PROF. NO.43

PROJECT PROFILE ON HOSIERY PRODUCTS MANUFACTURING UNIT

1. INTRODUCTION

Hosiery products are the undergarments like Baniyan and Underwears for man similarly panties for women. These garments are necessary and consumables for each class and age person.

2. MARKET DEMAND

Every person need at least 1-2 sets of these garments every year. Few persons keep more number of sets of these. Normal life of one set is around 1 year, hence every year every one need garments. Thus, the demand of these garments exists in all areas.

3. PRODUCTION TARGETS

Basis of estimation: 300 Working Days in a Year
Single Shift basis
8 hours per shift

	Banians	**Underwears**
Quantity (Dorzen Numbers)	4800	3600
Value (Rs)	1152000	777600

4. MANUFACTURING PROCESS

The fabric in different colours/ designs is cut with scissors as per required design size and product. The cut pieces are stitched with the help of stitching/ interlocking machine. Elastic tape would also stitch\ Fix incase of underwear. These stitch pieces are packed after inspection for dispatch.

5. QUALITY CONTROL STANDARDS

Product must have following qualities:

a. Colour of cloth must be uniform and strong enough so it would not change within first few washing.
b. Elastic qualities must be good it may not loose its elastic property.
c. Stitching / Interlocking must be strong enough.

6. LAND & BUILDING

1.	Covered area	Sq. Ft.	500
2.	Uncovered area	Sq. Ft.	200
3.	Total area	Sq. Ft.	700
4.	Whether constructed or Rented		Rented
5.	If constructed, constructed value	Rs	N.A.
6.	If Rented, Rental value (per month)	Rs	2000

7. MACHINERY AND EQUIPMENT

S.N.	Description	Qty.	Value (Rs.)
1.	5 thread flat Lock Sewing machines	1	100000
2.	4 thread flat Lock Sewing machines		
3.	8 thread flat Lock Sewing machines		
4.	3 thread flat Lock Sewing machines		
5.	Rib cutting Machine		

6.	Overlock machines threads with motors	L.S.	
7.	Electric irons	L.S.	
8.	Pressing tables, cutting tables, stools, office furniture, racks tools etc.	L.S.	
9.	Sales Tax, Freight & Insurance etc.		10000
	Total		110000

8. RAW MATERIAL (PER MONTH)

S.N.	Particulars	Quantity (Meters)	Value (Rs)
1.	Bleached cloth suitable for Baniyans	360	54000
2.	Bleached cloth suitable for Underwears	200	25000
3.	Sewing thread, Elastic and packing materials like polythene and boxes etc.	L.S.	6000
4.	Packaging Material	L.S.	3000
		Total	88000

9. STAFF & LABOUR (PER MONTH)

S.N.	Particulars	Qty	Rate	Value (Rs)
A	Administrative and Supervisory			
(i)	Manager	1	3000	3000
(ii)	Peon/ Chowkidar	1	2000	2000
B	Technical (Skilled-Unskilled)			
(i)	Skilled Worker	2	3000	6000
(ii)	Unskilled Worker	4	2000	8000
	Sub-Total			19000
	Plus perquisites @ 30% of salaries			7700
	TOTAL			26700

9. OTHER EXPENSES (PER MONTH)

1.	Rent of Land & Building	2000
2.	Electricity Charges	500
3.	Fuel Exp.	0
4.	Advertisement & Travelling	1000
5.	Transport	1000
6.	Consumable & stores etc.	1000
7.	Potage expenses/ telephones	500
8.	Stationery	500
9.	Repairs & Maintenance’s	500
	Total	7000

10. WORKING CAPITAL (FOR ONE MONTH)

SL.NO.	DESCRIPTION	AMOUNT(RS)
1	Raw material	88000
2	Salaries & Wages	26700
3	Other Expenses	7000
	Total	121700

11. TOTAL CAPITAL INVESTMENT

Building & Other Civil Works	-
Machinery & Equipment	110000
Working capital for one month	121700
Total	231700

12. COST OF PRODUCTION (PER ANNUM)

Total recurring cost per year	1460400
Depreciation on machinery & equipment	11000
Interest on total investment @ 10%	23000
Total	1494400

13. SALES PROCEEDS (PER ANNUM)

S.N.	Item	Qty (Dz. Nos)	Rate Rs./ Dz. No.	Value (Rs.)
1.	Baniyans	4800	240	1152000
2.	Underwears	3600	216	777600
	Total			1929600

14. PROFITABILITY (BEFORE INCOME TAX)

1.	Annual Gross Profit	435200
2.	% of Profit on Sales	22.55%
3.	Break Even Analysis	
3.1	Annual Fixed Cost	404400
3.2	Annual Sales	1929600
3.3	Annual Variable Cost	1056000
3.4	Break Even Point	46.29%

Break-Even Analysis

(% of Total Production envisaged)

$$\frac{\text{Annual fixed cost} \times 100}{\text{Annual sales} - \text{Annual variable costs}} = \quad \%$$

15. Manufactures/ Suppliers of Machinery

1	Bombay Machinery & Tools Syndicate 79, Siyaganj, Indore -452 007. Ph.- 536431,542067.
2.	Jitendra Agencies 5, shivsadan, sardar patel marg, Indore.
3.	Indore machinery stores 40, siyaganj, main road, Indore 452 007 Ph. 534339
4.	Huma Traders Infront of shajanabad thana, Shajanabad, Satna(m.p.)

5.	Maruti Sales Corporation Badshah Chamber, 45, Jawahar Marg, Indore (M.P.) 452 004
6.	Singer Sewing Machine Company Netaji Subhas Marg, Daryaganj, Delhi
7.	Dealers of Singer and Usha Sewing Machines throughout India

16. Suppliers of Raw Materials

From Local cloth market of the area.

17. IMPLEMENTATION PERIOD

Proposed Project can commence production with in 6-8 weeks after sanction and first disbursement of term loan.

18. ASSUMPTION FOR GENERATING PROJECT PROFITABILITY

1	Number of Working Days in a year	300 Days
2	Number of Shifts in a day	1 One
3	Hours in a Shift	8 hours
4	Plant Capacity	Consider on Average production capacities of plant.
5	Raw material Estimates	Based upon product Mix
6	Raw Material Availability	All districts of MP
7	Depreciation	Straight Line Method
8	Manpower	According to project Requirement
9	Rent estimate	On the basis of current market prize of the area.
10	Potential Area of Marketing the products	Households demand of the area.
11	If project is funded, term loan would be	60-80% of Total investment
12	Moratorium Period	6- 12 months
13	Repayment Period	5-7 years
14	Project may be established under	PMEGP (GOI) / Tribal Self Employment Scheme (NSTFDC) or Rani Durgawati Scheme of MP