Swimming Costume

PRODUCT CODE	:	260311006
QUALITY AND STANDARDS	:	As per Customer's Specification
MONTH AND YEAR OF PREPARATION	:	May, 2003
PREPARED BY	:	Small Industries Service Institute 111 and 112, B.T. Road, Kolkata.

Introduction

Swimming suits are generally used by ladies during swimming in swimming pools, sea beaches etc. in order to keep the whole body at ease at the time of swimming. The demand for swimming suits in developed countries and developing countries is increasing. Manufacturing process of swimming suits is very simple and can be managed with a little knowledge of cutting and stitching. The raw material and the machinery required for this industry is available indigenously.

Market Potential

Swimming suits are in demand in local and western markets. Woman's ambition for sports seems to be very good. Swimming is also termed as a hobby of new generation. Young ladies like to swim at clubs, hotels and public swimming pools in order to maintain good physique, health etc. The ever increasing health consciousness has led to a huge demand for sports wears. It is, therefore, presumed that there will be enough market potential for these products.

Basis and Presumptions

1. This project is based on single shift basis with 8 hours and 300 working days in a year.
2. Working efficiency is considered at 75% in the first year and 80% in subsequent years.
3. Rental value indicated in the project is Rs. 20 per sq. mt.
4. The costs of machinery and equipment/material indicated refer to a particular make and approximately to those prevailing at the time of preparation of this project and are likely to vary from supplier to supplier and place to place.
5. Cost of installation and electrification is taken @ 10% of cost of machinery and equipment.
6. Non-refundable deposits, project report cost, trial production cost, security deposit with Electricity Board are taken under pre-operative expenses.
7. Depreciation has been considered @ 10% on plant and

machinery, 20% on furniture and fixtures, workshop accessories.

8. Interest on capital investment has been taken 14% per annum.
9. Minimum 25% of total investment is required as margin money.
10. Labour charges are taken as per Minimum Wages Act of State Government.

IMPLEMENTATION SCHEDULE

Sl.No. Activity	*Period*
1. Preparation of project report	1 month
2. Selection of site/working shed	1 month
3. Registration with Commissioner of Industries/DIC	1 month
4. Arrangement of finance (Term loan and working capital)	3 months
5. Procurement of machinery and equipment	1 month
6. Plant erection and electrification	2 weeks
7. Recruitment of manpower	1 month
8. Arrangement of raw material including packing material	1 month
9. Miscellaneous works like power/water connection, Pollution Control Board etc.	2 months

Note: Considering that some of the above activities may be overlapping, the project implementation will take a total period of six months approximately for starting the production.

TECHNICAL ASPECTS

Process of Manufacture

In the preparatory stage, interlock knitted polyester fabrics are procured from the markets and these rolls are spread on the cutting table for fashioning and cutting in accordance with the design prior to passing it to the tailoring section where they are stitched with the help of flat lock sewing machines to get the desired shape and style. Thereafer, it is passed to the quality checking section to check extra protruding threads. Snap fastners are attached wherever necessary.

All the garments obtained from sewing section are charged into washing machine containing mild detergents and washed for 2 hours in order to remove dirt and stains acquired during the manufacturing process. After washing, the garments are hydroextracted to remove excess water and after this, they further charged in tumbler dryer for drying to a required extent.

Final checking is done before pressing and packing by visualising the garments on the checking table so that any objectionable faults in the piece may be removed. The individual pieces are pressed by steam presses to remove wrinkle marks present in the pieces. All the checked garments are finally packed as per regular practice in the trade.

Quality Control and Standards

There is no specific standards prevailing for this product. However, precautions must be undertaken to purchase good quality fabrics and sewing thread with good colour fastness properties.

Production Capacity (per annum)

	Quantity (Pc.)	Value (Rs.)
Swimming Costumes of assorted size	1,40,000	1,28,80,000

Motive Power

Total power requirement will be 22 HP.

Pollution Control

There is no generation of pollution in this type of industry.

Energy conservation

Although power consumption is very low, wastage of energy can be minimised by proper housekeeping.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building	
Building area	400 sq. mt.
Rent (per month)	Rs. 8,000

(ii) Machinery and Equipments

Sl. No.	Description	No.	Rate (Rs.)	Amount (Rs.)
1.	Fabric inspection machine	1	90,000	90,000
2.	Flat lock stitching machine with motor	10	60,000	6,00,000
3.	Sewing machine with motor	4	5,000	20,000
4.	Eastman model fabric cutting machine	1	65,000	65,000
5.	Garment washing machine 25 kg. capacity	1	1,45,000	1,45,000
6.	Hydroextractor 25 kg. capacity	1	70,000	70,000
7.	Tumbler dryer 25 kg. capacity	1	1,40,000	1,40,000
8.	Steam press	4	25,000	10,0000
9.	Washing room trolleys	3	10,000	30,000
10.	Generator set 15 KVA	1	90,000	90,000
11.	Other Miscella-neous assets	LS	16,000	16,000
		Total		13,66,000

(iii) Other Fixed Assets		(Rs.)
(a)	Packaging and forwarding charges @ 5%	67,550
(b)	Erection and installation	1,35,100
(c)	Office furniture	25000
(d)	Pre-operative expenses	25000
	Total	2,52,650
	Total Fixed Capital	1618650

B. Working Capital (per month)

(i) Staff and labour Wages

Sl. No.	Designation	Nos.	Rate (Rs.)	Amount (Rs.)
1.	Manager	1	9,000	9,000
2.	Clerk/Store-keeper	1	3,500	3,500
3.	Watchman	1	2,250	2,250
4.	Peon	1	2,250	2,250
		Total		17,000
Production Staff				
1.	Cutting Master	1	7,000	7,000
2.	Production Supervisor	1	4,000	4,000
3.	Skilled workers	32	3,500	1,12,000
4.	Pressing man	4	3,000	12,000
5.	Unskilled workers/ Helpers	10	2,500	22,500
		Total		157500
		S. Total		174500
Perquisites @20%				34900
		G. Total		209400

(ii) Raw Material

Sl. No.	Description	Qty.(Kgs)	Rate/ Unit(Rs.)	Amount (Rs.)
1.	Interlock polyester knitted fabric	2,000	300	6,00,000
2.	Polyester sewing thread	LS	20,000	20,000
3.	Snap fastener, labels etc	LS	15,000	15,000
4.	Packing material	LS	10,000	12,000
			Total	64,7000

(iii) Utilities (per month)	(Rs.)
Electricity Water charges and Fuel for generator	13,500
Total	13,500

(iv) Other Contingent Expenses (per month)	(Rs.)
(a) Rent	8,000
(b) Postage/Stationery	1,000
(c) Repairs and maintenance	11,258
(d) Transport/travelling charges	1,000
(e) Insurance	500
(f) Miscellaneous	2,000
Total	23,758

(v) Total Recurring Expenses (per month) Rs. 8,93,658

(vi)Total Working Capital for 3 months Rs. 26,80,974

C. Total Capital Investment

(i) Machinery and equipments	Rs. 16,18,650
(ii) Working capital for 3 months	Rs. 26,80,974
Total	Rs. 4299624
Say	Rs. 4,29,9700

MACHINERY UTILISATION

Capacity utilisation is considered as 80% of installed capacity.

FINANCIAL ANALYSIS

(1) Cost of Production (per year)	(Rs.)
Recurring expenses	10,723,896
Depreciation on machinery @ 10%	1,35,100
Depreciation on office furniture and equipments @ 20%	8200
Interest on total investment @ 14%	6,01958
Total	1,14,69,154

(2) Turnover (per year)*(Sales)*

Product	Pcs.	Rate(Pc.) (Rs.)	(Amount) (Rs.)
Swimming Costumes of assorted sizes	1,40,000	92	1,28,80,000
Total	1,40,000		1,28,80,000

(3) Net Profit (per year) Rs. 14,10,846

(4) Net Profit Ratio (Net profit/ Turnover (per year) 10.9%

(5) Rate of Return on Investment (Net Profit/Total Capital Investment) 32.8%

(6) Break-even Point

Fixed Cost	(Rs.)
Rent	96,000
Depreciation	1,43,300
Interest on capital investment	6,01,958
40% of wages of staff and labour	10,05,120
40% of other contingent expenses	73,238
Insurance	6,000
Total	19,25,616

$$\text{B.E.P.} = \frac{FC \times 100}{FC + \text{Profit}}$$

$$= \frac{19,25,616 \times 100}{19,25,616+14,10,846}$$

$$= 57\%$$

Addresses of Machinery and Equipment Suppliers

1. M/s. Paras Special Machine Co. Madhopur Kucha No. 7, Rohan Road, Ludhiana.
2. M/s. Vijay Sewing Pvt. Ltd. 17-D, Everest House, 46-C, Chowringhee Road, Kolkata.
3. M/s. Industrial Machines Pvt. Ltd. 1/23 B, Asif Ali Road, New Delhi-110002.

4. M/s. Apparel and Leather Techniques Pvt. Ltd. Kaikondanahalli, Sarjapur Road, Near Bellandur Gate, Bangalore-560035.
5. M/s. Industrial Sewing Systems 30, Ramakrishna Street, North Usman Road, T. Nagar, Chennai.

Raw Material Suppliers

1. M/s. Vardhman Threads Mahavir Spinning Mills Ltd. Chandigarh Road, Ludhiana-141001.
2. M/s. Powerloom Cloth Manufacturing Centre Erode, Bhiwandi, Mumbai, Surat, etc.