

PROJECT PROFILE ON GENTS SHIRTS AND TROUSERS

NAME OF THE PRODUCT : GENTS SHIRTS AND TROUSERS.

PRODUCT CODE : 264104005.

QUALITY & STANDARD : The following Indian Standards may be referred.

Garment Quality Guide – IS:12675.

Readymade Garment – IS: 4039.
Packaging for Export.

Garment Guide for – IS:10194.
Positioning of Labels.

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INTRODUCTION:

Manufacturing of Shirts and Trousers are under the category of the readymade Garment industry. Readymade garment industry has occupied a unique place in the industrial scenario of our country by generating substantial export earnings and creating a lot of employment. Its contribution to industrial production, employment and export earnings are very significant. This industry provides one of the basic necessities of life. The employment provided by it is a source of livelihood for millions of people. It also provides maximum employment with minimum capital investment. Since this industry is highly labour-intensive, it is ideally suited to Indian condition. This project report is prepared for the manufacture of gent's shirts, gent's trousers as they find wide acceptance in local and international markets. Any person having the knowledge of cutting and stitching operations can easily set up such establishments.

MARKET POTENTIAL:

Readymade garments are the choice of urban people. It is also gaining wider acceptance in semi-urban and rural areas. The huge charges made by tailors and delay in delivery has made people to switch over to readymade garments. In domestic market and export market, it has made spectacular progress in the last decade. This industry is becoming very vibrant and lot of foreign investment pouring in this industry because of low risk and high earning nature of this industry. As these products are fashion-oriented, entrepreneurs should always keep in mind the changing fashion styles. Considering its advantageous position, it is assumed that there will be no constraints in the marketing of gent's readymade garments.

BASIS & PRESUMPTIONS:

1. This project is based on single shift basis and 300 working days in a year.
2. Since this industry is labour-intensive, the working efficiency is considered at 75%.
3. 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.

4. Installation and electrification cost is taken @ 10% of the cost of machinery and equipment.
5. Non-refundable deposits, project report cost, trial production, security deposits with Electricity Board are taken under pre-operative expenses.
6. Depreciation has been considered: (a) On Building @ 5%
(b) On plant and machinery @ 10%
(c) On office furniture and fixtures @ 20% (d) On other fixed assets @ 15%.
7. Interest on capital investment has been taken @ 16% per annum.
8. Minimum 25% of total investment is required as margin money.

IMPLEMENTATION SCHEDULE

Implementation period in months for executing this project in stage-wise is given below:

Sl. No.	Activity	Period
1.	Selection of site/working shed	1 month
2.	Formation of the company (ownership/partnership)	1 month
3.	Preparation of feasibility report	1 month
4.	Registration with the commissioner of Industries/DIC	1 month
5.	Arrangement of finance (Term loan and working capital)	3 month
6.	Procurement of machinery and equipment	1 month
7.	Plant erection and electrification	2 weeks
8.	Arrangement of raw material including packaging material etc.	1 month
9.	Recruitment of manpower	1 month
10.	Selection of market channel	1 month
11.	Miscellaneous works like power/water connection etc.	2 month
12.	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

Process of Manufacture: The manufacturing process involves the following steps:

1. Procurement of Fabrics

Procurement of Fabric: Dyed/bleached/printed cotton/synthetic fabrics as per demand are to be procured from the open market. The fabric will be inspected by laying on the inspection table against light before cutting so that unevenness in colour/shade or any other fault, if any visible in the fabric is eliminated.

Cutting and Stitching: The inspected fabric is placed on the cutting table in layers and then the different parts of the respective garments are demarked by chalk as per different sizes. Cutting is carried out by the cutting machine. Stitching is carried out for the individual portion of the garments by skilled workers with the help of over-lock, lock stitch machines, etc.

Washing, Checking, Pressing, and Packing: All garments are charged into a washing machine containing mild detergent and washed for 4 hours in order to remove dirt and stains acquired during the manufacturing process. After washing, the garments are hydro extracted to remove excess water and after this, these garments are dried in a tumbler dryer. Final checking is done before pressing and packing on the checking table so that any fault in the piece may be removed and protruding threads eliminated. The individual pieces are pressed by steam presses to remove any wrinkle marks and packed in the carton boxes.

QUALITY CONTROL & STANDARD: The quality of garments mainly depends on quality of fabric used. Therefore, care must be taken while purchasing fabrics to ensure good colour fastness properties, uniformity in shade etc. Generally garments are made as per customer's specification in respect of size, design and fashion.

Sl. No.	BIS No.	Title
1.	IS:12675	Garment Quality Guide
2.	IS:4039	Readymade Garment Packaging for Export.
3.	IS:10194	Garment Guide for Positioning of Labels.

PRODUCTION CAPACITY (Per Year):

Products	Quantity (Pcs)	Value Rs.
Gents Shirts	90,000]	5,58,00,000/-
Gents Trousers	90,000]	

MOTIVE POWER REQUIRED:

Total 30 HP is required to run this unit at installed capacity.

POLLUTION CONTROL:

The process of manufacture does not generate pollution. However, entrepreneurs are to contact State Pollution Control Board for necessary guidance.

ENERGY CONSERVATION:

Maximum care should be taken while selecting the machinery and other electrical equipments so as to ensure minimum power consumption.

FINANCIAL ASPECTS:

(A) Fixed Capital

(i) Land & Building:

Land : 800 Sq. mtr.
Rent @ Rs. 37.5 per Sq. mtr. Rs.30,000/-

Building Area

Factory Shed : 200 Sq. mtr.
Store (Raw Material) : 50 Sq.mtr
Store (Finished Goods): 50 Sq.mtr
Total Covered Area : 300 Sq.mtr

(ii) Machinery & Equipments

Sr.No	Machinery Description	Qty.Nos	Rate(Rs)	Value (Rs.)
1	Single Needle Lock Stitch Machine With Motor	50	23,650/-	13,60,000/-
2	6" Power driven cloth cutting machine	1	57,500/-	57,500/-
3	2 Needle Overlock Safety Stitching Machine with Trimmer	1	57,500/-	57,500/-
4	Double Needle Lock Stitch Machine	2	86,500/-	1,73,000/-
5.	Button Hole making Machine	1	1,67,000/-	1,67,000/-
6.	Button Stitching Machine	1	86,500/-	86,500/-
7.	Hot Fusing Press	1	75,000/-	75,000/-
8.	Garment Washing Machine 25 Kg capacity	1	1,67,000/-	1,67,000/-
9.	Hydro extractor 25 Kg capacity	1	80,000	80,000/-
10.	Tumbler Dryer 25 Kg capacity	1	1,61,000/-	1,61,000/-
11.	Flat Bed Steam Iron Press with Vacuum Table	4	86,500/-	3,46,000/-
12.	Zig Zag Embroidery Machine	1	52,000/-	52,000/-
13.	Generator Set 30 KVA	1	1,15,000/-	1,15,000/-
14.	Wash Room Trolleys	4	11,500/-	11,500/-
			Total	29,32,500/-

(iii) Other Fixed Assets

Sr.No	Machinery Description	Cost
1.	Erection and installation	2,50,000/-
2.	Office Furniture	45,000/-
3.	Pre-operative expenses	35,000/-
Total		3,30,000/-
Total Fixed Capital		32,62,500/-

(B) Working Capital (per month)**(i) Staff & Labour (Per Month):**

Sr. No.	Personnel	No.	Rate (Rs.)	Amount (Rs.)
1.	Marketing Manager	1	12,000	12,000/-
2.	Sales Representative	1	8,000	8,000/-
3.	Accounts Officer	1	6,000	6,000/-
4.	Clerk/ Store-Keeper	2	4,000	8,000/-
5.	Electrician	1	4,000	4,000/-
6.	Peon/Watchman	2	4,000	4,000/-
Total				42,000/-

Production Staff:

Sr. No.	Personnel	No.	Rate (Rs.)	Amount (Rs.)
7.	Production Manager	1	12,000	12,000/-
8.	Cutting Master	1	10,000	10,000/-
9.	Skilled Workers	55	4,000	2,20,000/-
10.	Pressman	4	4,000	16,000/-
11.	Unskilled Workers	6	3,500	21,000/-
Total				3,21,000/-
Perquisites @ 20% on the total salary				56,000/-
Grand Total				3,77,000/-

(ii) Raw Material (Per month):

Sr. No.	Item description	Qty. /Unit	Rate (Rs.)	Value (Rs.)
1.	Cotton Fabric Shirts (Mtrs.)	16,500	90/-	14,85,000/-
2.	Blended Fabric for Trousers (Mtrs.).	10,000	165/-	16,50,000/-
3.	Trims and Embellishments (Nos.)	7,500	17/-	1,27,500/-
4.	Sewing Thread (Mtrs)	15,000	LS	1,50,000/-
5.	Washing Detergent	--	LS	7,500/-
6.	Packing Material (Nos.)	15,000	4/-	60,000/-
Grand Total				34,80,000/-

(iii) Utilities: (Per Month)

S. No.	Particulars	Cost
1.	Electricity	30,000/-
2.	Water charges	3,000/-
3.	Fuel for Generator Set	7,000/-
Total		40,000/-

(iv) Other Contingent Expense (Per Month):

S. No.	Particulars	Cost
1.	Rent	30,000/-
2.	Advertisement & Publicity	5,000/-
3.	Postage & Stationery	1,500/-
4.	Repair and maintenance	2,500/-
5.	Transport /Traveling charges	6,000/-
6.	Telephone Bills	2,500/-
7.	Miscellaneous Expenses	2,500/-
Total		50,000/-

(v) Total Recurring expenses (per month):

S. No.	Particulars	Cost
1.	Staff & Labour	3,77,000/-
2.	Raw Material	34,80,000/-
3.	Utilities	40,000/-
4.	Other contingent expenses	50,000/-
Total		39,47,000/-

(vi) Total Working Capital for 3 months: $3947000 \times 3 =$ Rs. **1,18,41,000/-**

(C) TOTAL CAPITAL INVESTMENT:

1. Total Fixed Capital	Rs.	32,63,500/-
2. Working Capital for 3 months	Rs.	1,18,41,000/-
Total:	Rs.	1,51,04,500/-

MACHINERY UTILISATION:

Capacity utilization of plant and machinery is considered as 75% of installed capacity. However, this can be improved to 80% during 3rd year of production.

FINANCIAL ASPECTS:

(1) Cost Of Production (Per Annum)

S. No.	Particulars	Cost
1.	Recurring Expenses	4,73,64,000/-
2.	Depreciation on Machinery @ 10%	2,93,250/-
3.	Depreciation on Office Furniture & other fixed assets @ 20%	66,000/-
4.	Interest on Total Investment @ 16%	24,16,720/-
Total		5,01,13,970/-

(2) Turn Over(per year) by Sales

Products	Quantity	Rate/Pc. (Rs.)	Value (Rs.)
Gents Shirts	90,000	260	2,34,00,000/-
Gents Trousers	90,000	360	3,24,00,000/-
Total			5,58,00,000/-

(3) Net Profit (per year) (Before Income Tax)

Sales Value	(-)	Cost of Production		
5,58,00,000/-	(-)	5,01,13,970-	Rs.	56,86,030/-

(4) Net Profit Ratio:

$$\frac{\text{Net profit X 100}}{\text{Turn Over/Annum}} = \frac{56,86,030 \text{ X } 100}{5,58,00,000} = 10.19\%$$

(5)Rate of Return on Investment:

(Net Profit/Total Capital Investment)

$$\frac{\text{Annual Profit X 100}}{\text{Total Capital Investment}} = \frac{56,86,030 \text{ X } 100}{1,49,78,500} = 37.96$$

(6) Break Even Point/Analysis: Fixed

Cost (Per Annum):

S. No.	Particulars	Cost
1.	Rent	3,60,000/-
2.	Depreciation Machinery @10% Office Furniture and other fixed assest@20%	3,59,250/-
3.	Interest on Capital Investment @16%	24,16,720/-
4.	40% of Wages of Staff & Labour	18,09,600/-
5.	40% of other contingent expenses (excluding Rent)	96,000/-
Total		50,41,570/-

Break Even Point:

$$\frac{\text{Fixed Cost X 100}}{\text{Fixed Cost + Profit}} = \frac{50,41,570 \text{ X } 100}{50,41,570 + 56,86,030} = 47.00$$

Name & Addresses of Machinery & Equipment Suppliers

- | Sl. No. | Name & Address |
|----------------|--|
| 1. | M/s Paras Special Machine Co.,
Madhopur Kucha No. 7,
Rohan Road, Ludhiana. |
| 2. | M/s Mehala Machines India Limited, C-
62, Okhla Industrial Area, Phase-1, New
Delhi-110020. |
| 3. | M/s Vijay Sewing (P) Ltd.,
17-D, Everest House, 46-C,
Chowringhee Road, Kolkata. |
| 4. | M/s Industrial Machines Pvt. Ltd.,
1/23 B, Asaf Ali Road, New Delhi-110002. |
| 5. | M/s Apparel & Leather Techniques Pvt. Ltd.,
Kaikondanahalli, Near Bellaandur Gate,
Bangalore-560035. |
| 6. | M/s Industrial Sewing Systems,
30, Ramakrishna Street, North Usman Road, T.
Nagar, Chennai. |
| 7. | JUKI Machinery (India) Pvt. Ltd.,
A-215/B, Okhla Industrial Area, Phase-1, New
Delhi. |
| 8. | M/s B. B. Corporation,
123-B, Dada Nagar, Kanpur. |
| 9. | M/s Star International Pvt. Ltd.,
Star Tower, 109/366-2, R. K. Nagar, G.T.
Road, Kanpur. |
| 10. | M/s Mehala Machine India Ltd.,
Plot NO. 18, Block H-1, 117/447, Pandu Nagar,
Kanpur. |

Name & Addresses of Raw Material Suppliers:

- | Sl. No. | Address |
|----------------|---|
| 1. | M/s Vardhman Threads, Mahavir
Spinning Mills Ltd.,
Chandigarh Road,
Ludhiana-141001. |
| 2. | Local Market. |