

Wind Cheater

PRODUCT CODE	: N.A.
QUALITY AND STANDARDS	: N.A.
MONTH AND YEAR OF PREPARATION	: August, 2002
PREPARED BY	: Small Industries Service Institute Opposite Okhla Industrial Estate, New Delhi-110020.

INTRODUCTION

Wind cheater is a special type of garment generally used as an outerwear. This is usually made from synthetic cloth as this is very simple to wash. It is very useful for the two wheeler riders in order to get protection from chilly cold weather and dust from pre-summer. It also serves the purpose of guarding the main formal dress from soiling. Wind cheaters are easily washable as these are made from water repellent synthetic fabrics. It is preferred that unit should manufacture wind cheaters of different colours so as to attract different customers.

MARKET POTENTIAL

At present these products are mostly manufactured in Delhi, and adjacent areas. Earlier, the raw material required for this product was not easily available and due to this, few units were established to manufacture this outerwear. As this product was also not very popular to the consumers, the units are mostly confined in selected places

to fulfil the demand. Now-a-days young people use it as a protective clothing from chilly weather and dust. The demand for this product is significantly increasing. Hence, units for the manufacture of wind cheaters can be set up in different areas.

BASIS AND PRESUMPTIONS

This project is based on single shift basis and 300 working days in a year. The time for achieving maximum capacity utilisation is considered from 3rd year from the date on which the production is started. Rental value indicated in the project is Rs. 30 per sq. mt. Costs of machinery and equipment/material indicated refer to a particular make and approximate 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 deposits with Electricity Board are taken as 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 on capital loan has been considered at 14% per annum.

IMPLEMENTATION SCHEDULE

Implementation time for executing different types of works such as selection of site/working shed, forming of company to commissioning of project will take a total period of five months. This, however, depends upon the completion of works within specific time.

TECHNICAL ASPECTS

Process of Manufacture

Synthetic dyed water repellent fabrics are used as raw material for this product. This fabric is cut into pieces as per the design of the product and stitched on sewing machines. Zips and cords are attached to the garment as per specifications. The individual garment is folded and packed for the buyers.

Quality Control and Standards

No Indian standards are existing. Wind cheaters are manufactured and supplied as per the customer's choice. However, attention is required to procure good quality synthetic fabrics and other items.

Production Capacity (per annum)

	Quantity	Value (Rs.)
Wind Cheaters	75,000	41,25,000
Total	75,000	41,25,000

Motive Power

7 HP is required to run this unit at full capacity. This is proposed to be obtained from the State Electricity Board.

Pollution Control

This industry does not generate pollution.

Energy Conservation

Energy can be saved by proper house-keeping.

FINANCIAL ASPECTS

A. Fixed Capital

(i) Land and Building	
Covered area	150 sq. mt.
Uncovered area	Nil
Rent/month @ Rs. 20/sq. mt.	3,000

(ii) Machinery and Equipments

Sl. No.	Description	No.	Rate (Rs.)	Amount (Rs.)
1.	Umbrella sewing machine with motor and other accessories	10	4,000	40,000
2.	Overlock stitching machine with motor + stand	2	5,000	10,000
3.	Cutting Table	1	3,500	3,500
4.	Miscellaneous items tools, iron, racks etc.	LS	20,000	20,000
	Total			73,500

(iii) Other Fixed Assets		(Rs.)
(a) Erection and installation		5,200
(b) Electrification		10,000
(c) Office furniture		10,000
(d) Pre-operative expenses		15,000
	Total	40,200
	Total Fixed Capital	1,13,700

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.	Accountant/clerk	1	3,500	3,500

Sl. Designation No.	Nos.	Rate (Rs.)	Amount (Rs.)
3. Peon	1	2,500	2,500
	Total		14,000
<i>Production Staff</i>			
1. Cutting Master	1	7,500	7,500
2. Production Supervisor	1	6,000	6,000
3. Machine Operators	12	4,000	48,000
4. Helpers	6	2,500	15,000
	Total		79,500
	<i>Perquisites @ 20%</i>		18,100
	G. Total		1,08,600

(ii) Raw Material (per month)

Sl. Description No.	Qty. (mts.)	Rate (Rs.)	Amount (Rs.)
1. Synthetic fabric	2,250	65	1,46,250
2. Cotton sewing thread Elastic tape Zip etc.	LS	LS	32,000
3. Embroidery and Stickers		LS	5,000
4. Packing materials		LS	5,000
	Total		1,88,250

(iii) Utilities (per month)	(Rs.)
Electricity bill and Water charges	3,700
Total	Rs 3,700

(iv) Other Contingent Expenses (per month) (Rs.)	(Rs.)
(a) Rent	3,000
(b) Postage/stationery	500
(c) Repair and maintenance	600
(d) Transport/travelling charges	500
(e) Miscellaneous expenses	1,000
Total	5,600

(v) Total Recurring Expenses (per month) Rs. 3,06,150

(vi) Total Working Capital for 3 months Rs. 9,18,450

C. Total Capital Investment

(i) Machinery and equipment	Rs. 1,13,700
(ii) Working capital for 3 months	Rs. 9,18,450
Total	Rs. 10,32,150

MACHINERY UTILISATION

Capacity utilisation is considered as 75% of installed capacity.

FINANCIAL ANALYSIS

(1) Cost of Production (per year)	(Rs.)
Recurring expenses	36,73,800
Depreciation on machinery @ 10%	6,520
Depreciation on office furniture and other accessories @ 20%	6,700
Interest on total investment @ 14%	1,44,501
Total	38,31,521

(2) Turnover (per year) Sales

Product	Qty. (nos.)	Rate/pc. (Rs.)	Amount (Rs.)
Wind Cheaters	75,000	60	45,00,000
Total			45,00,000

(3) Net Profit (per year) Rs. 6,68,479

(4) Net profit Ratio (Net Profit/Turnover over per year) 14.80%

(5) Rate of Return on Investment (Net Profit/Total Capital Investment) 64%

(6) Break-even Point

Fixed Cost	(Rs.)
Depreciation	13,220
Rent	36,000
Interest on capital investment	1,44,501
40% of wages of staff and labour	5,21,280
40% of other contingent expenses	12,480
Total	7,27,481

$$\begin{aligned}
 \text{B.E.P.} &= \frac{\text{FC} \times 100}{\text{FC} + \text{profit}} \\
 &= \frac{727481 \times 100}{727481 + 668479} \\
 &= 52\%
 \end{aligned}$$

Addresses of Machinery and Equipment Suppliers

1. M/s. Indian Sewing Machine Co. Ltd.
Connaught Place,
New Delhi.
2. M/s. Usha International
40, Rajasthan Indl. Distributors,
H-3, Mohan Co-op. Indl. Estate,
Mathura Road,
New Delhi-20.
3. M/s. Paul Bros and Co.
1523, Nai Sarak,
Delhi-6.
4. M/s. Rita Machinery Works
Industrial Area "A",

Railway Crossing,
Ludhiana.

Overlock/Flatlock Stitching Machine Suppliers

1. M/s. Rajan Hosiery Industries
21, New Outab Road,
Near Fire Station,
Sadar Bazar,
New Delhi-110006.
2. M/s. Haryana Trading Co.
88, New Model Basti,
New Delhi -110005.

The raw material is easily available at Chandni Chowk, Sadar Bazar and Gandhi Nagar in Delhi and other local markets.