

Baby Bloomer Suits

PRODUCT CODE	: 260308005
QUALITY AND STANDARDS	: The product is a fashion item and there is no such specification for this item, however, quality of the product depends upon the quality of the fabric.
MONTH AND YEAR OF PREPARATION	: May, 2003
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INTRODUCTION

Bloomer suits knitted are used by all the sections of the society for their children as a dress material. These bloomers have taken the place of textile items as these are available in very attractive designs and colours and are easy to wash. Bloomers 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 T-shirts, which is a part of the bloomer set.

MARKET POTENTIAL

There are number of units engaged in the manufacturing of bloomer 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 items suit 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 in the rural as well as 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.

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 prevailing in the State/Neighbouring States.
4. Interest rate for fixed and working capital has been taken @ 14% on an average, whether financed by bankers or by Financial Corporations.
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. 20.00 per square meter.
7. Pay back period of the project is 5 years after initial gestation period of one and 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

Sl.No.	Activity	Period
1.	Preparation of Project Report:	
	(i) Calling quotations	1 Month
	(ii) Preparation	2 Weeks
2.	Provisional Registration as SSI	1 week
3.	Financial Arrangement	3 Months
4.	Purchase and procurement of machines and equipments	2 Months

5. Installation of Machines	1 month
6. Electrification	1 month
7. Recruitment of Staff and Workers	1 month

TECHNICAL ASPECTS

Process of Manufacture

Bloomer 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 piece 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.

Quality Control and Standards

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

Production Capacity (per annum)

Item	Qty.	Amount (In Rs.)
Baby Bloomer Suits	12000 Dozens.	47,52,000

Motive Power 10 H.P.

Pollution Control

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

Energy Conservation

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

FINANCIAL ASPECTS

A. Fixed Capital

(i) Building = 100 Sq. Mtrs. The building is considered rental with monthly rent of Rs. 2000 per month @ Rs. 20 per sq. mtr.

(ii) Machinery and Equipments

Sl. No.	Description	Qty.	Rate (In Rs.)	Amount (In Rs.)
1.	High speed overlock machine with motor and Stand	3	45000	135000
2.	High speed self lubricated flat lock stitch machine with motor and Stand	2	60,000	1,20,000
3.	Elastic insertion machine with motor and stand	1	80000	80000
4.	High speed lock stitch machine with motor and 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
Total				4,66,000

B. Working Capital (per month)

(i) Personnel

Sl. No.	Designation	No.	Salary (In Rs.)	Amount (In Rs.)
1.	Supervisor/Manager	1	5000	5000
2.	Peon/Chowkidar	1	2250	2250

Sl. No.	Designation	No.	Salary (In Rs.)	Amount (In Rs.)
3.	Skilled Worker	8	3000	24000
4.	Helpers	3	2250	6750
Total				38000
Add Perquisites @ 10% of salary				3800
Total				41800
Or Say				42000

(ii) Raw Materials (per month)

Particulars	Amount (In Rs.)
Dyed knitted PC cloth 1250 Kg @ Rs. 160 per Kg.	2,00,000
Sewing thread, stickers, labels, polythene bags boxes etc.	40,000
Total	2,40,000

(iii) Utilities (per month)	(Rs.)
Power, Water	5000
Total	5000

(iv) Other Contingent Expenses (per month)(Rs.)	(Rs.)
1. Rent of building	2000
2. Advertisement	5000
3. Consumable Stores	500
4. Postage expenses/Telephone	1000
5. Repairs and maintenance	500
6. Transport	1000
7. Miscellaneous	500
8. Printing job work	30,000
Total	40,500

(v) Total Recurring Expenses (per month)	(Rs.)
1. Staff and labour	42,000
2. Raw material	2,40,000
3. Utilities	5,000
4. Other contingent expenses	40,500
Total	3,27,500

(vi) Working Capital for 3 months = Rs. 327500 × 3
= Rs. 9,82,500

C. Total Capital Investment

(a) Fixed Capital	Rs. 4,66,000
(b) Working capital for 3 Months	Rs. 9,82,500
Total	Rs. 14,48,500

MACHINERY UTILISATION

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

FINANCIAL ANALYSIS

(1) Cost of Production (per year)	(Rs.)
(a) Total recurring cost	39,30,000
(b) Depreciation on machinery and equipments @ 10%	41,000
(c) Depreciation on furniture, fixtures @ 20%	10000
(d) Interest on total investment @ 14%	2,02,790
Total	41,83,790
Say	4,18,4000

(2) Turnover (per year)

Sl. Item No.	Qty.	Rate (Rs.)	Value (Rs.)
Baby bloomer suits	12000 Dozens per dozen	396	47,52,000

(3) Net Profit = Rs. 5,68,000

(4) Net Profit Ratio = $\frac{\text{Net Profit} \times 100}{\text{Turn over per year}}$
 = $\frac{5,68,000 \times 100}{4,75,2000}$
 = 12%

(5) Rate of Return = $\frac{\text{Net Profit} \times 100}{\text{Total Investment}}$
 = $\frac{5,68,000 \times 100}{14,48,500}$
 = 39%

(6) Break-even Point (% of Total Production Envisaged)

(i) Fixed Cost (per year)	(Rs.)
a. Total Depreciation	51,000
b. Rent	24,000
c. Total interest	2,02,790
d. 40% of salary and wages	2,01,600
e. 40% of other contingent expenses (excluding rent)	1,84,800
Total	6,64,190

(ii) Net Profit (per year) = Rs. 5,68,000

B.E.P. = $\frac{\text{Fixed Cost} \times 100}{\text{Fixed cost} + \text{Profit}}$
 = $\frac{6,64,190 \times 100}{6,64,190 + 5,68,000}$
 = 54%

Addresses of Machinery And Equipment Suppliers

1. M/s. Akal Mechanical Works
Overlock Road,
Indl. Area-B,
Ludhiana.
2. M/s. Swaroop Mechanical Works
Gali Wakila, Purana Bazar,
Ludhiana.
3. M/s. Sodhi Sewing System Co.
C-4, Caliber Plaza,
Ludhiana.

Raw Material Suppliers

Easily available in the local market.