

PROJECT PROFILE ON LADIES' SWIMWEARS

PRODUCT : Ladies' Swimwears

PRODUCT CODE : There is no specific code number for this product but the Code No. 260399000 may be referred, which is for the item of other synthetic knitwears.

QUALITY STANDARD. : There is no specific BIS specifications for this product. However the products may be manufactured as per requirements of the market.

MONTH & YEAR OF PREPARATION : January, 2011

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A. INTRODUCTION.

This project is for manufacturing of knitted swimwears. Lycra is recognised as a natural fibre providing superior fit with no complicated tailoring. With the change in the clothing habits, it will certainly induce many knitting units to switch over to this type of fabric to manufacture high value fashion garments. Spandex fibre is already very popular in the West on global scenario because of its elastomeric properties especially for sportswears. The content ratio of Lycra yarn varies from 5% to 10% with the cotton yarn.

In this scheme guideline for manufacturing of cotton Lycra swimwear's is chalked out.

B. MARKET POTENTIAL.

Hosiery industry is an ancient industry in the field of textiles and having very good market within India and also in the export market. The garment sector alone has a big share in the India's total export. But this is not to say that the inherent potential has been tapped to the full. India's garment exports to the world market amount to just 2% of the total garment business, besides the large demand by developed and south East Asian countries, the Gulf countries have a large demand too. So far the cotton knitted sports garments manufacturing unit or coming up units having a great prospective future.

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 1st 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 three 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.

D. IMPLEMENTATION SCHEDULE.

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|------|--|----------|
| 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: -

- i) Dyed/ Bleached cotton knitted fabric with Lycra procures from the market.
- ii) Fabric is inspected by laying the fabric on the inspection table against light before cutting so that if any knitting fault or unevenness in the colour, which is visible in that may be marked.
- iii) Cutting is done on the cutting table by laying the fabric in layers.
- iv) Stitching is done on different machines as per requirement such as overlocking, flatlock, folding etc.
- v) Final checking is done before pressing and packing on the checking table.
- vi) Finally pieces are pressed and packed in the desired packing pattern.

2. Quality Specifications.

For quality product, inspect the garment for neatness, shape and cleanness finish, Look for oil stains, needle marks, yarn slubs, dropped stitches inaccurate seaming, uneven dyeing, holes, cuts etc. proper care must be taken at the time of selection of fabric, It must be of fine quality. The other required quality control measures are to be taken during production.

3. Production Capacity (Per Annum)

<u>ITEM</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
Cotton Lycra knitted swimwear	22500 doz.	2,02,50,000/-

4. Approximate Motive Power Requirements: = 10 H.P.

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 = 200 Sq. Mtrs – The building is considered rental with monthly rent of Rs. 8000/- per month @ Rs. 40/- per Sq. Mtr.

2. Machinery & Equipments.

<u>S. No.</u>	<u>Description Of Machines.</u>	<u>Qty</u>	<u>Price (Rs.)</u>
1.	High speed Overlock (four thread) machine with motor and stand (power 3 H.P.) (Imported)	5	2,25,000/-
2.	Flat folding machine with stand and table (total power (3 h.p.) (Imported)	3	1,80,000/-
3.	Straight knife cutting machine (Power ½ h.p.) (Indigenous)	1	40,000/-
4.	Rib cutting machine with motor stand (1/2 h.p.) (Indigenous)	1	5,000/-
5.	Sewing machine with motor stand (1 h.p.) (Indigenous)	2	10,000/-
6.	Scissors Press measuring instrument and other misc. items.	L.S.	10,000/-
7.	Laboratory equipment such as weighing balance magnifying glass, microscope and other testing equipment and chemicals.	L.S.	10,000/-
	Errection and electrification charges @ 10%		48,000/-
	Cost of office equipment, including Almirah, office furniture, type writer, etc.		25,000/-
	Pre-operative expenses.		7,000/-
		Total	<u>5,60,000/</u>
			<u>-</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/Manager	1	10000/-	10000/-
2.	Accountant (Part Time)	1	2000/-	2000/-
3.	Clerk/ Store keeper	1	5000/-	5000/-
4.	Peon –cum- Chowkidar	1	4500/-	4500/-
5.	Skilled Workers	8	5500/-	44000/-
6.	Unskilled Worker	3	4500/-	13500/-
			Total	79000/-
	Add Pre-requisites @ 20% of salary.			15800/-
			Total:	94800/-

ii) **Raw Materials Requirements. (Per Month).**

<u>Particulars</u>	<u>Qty.</u>	<u>Rate (Rs.)</u> (per kg.)	<u>Value</u> (Rs.)
Dyed/ bleached knitted clothes for garments (40 ^s cotton 90% and 40 denier Lycra 10%)	6000 kg	280/-	16,80,000/-
Elastic, Zips, Hooks, buttons, sticker etc.	L.S.	L.S.	1,12,500/-
Sewing Thread	L.S.	L.S.	5,000/-
Labels, Size label, polythene bags, mill board boxes etc.	L.S.	L.S.	50,000/-
		Total:	18,47,500/-

iii) **Utilities (Per Month) :-**

Power, Water charges. 6000/-

Iv) **Other Contingent Expenses (P.M.)**

	<u>(In Rupees.)</u>
1. Rent of building	8,000/-
2. Repair & Maintenance.	1,500/-
3. Consumables Stores	1,000/-
4. Stationery/Postage	1,500/-
5. Transportation Charges.	5,000/-
6. Advertisement and Publicity	5,000/-

7.	Insurance taxes telephone bills etc.	2,000/-
0	Total Rs.	<u>24,000/-</u>

v) **Total Recurring Expenses (Per Month):**

1.	Raw Material	18,47,500/-
2.	Personnel	63,000/-
3.	Utilities	6,000/-
4.	Other contingent expenses	24,000/-
	Total Rs.	<u>19,72,300/-</u>
	Working Capital for 3 months = 19,72,300 x 3 =	<u>59,16,900/-</u>

5) **Total Capital Investment.**

1.	Fixed Capital.	5,60,000/-
2.	Working capital for 3 Months	59,16,900/-
	Total Rs.	<u>64,76,900/-</u>

(G) **MACHINERY UTILISATION.**

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

(H) **FINANCIAL ANALYSIS.**

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

		<u>(Rupees.)</u>
1.	Total recurring cost per year.	2,36,67,600/-
2.	Depreciation on machinery & equipments @ 10%	52,800/-
3.	Interest on total investment @ 16% per annum	10,36,304/-
4.	Depreciation on office furniture fixtures @ 20%	5,000/-
	Total Rs.	<u>2,47,61,704/-</u>

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

<u>Item</u>	<u>Qty</u>	<u>Rate (Rs.)</u>	<u>Value (Rs.)</u>
Cotton Lycra Knitted swimwear	22500 Dozs.	1200/- per Doz.	2,70,00,000/ -

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

$$\begin{aligned} \text{Profit} &= \text{Sale} - \text{Production Cost.} \\ &= 2,70,00,000 - 2,47,61,704 = \mathbf{22,38,296/-} \end{aligned}$$

Net Profit Ratio

$$\begin{aligned} &= \frac{\text{Net Profit} \times 100}{\text{Turn over per year}} \\ &= \frac{2238296 \times 100}{27000000} = \mathbf{8.29 \%} \end{aligned}$$

5. Rate of return

$$\begin{aligned} &= \frac{\text{Net Profit} \times 100}{\text{Total Investment}} \\ &= \frac{2238296 \times 100}{6476900} = \mathbf{34.55 \%} \end{aligned}$$

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

(i) <u>Fixed Cost (per year).</u>	(RUPEES.)
a. Rent	96,000/-
b. Utility Charges.	72,000/-
c. Total Depreciation	57,800/-
d. Total interest	10,36,304/-
e. 40% of salary & wages.	4,55,040/-
f. 40% of other contingent expenses (excluding rent)	76,800/-
Total Fixed Cost.	<u>17,29,144/-</u>
(ii) Net Profit per year	= <u>22,38,296/-</u>

$$\begin{aligned} \text{B.E.P.} &= \frac{\text{Fixed Cost} \times 100}{\text{Fixed cost} + \text{Profit}} \\ &= \frac{1729144 \times 100}{1729144 + 2238296} = \mathbf{48.58\%} \end{aligned}$$

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

1. M/s. Akal Mechanical Works, Gali Vakilla, Purana Bazar, Ludhiana.
2. M/s Swaroop Mechanical Works, Overlock Building, Overlock Road, Ludhiana.
3. M/s Rita Mechanical Works Pvt. Ltd., 416, Industrial Area-A, Ludhiana.
4. M/s Sodhi Sewing Machine Co.,
3-4, AC Market, Bhadour House, Ludhiana

For imported machines Local suppliers may be contacted.

(J). ADDRESSES OF RAW MATERIAL SUPPLIERS.

KNITTED FABRIC

1. M/s Mayfair Fabric, 90 – Industrial Area –A, Ludhiana.
2. M/s Superfine Knitters Ltd., 269, Industrial Area, Ludhiana.
3. M/s Sharmanji Fabric, Bhadur Ke Road, Near Dana Mandi, Ludhiana.

SEWING THREAD / ELASTIC TAPES

1. M/s Vardhman Spinning and General Mills Ltd., Chandigarh Road, Ludhiana.
2. M/s Coats India Ltd., 144, M.G. Road, Bangalore.
3. M/s Modi Threads Ltd., Modi Nagar, Uttar Pradesh.
4. M/s D.P. Elastics, 3784, Nai Basti, Pahadi Dheeraj, Delhi.
5. M/s Techno-Elastics, 877, East Park Road, Karol Bagh, New Delhi.
6. M/s M.D.R. Tapes Pvt., 120, Pocket E –15, Sector-8, Rohini, New Delhi.