 100}{843280 + 660320} \\
 &= 56.08\%
 \end{aligned}$$

(I). **ADDRESSES OF MACHINERY & EQUIPMENT SUPPLIERS:-**

1. M/sJay Cee Enterprises Pvt. Ltd., 6, South Model Gram (1st. Floor), Dutta Building, Ludhiana.
2. Narinder International 285/35, Sunder Nagar, Ludhiana.
3. Sodhi Sewing System Co. C-4, Caliber Plaza, Ludhiana.

(J). **ADDRESSES OF RAW MATERIAL SUPPLIERS.**

Easily available in the local market.