

Profile No.: 8

NIC Code:

LADIES SUITS

1. INTRODUCTION:

While global fashion trends bring garments of new style and design in market every day, women also look for a standard looking, easy to wear and functional outfit for long term use. Ladies suit is such a common outfit for women. It comprises of a kurta or top, salwar or churidar and optionally a dupatta. It provides ease of physical movement, convenience of household and office functions without any hurdles and smart look. It is formal dressing for women and can be worn on all occasions.

2. PRODUCT & ITS APPLICATION:

Ladies suit comprising of two or three pieces (with or without dupatta) is a formal dress and is used on all occasions. The use of Ladies suit started in north India and gradually spread to almost entire India. Over period of time, the variety in top or kurta has expanded to long kurta, short kurta, with or without sleeves and variety in churidar has expanded to leggings, palazzo and skirts etc. The use of this outfit is also growing outside India and increasing number of women in Asia and Europe now wear Salwar Kurta Dupatta in different styles & designs.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Graduate in any discipline.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

An increasing number of women now prefer to work and therefore need formal clothing. Ladies suit offers good look, physical comfort and perfect functionality in office as well as industrial duties. It can also be worn on all outdoor occasions.

Therefore the market for this product is simply huge. The price of a ladies suit varies from low of ₹ 500 to high of ₹ 10,000 depending on type of material, design, style, fitting and accessories etc. There are several branded and unbranded (local labels) products in the market. Although the competition is severe, there is room for every player to find his niche offering the right product and price. There is also some market for partly stitched ladies suits and unstitched dress material.

5. RAW MATERIAL REQUIREMENTS:

The main raw material is fabric. Variety of cotton and synthetic fabric is available in all major cities. Accessories like buttons, laces, zippers, patches, danglers, piping etc. are also easily available with traders dealing in tailoring materials or dress materials.

6. MANUFACTURING PROCESS:

The fabric purchased in roll form is spread in layers on the cutting table. Patterns of various parts of the garment made out of card board or plywood or metal are laid on the fabric in such a way that wastage of fabric is minimized. Several layers of fabric are then cut through vertical motorized blade. Garments are stitched in assembly line manner wherein each machine operator completes only a part of the product. The stitching starts on the 1st machine and gets completed at the last stage where the product is inspected for quality defects if any. Garments are then cleaned of loose yarn or dirt and packed in plastic bags as per customer requirements.

7. MANPOWER REQUIREMENT:

The enterprise shall need 42 employees as detailed below:

Sr. No.	Designation of Employees	Monthly Salary ₹	Number of employees required	Annual cost ₹. in lacs
	Variable Labor / Workers:			
1	Machine Operators	12,000	25	36.00
2	Helpers	8,000	13	12.48
	Fixed Staff Costs:			
1	Production supervisor	25,000	1	3.00
2	Accounts Executive	15,000	1	1.80
3	Stores Assistant	12,000	1	1.44
4	Office Boy	8,000	1	0.96
	Total		42	55.68

8. IMPLEMENTATION SCHEDULE:

The project can be implemented in 3 months as shown below:

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1.00
2	Construction (if applicable)	-
3	Procurement & installation of Plant & Machinery	2.00
4	Arrangement of Finance	2.00
5	Recruitment of required manpower	2.00
	Total time required (some activities shall run concurrently)	3.00

9. COST OF PROJECT:

Detailed cost of project is shown below:

Sr. No.	Particulars	₹ in Lacs
1	Land	-
2	Building	-
3	Plant & Machinery	15.95
4	Furniture, Electrical Installations	5.00
5	Other Assets including Preliminary / Pre-operative expenses	1.50
6	Margin for Working Capital	5.37
	Total	27.82

10. MEANS OF FINANCE:

Bank term loans are assumed @ 60% of fixed assets. The proposed funding pattern is as under:

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	14.36
2	Bank Finance	13.47
	Total	27.82

11. WORKING CAPITAL CALCULATION:

The project requires working capital of ₹ 8.79 lacs as detailed below:

Sr. No.	Particulars	Gross Amt.	Margin %	Margin Amt.	Bank Finance
1	Inventories	8.05	40%	3.22	4.83
2	Receivables	3.28	40%	1.31	1.97
3	Overheads	3.10	100%	3.10	-
4	Creditors	-5.63	40%	-2.25	-3.38
	Total	8.79		5.37	3.42

12. LIST OF MACHINERY REQUIRED:

Sr. No.	Particulars	UOM	Qty.	Rate (₹)	Value (₹ in Lacs)
	Plan & Machinery / equipments				
a)	Main Machinery				
i.	Single Needle Machine	Nos	10.00	60,000	6.00
ii.	Double Needle Machine	Nos	5.00	75,000	3.75
iii.	Border/Piping machine	Nos	3.00	50,000	1.50
iv.	Over-lock Machine	Nos	3.00	40,000	1.20
v	Cutting Table & machine	Nos	2.00	1,00,000	2.00
vi.	Embroidary Machine	Nos	2.00	75,000	1.50
	<i>sub-total Plant & Machinery</i>				15.95
	Furniture / Electrical installations				
a)	Inspection tables	Nos	2.00	25,000	0.50
b)	Office & Store furniture	LS	1.00	1,50,000	1.50
c)	Desktop computer & printer	Nos	2.00	50,000	1.00
d)	Storage system	LS	1.00	2,00,000	2.00
	<i>sub total</i>				5.00
	Other Assets				
a)	Rent Deposits		2.00	75,000	1.50
	<i>sub-total Other Assets</i>				1.50
	Total				22.45

13. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity	%	60%	70%	80%	90%	100%
2	Sales	₹ in Lacs	112.38	131.11	149.84	168.56	187.29
3	Raw Materials & Other direct inputs	₹ in Lacs	92.88	108.36	123.84	139.32	154.80
4	Gross Margin	₹ in Lacs	19.50	22.74	25.99	29.24	32.49
5	Overheads except interest	₹ in Lacs	18.58	18.58	18.58	18.58	18.58
6	Interest	₹ in Lacs	1.93	1.93	1.93	1.93	1.93
7	Depreciation	₹ in Lacs	1.65	1.65	1.65	1.65	1.65
8	Net Profit before tax	₹ in Lacs	-2.66	0.59	3.84	7.09	10.33

14. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 63.10% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹. In Lacs	187.29
2	Variable costs	₹. In Lacs	154.80
3	Fixed costs incl. interest	₹. In Lacs	20.50
4	$BEP = FC/SR-VC \times 100 =$	% of sales	63.10%