



FOR MANUFACTURING “ELASTIC TAPE”

Introduction

In a country like India with growing population, the increase in demand for the readymade garments is a continuing process. A good dress should give importance to three basic parameters. These are comfort to wearer, matching colours and climate adjustments.

Elastic tapes are required for the purpose of holding the garments tightly when it is worn by the persons. In addition to providing comfort, it also increases the life of the garments. Generally, elastic tapes are used in undergarments like briefs, panties, brassiers, baggies, children's dress etc. It is also used in suitcases for inside straps for better grip holding and in car seats for safety driving.

Market Potential

With the increasing demand for the undergarments and ready made garments, there is a wide scope for the garment ancillary units including the elastic tapes. There is always good demand for the elastic tapes.

Basis and presumptions

- This project is based on single shift basis and 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 indicated in the project is Rs.20 per sq. mt.
- 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.
- 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 Electricity Board etc. are taken under pre-operative expenses.
- Depreciation has been considered as 10% on plant and machinery, 15% on office furniture and fixtures and 20% on workshop accessories.
- Interest on capital investment has been taken @ 18% per annum.

Implementation Schedule

	<i>Period</i>
➤ Selection of site / working shed	1 month
➤ Formation of company (ownership / partnership)	1 month
➤ Registration with Commissioner of Industries / DIC	1 month
➤ Procurement of machinery and equipment	1 month
➤ Arrangement of finance (Term loan and working capital)	3 months
➤ Selection of market channel	1 month
➤ Plant erection and electrification	2 weeks
➤ Arrangement of raw material including packaging material	1 month
➤ Recruitment of manpower	1 month
➤ 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 total period of six months approximately for starting the production

Technical Aspects

(i) Process of Manufacture:

Different types of yarn like viscose, nylon and cotton are placed on creel for working purpose as per design. Warp is prepared on warping machine. It is to be ensured that no loose threads are present in the warp sheet in order to run the machine without stoppage. Prepared warp beam is shifted to needle loom and individual threads are drawn as per design. When the machine starts weaving, the woven tapes will come out of the machine and finally wound on the rolls. After finishing on finishing machine, rolls are packed into polythene packs for supply to the customers.



(ii) Quality Control

The product should be clean from oil stains, cuts, any other defects etc. Care should be taken while manufacturing to avoid occurrence of the above faults.

(iii) Production Capacity (per annum)

Product	Quantity (Mts.)	Value (Rs.)
<i>Elastic Tape</i>	16,80,000	84,00,000

(i) Motive Power

25 HP is required to run this unit.

(v) Pollution Control

Although not required, however, entrepreneurs have to contact State Pollution Control Board for necessary guidance.

(vi) Energy Conservation

Energy can be saved by proper house-keeping and selection of machinery and other electrical equipment.

Financial Aspects

(i) Fixed Capital

Land and Building

Factory Shed	150 sq. metre
Store (Raw material)	25 sq. metre
Office etc.	25 sq. metre
Total covered area	200 sq. metre
Rent per month @ Rs.20/- per sq. mt.	Rs.4,000/-



(ii) Machinery and Equipment

Sl.No	Description	No.	Rate (Rs)	Amount (Rs.)
1	High speed needle loom 12 shaft front reed 12" without back frame and beam Model 6/27 Varitex	2	5,00,000	10,00,000
2	Warping machine type b 350 suitable or 350 mm dia and 250 mm width with maximum warp speed 180 mts. / min.	1	12,00,00	12,00,00
3	Creel for 250 ends	1	80,000	80,000
4	Aluminum flanged beams bolted	50	800	40,000
5	Finishing machine series FS-2 main drum guide rollers made of SS 304 dia 800 mm, length 1210 mm, 36 heaters, maximum speed 36 mts. / min.	1	2,25,000	2,25,000
6	Back frames	3	10,000	30,000
7	Measuring and winding machine suitable for making rolls upto 30 mm. Dia	1	40,000	40,000
8	Fire fighting equipment	LS	10,000	10,000
9	Lab. Equipment	LS	10,000	10,000
Total				15,55,000

LS : Lumpsum



(iii) Other Fixed Assets

Sl. No.	Description	Amount (Rs)
1.	Erection and installation	1,53,500
2.	Office furniture	20,000
3.	Pre-operative expenses	20,000
	Total	1,93,500

Total Fixed Capital 17,48,500

Working Capital (per month)

(i) Staff and Labour Wages

Sl. No	Designation	Nos	Rate (Rs.)	Amount (Rs)
1	Plant Manager	1	8,000	8000
2	Sales Officer	1	5,000	5000
3	Accountant / Cashier	1	3,500	3500
4	Peon	2	2,000	4000
5	Supervisor	1	4,000	4000
6	Skilled worker	4	3,500	14000
7	Unskilled worker	2	2,500	5000
Total				43,500
Perquisites 20%				8,700
Grand Total				52,200

(ii) Raw Material

Sl. No	Description	Quantity (Kg.)	Rate/unit (Rs.)	Amount (Rs.)
1	Crimped Nylon yarn 1/120	1000	200	2,00,000
2	Viscose 450 Dn. Yarn	750	90	67,500
3	2/32s Cotton yarn	750	105	78,750
4	Latex thread	775	100	77,500
5	Glue / starch	100	10	1000
Total				4,24,750



(iii) Utilities (per month)

Sl. No.	Description	Amount (Rs)
1.	Electricity bill	12,000
2.	Water charges	500
	Total	12,500

(iv) Other Expenses (per month)

Sl. No.	Description	Amount (Rs.)
1.	Rent	4,000
2.	Postage / Stationery	500
3.	Repair & maintenance	12,792
4.	Transport / travelling Charges	1,000
5.	Insurance	1,000
6.	Telephone bills	2,000
7.	Miscellaneous	1,000
	Total	22,292

(V) Total recurring expenses (per month) 5,11,742

(VI) Total working capital for 3 months 15,35,225

Total Capital Investment

Sl. No	Description	Amount (Rs.)
1	Machinery and equipment	17,48,500
2	Working capital for 3 months	15,35,225
	Total	32,83,725

Machinery Utilisation

Capacity utilisation is considered as 75% of installed capacity.



Financial Analysis

(i) Cost of production (per year)

Sl. No.	Description	Amount (Rs.)
1.	Recurring expenses	61,40,900
2.	Depreciation on machinery @ 10%	1,53,500
3.	Depreciation on office furniture @ 15%	3000
4.	Depreciation on other fixed assets @ 20%	4000
5.	Interest on total investment @ 18%	5,91,071
	Total cost of production (per year)	68,92,471

(iii) Turn over / per year (Sales)

Product	Quantity (Mts.)	Rate/Dzs (Pair) (Rs)	Amount (Rs)
Elastic Tape	16,80,000	5	84,00,000

Net Profit (per year) 15,07,530

Net Profit Ratio (Net profit/Turn over per year) 17.95%

Rate of return on investment (Net Profit/Total Capital Investment) 45.91%

Break-even Point

Fixed Cost

Sl.No.	Description	Amount (Rs.)
1	Rent	48,000
2	Depreciation	1,60,500
3	Interest on capital investment	5,91,071
4	40% of wages of staff and labour	2,50,560
5	40% of other expenses	1,43,000
6	Insurance	12,000
	Total fixed cost	12,05,131

Fixed Cost X 100 / Fixed Cost + Profit



Names and addresses of machinery and equipment suppliers

Sl. No	Names and addresses of the suppliers
1	M/s. Baku Bhai Ambalal, 3-Marwah Estate, Saki Vihar Road, Sakinaka, Mumbai-700 072
2	M/s. Prashant Engg. Co., Plot No.4/1-A, GIDC Estate, Vatva, Ahmedabad-382445

Names and addresses of raw material suppliers

Sl. No	Names and addresses of the suppliers
1	M/s. Moupan Ltd., Modi Nagar, (U.P.)
2	M/s. Lohia Machine Ltd. (Fibre Div.), C-3 & 4, Panki Industrial Estate, Kanpur (U.P)
3.	M/s. Vardhaman Spinning and General Mills Ltd, Chandigarh Road, Ludhiana (Punjab)
4.	M/s. India Spinners and Processors, 5309, Basti Harphool Singh, Delhi – 110006