

PROJECT PROFILE ON KNITTED BLOUSES

PRODUCT : **KNITTED BLOUSES**

PRODUCT CODE : **There is no specific code number for this product.**

QUALITY STANDARD : **There is no specific B.I.S. Specification for this product. However, the product may be manufactured as per the requirement of the market.**

MONTH & YEAR : **February, 2011**

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INTRODUCTION:

Hosiery Industry is an ancient industry in the field of textile and at present, this industry occupies an important place in the Industrial Scenario of our country by providing jobs to lakhs of people directly or indirectly and by earning valuable foreign exchange.

In this Report, efforts have been made to give detailed Project Report for manufacturing of Knitted Blouses, which was worn by the ladies for protection of body from the winter and is feasible in this area.

MARKET POTENTIAL.

There is good scope and demand of Knitted Blouses during the winter season in areas where there is a cold climate. The demand of these Blouses is increasing day by day due to its low cost and easy to wear and wash. The Knitting Machines, which are given in this report, can also be used for the manufacturing of other different items as per demand & requirements.

BASIS AND PRSUMPTIONS:

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 1st year, the capacity utilisation will be 60% followed by 75% 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 the Banks or by Financial Corporations.
5. Margin money required is minimum 30% of the Projected invest.
6. Pay Back Period of the Project: After the initial gestation period of one and a half year, it will require 5 years to pay back the loans.
7. The rental value of the work shed and other built up/covered area has been taken at the rate of Rs. 40/- per square meter.
8. The rates quoted in respect of machines, equipments 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:

1. Preparation of Project Report: -
 - a) Calling quotations. 1 Month.
 - b) Preparation. 2 Weeks.
2. Provisional Registration as SSI. 1 Week.
3. Financial arrangements. 3 Months.
4. Purchase and Procurement of Machinery. 2 Months.
5. Installation of machines 1 Month.
6. Electrification 1 Month.
7. Recruitment of Staff & Labour 1 Month.

TECHNICAL ASPECTS:

1. Process of manufacture:
 - a) Procurement of yarn.
 - b) Winding on the canes by Winding Machine.
 - c) Knitting of Panels.
 - d) Inspection & Mending.
 - e) Stitching & Over locking.
 - f) Washing.
 - g) Pressing (Ironing) & Packing as per customer's requirements.

2. Quality Specification:

There is no specific BIS specification for this product. However, the products may be manufactured as per requirements of the market.

3. Production Capacity:

Product: Knitted Blouses

Qty. : 24000 Pcs. Per Annum. Value : Rs. 31,68,000/-

4. Motive Power Requirements: 5 KW

5. Pollution Control Needs:

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

6. Energy Conservation:

As the power requirement is very little, this can be conserved by proper house keeping.

FINANCIAL ASPECTS:

1. Fixed Capital: a) Building:

150 sq. mts. The building is considered rental with monthly rent of Rs.6000/- p.m. @ Rs.40/- per sq. meter.

b) Machinery & Equipments:

<u>Sr. No.</u>	<u>Description</u>	<u>Qty</u>	<u>Rate</u>	<u>Value (Rs.)</u>
1.	Hand Operated Flat Knitting Machine – 12 gauge – 36” length.	10	12000	1,20,000/-
2.	Electric Winder, 6 spindle	1	12000	12,000/-
3.	Overlock Machine, three threads with motor & stand.	1	5000	5,000/-
4.	Sewing Machines (Lock stitch)	2	3000	6,000/-
5.	Electric Iron (Press) 16 lbs, pressing table, checking table, measuring instruments etc.	LS	LS	10,000/-
6.	Lab. Equipments i.e. Microscope Weighing Balance, Magnifying glass and other testing equipments and chemicals	LS	LS	10,000/-
7.	Erection and Electrification charges @ 10%			16,300/-
8.	Cost of office equipments, including office furniture, Almirah, typewriter, etc.			20,000/-
9.	Pre-operative expenses.			10,000/-
			Total Rs.	2,39,300/-

2. WORKING CAPITAL (P.M.)

a) Staff and Labour:

<u>Sr. No.</u>	<u>Designation</u>	<u>No.</u>	<u>Salary</u>	<u>Total (Rs.)</u>
1.	Manager/Supervisor	1	8000	8,000/-
2.	Accountant (Part-time)	1	2000	2,000/-

3.	Peon/Watchman	1	3500	3,500/-
4.	Skilled Workers	16	4000	64,000/-
5.	Unskilled Workers	2	3500	7,000/-
			Total Rs.	<u>82500/-</u>
	(+) Add perquisites @ 20%			16,500/-
			Total	<u>99000/-</u>

b) Raw Material (Including Packing) P.M.

<u>Sr. No.</u>	<u>Description</u>	<u>Qty.</u>	<u>Rate (Rs.)</u>	<u>Value (Rs.)</u>
1.	Dyed Acrylic 2/32 ² / 2/48 ² count (including wastage.)	400Kg.	180/- Kg.	72,000/-
2.	Cotton Yarn 20 ^s count.	50 Kg.	90/- Kg.	4,500/-
3.	Sewing thread, stickers, labels, Polythene bags, boxes, etc.		L.S.	10,000/-
			Total Rs.	<u>86,500/-</u>

c) Utilities (P.M.)

Power = 5 KW Rate = Rs. 5/- per unit.

Power Consumption $\frac{\text{Load X Working hour X day X Power factor X Rate}}{5 \times 8 \times 25 \times 5} = \underline{\text{Rs.5000/-}}$
 Water 500/-

d) Other Contingent Expenses (P.M.)

		<u>Rs.</u>
1.	Rent.	6000/-
2.	Postage & Stationery	2000/-
3.	Consumable Stores	1000/-
4.	Repair & Maintenance	1000/-
5.	Washing	5000/-
6.	Misc. expenses	1500/-
	Total Rs.	<u>16,500/-</u>

e) Total Recurring Expenditure (P.M.)

Rs.

a.	Staff & Labour.	99,000/-
b.	Raw Material.	86,500/-
c.	Utilities.	5,500/-
d.	Other contingent expenses.	16,500/-
Total Rs.		<u>2,07,500/-</u>

f) **Total Working Capital (on 3 months basis)**

Rs. 1,72,500/- X 3 = Rs. 6,22,500/-

3. **TOTAL CAPITAL INVESTMENT.**

a.	Fixed Capital	2,39,300/-
b.	Working Capital	6,22,500/-
Total Rs.		<u>8,61,800/-</u>

4. **MACHINERY UTILIZATION:**

75% Machinery utilization is considered for achieving the projected target.

FINANCIAL ANALYSIS.

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

1	Total recurring expenditure per year	24,90,000/-
2	Depreciation on machinery & equipments @ 10 % p.a.	16,300/-
3	Depreciation on office furniture @ 20% p.a.	4,000/-
4	Interest on total investment @ 12% p.a.	1,37,888/-
Total Rs.		<u>26,48,188/-</u>

2. **Turn Over (Per Year):**

<u>Items</u>	<u>Qty. (Pcs)</u>	<u>Rate (Rs.)</u>	<u>Value (Rs.)</u>
Knitted Blouses (Acrylic).	24000	132/-	<u>25,20,000/-</u>

3. **Net Profit (Per Year):** **Rs. 5,19,812/-**

4. **Net Profit Ratio:**

Net Profit X 100 = 5,19,812 X 100 = 16.40%

Turnover per annum 25, 20,000

5. **Net Rate of Return:**

$$\frac{\text{Net Profit} \times 100}{\text{Total Investment}} = \frac{5,19,812 \times 100}{8,61,800} = 60.31\%$$

6. **Break Even Point:**

I. **Fixed Cost:**

a. Depreciation on machinery & equipment	16,300/-
b. Depreciation on furniture.	4,000/-
c. Rent	72,000/-
d. Interest on total investment	1,37,888/-
e. 40% of salary & wages	4,75,200/-
f. 40% of other expenses.	50,400/-

Total Rs. 7,55,788

II. **PROFIT: Rs. 5,19,812 /-**

$$\text{BEP: } \frac{\text{Fixed cost} \times 100}{\text{Fixed cost} + \text{Profit}} = 59.24\%$$

NAMES AND ADDRESSES OF SUPPLIERS:

A. MACHINES:

1. M/s Elex Engineering Works,
475, Jail Road, Ludhiana
2. Narota Mechanical Works,
Bhai Bala Chowk, Ferozpur Road, Ludhiana
3. M/s Paul Mechanical Works,
G.T.Road, Ludhiana –141 003.

B. RAW MATERIAL:

1. M/s Vardhman Spinning & General Mills Ltd.,
Chandigarh Road, Ludhiana.
2. M/s Sona Woollen Mills,
156, Indl. Area-A, Ludhiana.
3. M/s Oswal Woollen Mills Ltd.,
Industrial Area- A, Ludhiana.