

Track Suits

PRODUCT CODE	: 260399000
QUALITY AND STANDARDS	: IS 4375:1975
MONTH AND YEAR OF PREPARATION	: May, 2003
PREPARED BY	: Office of the Development Commissioner Small Scale Industries Nirman Bhavan, New Delhi-110011.

INTRODUCTION

Track suit is the dress for sportsmen and sportswomen for track and field. Good quality track suits are made from cotton/nylon knitted fabric after cutting and stitching. In this project profile, it is proposed to manufacture this item from nylon/cotton interlock knitted fabric. Generally track suits are made from navy blue and maroon colours but these can also be made in any colour combination. The track suit is a two piece garment i.e. Top and Trouser. Top is collar half front open shirt having nylon zip for closing the front and trouser having elastic belt, nylon zip at the bottom portion of legs, white vertical stripes at the outsides of both legs. Top is also having white vertical stripes at sleeves.

The manufacture of track suit is simple and entrepreneurs having knowledge of cutting and stitching can easily set up this type of industry. The raw material and machinery required for the manufacture of track suit can be sourced indigenously.

MARKET POTENTIAL

Track suits are mainly used by the sports persons while they are playing in the field. This type of dress is also used by the ordinary persons when they go for walking and for some indoor games. The field of sport is emerging the world over, therefore the requirement of suitable dress for the purpose is very essential. There has been good demand in domestic and export markets for this item.

BASIS AND PRESUMPTIONS

This project is based on single shift basis with 300 working days in a year. Time period for achieving maximum capacity utilisation is considered from 3rd year from the date on which production is started. Rental value of the building is taken as Rs. 20 per sq. mt. Costs of machinery and equipment/materials indicated refer to particular make and approximately to those prevailing at the time of preparation of this project.

Cost of installation and electrification is taken @ 10% of cost of machinery and equipment. Non-refundable deposits, project report cost, trial production, security deposit with State Electricity Board are classified under pre-operative expenses.

Depreciation has been considered at 10% on plant and machinery, 20% on office furniture and fixtures and 25% on workshop accessories. Interest rate on capital loan has been taken @ 14% per annum. Amount of margin money required is 25% of total investment.

IMPLEMENTATION SCHEDULE

<i>Sl.No. Activity</i>	<i>Period</i>
1. Selection of site/ working shed	1 month
2. Formation of company (ownership/partnership)	1 month
3. Preparation of feasibility report	1 month
4. Registration with Commissioner of Industries/DIC	1 month
5. Arrangement of finance (Term loan and working capital)	3 months
6. Procurement of machinery and equipment	1 month
7. Plant erection and electrification	2 weeks
8. Arrangement of raw material including packaging material	1 month
9. Recruitment of manpower	1 month
10. Miscellaneous works like power/water connection etc.	2 months

Note: Considering that some of the above activities may be overlapping, the project implementation will take a period of 6 months approximately for starting the production.

TECHNICAL ASPECTS

Process of Manufacture

Suitable and reliable supplier for cotton knitted fabric and nylon fabric are identified and procured from them. Both the fabrics are inspected by passing them through fabric inspection machine faults if any found in the fabric are removed. The inspected fabric is sent to cutting section where the fabric is spread on the cutting table for cutting into desired size of different pieces. These cut pieces are stitched to give final shape of track suits. Finally, the suits are charged into garment washing machine and treated in washing detergent for sometimes. After down loading the garments from washing machine, they are put into hydroextracting machine to remove excess water and dried in dryer tumbler to a required extent.

Finally, the suits are checked to find out any manufacturing defects and abnormal measurement. The garments after receiving from inspection are pressed to remove wrinkle marks developed by washing, hydroextracting and drying machines. Garments obtained from pressing section are folded and packed in the polythene bags for marketing.

Quality Control and Standards

No Indian standards are prevailing for track suits. The track suits are generally made as per the choice of customers. Care must be taken to purchase good quality cotton, nylon and other trimmings and embellishment materials in order to maintain quality of end products.

Production Capacity (per annum)

Product	Quantity (Pcs.)	Value (Rs.)
Track suits	2,76,000	6,21,00,000
Total	2,76,000	6,21,00,000

Motive Power

Total 35 HP is required to run the unit at full capacity. This is proposed to be met from State Electricity Board.

Pollution Control

Not required.

Energy Conservation

Energy can be conserved by proper house keeping and installing suitable motors.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building

Covered area	500 sq. mt.
Uncovered area	50 sq. mt.
Rent per month @ Rs. 20/sq.mt.	11,000

(ii) Machinery and Equipments

Sl. No.	Description	Nos.	Rate (Rs.)	Amount (Rs.)
1.	Fabric inspection machine	1	1,49,000	1,49,000
2.	Motorised fabric cutting machine	1	80,000	80,000
3.	Overlock stitching machine with motor	20	6,000	1,20,000
4.	Flat lock stitching machine with motor	4	80,000	3,20,000
5.	Sewing machine with motor	20	4,000	80,000
6.	Rib cutting machine with motor	4	6,000	24,000
7.	Garment washing machine 50 kg. capacity	2	1,45,000	2,90,000
8.	Hydroextractor 25 kg. capacity	2	75,000	1,50,000

Sl. No.	Description	Nos.	Rate (Rs.)	Amount (Rs.)
9.	Drying tumbler 25 kg. capacity	1	1,40,000	1,40,000
10.	Wash room trolleys fitted with ball bearing rollers	3	10,000	30,000
11.	Electric iron	10	2,000	20,000
12.	Workshop accessories	LS	25,000	25,000
			Total	14,28,000

(iii) Other Fixed Assets		(Rs.)
(a)	Erection and installation	1,35,300
(b)	Office furniture	35,000
(c)	Pre-operative expenses	25,000
Total		1,95,300
Total Fixed Capital		16,23,300

B. Working Capital (per month)

(i) Staff and Labour Wages

Sl. No.	Designation	Nos.	Rate (Rs.)	Amount (Rs.)
1.	Manager	1	8,000	8,000
2.	Sales Officer	1	6,000	6,000
3.	Clerk/Typist	1	3,000	3,000
4.	Peon	1	2,500	2,500
5.	Watchman	1	2,500	2,500
			Total	22,000
<i>Production Staff</i>				
1.	Cutting master	1	6,000	6,000
2.	Supervisor	1	4,000	4,000
3.	Skilled workers	4	4,000	16,000
4.	Tailors	51	3,500	1,78,500
5.	Pressman	10	3,000	30,000
6.	Helpers	7	2,500	17,500
			Total	2,52,000
<i>Prerequisites @ 20%</i>				54,800
G. Total				3,28,800

(ii) Raw Material

Sl. No.	Description	Unit	Qty.	Rate/Unit	Amount (Rs.)
1.	Cotton fabric	Kgs.	19,800	135	26,73,000
2.	Nylon fabric in different colour	Kgs.	5,000	250	12,50,000
3.	Embroidery charges	LS			60,000
4.	Sewing thread @Rs. 2/pc.	Pcs.	23,000	2	46,000
5.	Zip (synthetic)		11,500	15	1,72,500
6.	Button, elastic tape etc.	LS			90,000
7.	Packing material @ Rs. 2/pc.		23,000	2	46,000
8.	Washing detergent	LS			4,000
			Total		43,41,500

(iii) Utilities	(Rs.)
Electricity Bill	19,000
Water charges	
Total	19,000

(iv) Other Contingent Expenses	(Rs.)
(a) Rent	11,000
(b) Postage/stationery	1,000
(c) Repair and maintenance	11,275
(d) Transport/travelling charges	1,000
(e) Insurance	800
(f) Telephone Bills	2,000
(g) Miscellaneous expenses	3,000
Total	30,075

(v) Total Recurring Expenses (per month) Rs. 47,19,375

(vi) Total Working Capital for 3 months Rs. 1,41,58,125

C. Total Capital Investment

(i) Machinery and equipment	Rs. 16,23,300
(ii) Working capital for 3 months	Rs. 1,41,58,125
Total	Rs. 1,57,81,425

MACHINERY UTILISATION

Capacity utilisation is considered as 75% of installed capacity.

FINANCIAL ANALYSIS

(1) Cost of Production (per year)	(Rs.)
Recurring expenses	5,66,32,500
Depreciation on machinery @ 10%	1,35,300
Depreciation on office furniture and workshop accessories @ 20%	12,000
Interest on total investment @ 14%	22,09,399
Total	5,89,89,200

(2) Turnover (per year)

Product	Qty. (Pcs.)	Rate/ Pc.	Amount (Rs.)
Track suits of different sizes	2,76,000	225	6,21,00,000
Total			6,21,00,000

(3) Net Profit (per year) Rs. 3,110,800

(3) Net Profit Ratio (Net profit/Turnover per year) 5%

(4) Rate of Return on Investment (Net Profit/Total Capital Investment) 19.7%

(6) Break-even Point

Fixed Cost	(Rs.)
Depreciation	1,47,300
Rent	1,32,000
Interest on capital investment	22,09,399
40% of wages of staff and labour	15,78,240
40% of other contingent expenses	87,720
Insurance	9,600
Total	41,64,259

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

$$= \frac{4164259 \times 100}{7275059}$$

$$= 57\%$$

Addresses of Machinery and Equipment Suppliers

1. M/s. Bharat Machinery Works
44, Industrial Area-A,
Ludhiana.
2. M/s. Moonlight Knitting Machinery Works
Vishvakarma Colony,
Ludhiana.
3. M/s. S.T.M. Knitting Machinery Works
Near Savitry Complex,
G.T. Road,
Ludhiana.
4. M/s. Punjab Machinery Works
Vishvakarma Chowk,
Near Fire Brigade,
Ludhiana.
5. M/s. Sagaritans Agency Divn.
46-A, Rafi Ahmed Kidwai Road,
Kolkata-16.

6. M/s. Bengal Hosiery Machinery Concern
361/B, Rabindra Sarani,
Kolkata.
7. M/s. Swarup Mechanical Works
Overlock Building,
Overlock Road,
Ludhiana-141003.
8. M/s. Rajan Hosiery Industries
21-B, New Outab Road,
Near Sadar Bazar,
Delhi-6.

Raw Material Suppliers

1. M/s. Mahavir Spinning and General Mills
Hoshiarpur (Punjab).
2. M/s. Adinath Textiles Ltd.
Registered Office,
Village: Bholapur,
P.O. Sahibana, Chandigarh Road,
Ludhiana.