

## **PROJECT PROFILE ON BABY BLOOMER SUITS**

**PRODUCT** : **Baby Bloomer Suits**

**PRODUCT CODE** : **ASICC - 64420**

**QUALITY STANDARD.** : The product is a fashion item and there is no such specification for this item, however, quality of the product is depends upon the quality of the fabric,

**MONTH & YEAR OF PREPARATION** : **January 2011.**

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A. **INTRODUCTION.**

All the sections of the society use Baby suits knitted for their children as a dress material. These knitted bloomer suits have taken the place of other textile items as these are available in very attractive designs and colours and are easy to wash. Bloomers suits are made out of the tubular blended knitted cloth, which is available in the local market. The pieces are cut as per the size and shape of the item and are stitched accordingly. Embroidery and patchwork is also done to make the attractive designs on the Suits.

B. **MARKET POTENTIAL.**

There are number of units engaged in the manufacturing of knitting Baby suits, but even then the demand of these suits during the summer season is increasing day by day as these are cheap and attractive. These item suits to the each and every pocket as these are available in low as well as high prices, depending upon the quality of the fabric, designing and workmanship of the product. The demand of these suits is the rural as well as in the urban areas has shown that there is a good scope of such type of units, which can produce quality products. The scope for the export of these items to the Middle East countries and other European countries has further boosted the market of these items.

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 5 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.

i.	Preparation of Project Report.	
	1. Calling quotations	1 Month
	2. 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: -

Baby suits are made out of the tubular knitted cloth available in the local market. Tubular knitted cloth in different colours, counts and diameters is purchased from the market and is checked for the manufacturing defects. The cloth is laid on the cutting table for marking the shape and style of the suit. The shape is given by cutting the fabric by use of scissors or straight knife cutting machine. In case of printing or embroidery or patchwork is to be done for making the pieces attractive, then these pieces are sent for the same in the market for getting these works on job work basis. Then, these pieces are stitched on industrial sewing machines i.e. sewing machine, over lock and flat lock machine. Stitched pieces are checked and pressed for final packing. These packed pieces are sent to the market for sale.

### 2. Quality Specifications.

The product is a fashion item and there is no such specification for this item, however, quality of the product is depends upon the quality of the fabric,

### 3. Production Capacity (Per Annum)

<u>ITEM</u>	<u>Qty.</u>	<u>Value (Rs.)</u>
Baby Suits	12000 Dozens.	49,80,000

4. Approximate Motive Power Requirements: = 7H.P.(5KW)

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.

1. Fixed Capital.

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

2. Machinery & Equipments.

<u>S.No</u>	<u>Description Of Machines.</u>	<u>Qty</u>	<u>Rate(Rs.)</u>	<u>Price (Rs.)</u>
:				
1.	High speed overlock machine with motor and Stand	3	45000	135000
2.	High speed self lubricated flat lock stitch machine with motor & Stand	2	80000	160000
3.	Elastic insertion machine with motor and stand	1	80000	80000
4.	High speeds lock stitch machine with motor & stand.	2	15000	30000
5.	Rib cutting machine with stand and motor	1	5000	5000
6.	Office furniture, cutting tools, pressing table, racks, electric press, scissors measuring instruments	L.S.	50000	50000

7.	Electrification, installation, taxes etc.@10%	L.S.	L.S.	46000
		<b>Total Rs.</b>		<b>506000</b>

**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	6000/-	6000/-
2	Skilled Worker	6	4500/-	27000/-
3	Helpers	2	3500/-	7000/-
			<b>Total Rs.</b>	<b>40000/-</b>
	Add Pre-requisites @ 20% of salary.			8000/-
			<b>Total:</b>	<b>48000/-</b>

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

<u>Particulars</u>	<u>Value (Rs.)</u>
Dyed knitted PC cloth 1250 Kg @ Rs. 260/- per Kg.	3,25,000/-
Sewing thread, stickers, labels, polythene bags boxes etc.	40,000/-
<b>Total</b>	<b>3,65,000/-</b>

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

1. Power 7 HP @ Rs. 5.50/- per unit.	5500/-
2. Water	500/-
<b>Total</b>	<b>6000/-</b>

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

	<u>(In Rupees.)</u>
1. Rent of building	6000/-
2. Advertisement.	5000/-
3. Consumable Stores.	1000/-

4. Postage expenses/Telephone.	1500/-
5. Repairs & maintenance.	1000/-
6. Transport.	1000/-
7. Misc.	1000/-
8. Printing job work.	30,000/-
<b>Total:</b>	<b><u>46,500/-</u></b>

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

1. Staff & labour.	48,000/-
2. Raw material.	3,65,000/-
3. Utilities.	6,000/-
4. Other contingent expenses.	46,500/-
<b>Total Rs.</b>	<b><u>4,65,500/-</u></b>

**Working Capital for 3 months = 4,65,500 X 3= 13,96,500/-**

vi. **Total Capital Investment.**

a. Fixed Capital.	5,06,000/-
b. Working capital for 3 Months	<b>13,96,500/-</b>
<b>Total Rs.</b>	<b><u>19,02,500/-</u></b>

(G) **MACHINERY UTILISATION.**

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

(H) **FINANCIAL ANALYSIS.**

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

	<b><u>(Rupees.)</u></b>
a. Total recurring cost per year.	55,86,000/-
b. Depreciation on machinery & equipments @ 10%	41,000/-
c. Depreciation furniture fixtures. @20% per annum	10000/-
d. Interest on total investment @16% per annum	3,04,400/-
<b>Total Rs.</b>	<b><u>59,41,400/-</u></b>

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

<b>S.No</b>	<b><u>Item</u></b>	<b><u>Qty</u></b>	<b><u>Rate (Rs.)</u></b>	<b><u>Value (Rs.)</u></b>
	Bloomers suits	2000(Dozens )	550 per dozen.	66,00,000/-

3. **Net Profit = Rs. 6, 58,600/-**

4. **Net Profit Ratio**

$$\begin{aligned} &= \frac{\text{Net Profit} \times 100}{\text{Turn over per year}} \\ &= \frac{6,58,600 \times 100}{66,00,000} = \mathbf{9.97\%} \end{aligned}$$

5. **Rate of return**

$$\begin{aligned} &= \frac{\text{Net Profit} \times 100}{\text{Total Investment}} \\ &= \frac{6,58,600 \times 100}{19,02,500} = \mathbf{34.61\%} \end{aligned}$$

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

(i)	<b><u>Fixed Cost (per year).</u></b>	<b>(RUPEES.)</b>
a.	Total Depreciation	51,000
b.	Rent	72,000
c.	Total interest	3,04,400
d.	40% of salary & wages.	2,30,400
e.	40% of other contingent expenses (excluding rent)	1,94,400
	<b>Total Fixed Cost.</b>	<b>8,52,200</b>
(ii)	Net Profit per year	= <u>6,58,600/-</u>

$$\begin{aligned} \text{B.E.P.} &= \frac{\text{Fixed Cost} \times 100}{\text{Fixed cost} + \text{Profit}} \\ &= \frac{8,52,200 \times 100}{8,52,200 + 6,58,600} = \mathbf{56.40\%} \end{aligned}$$

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