READYMADE GARMENTS

1. Introduction

This project profile is based on manufacture of readymade garments such as shirts, trousers tops, ladies suits (Salwar kameez and nighties). The demand of readymade garments is increasing day by day due to urbanization of the cities. The garments are very simple to manufacture and easily marketable both in urban and rural areas.

2. Market potential

The market for readymade garments is increasing in India and abroad and has a good scope, especially for ladies and children garments. The marketing of garments will not be a problem provided the users are made aware of the cost benefit. All over the country significant local market is available for different types of products in garments.

3. Technical details

(a) Manufacturing process

In woven fabrics, different types of colour and design are available in the open market. After checking unevenness of fabric and defects before cutting of the clothes, the fabric is then marked by coloured chalk of shape different parts as per design and size of the garments and cut over the marking manually by using scissors. The stitching of different parts of the garments is carried out in sewing machine and overlock machine. The garments are labeled, pressed and then packed in polythene packets, followed by carton boxes for dispatch.

(b) Production targets 4,800 Nos.

(c) Utilities (power water fuel etc. per month) 2 KW

4. Details of plant and machinery

S. No.	Items	Qty.	Rate (Rs.)	Value (Rs.)
1.	Foot operated sewing machine	3 Nos.	3,000.00	9,000.00
2.	Over Lock Stitching Machine with 0.5 HP Motors and stand fitted on table	1 No.	5,000.00	5,000.00
			TOTAL	**14,000.00**

5. Cost of the project

S. No.	Items	Total cost (in Rs.)
1.	Building (200 sq ft rented)	Rented
2.	Plant and machinery (Including installation)	14,000.00
3.	Misc. Fixed Assets (Dummies, Scissors, Presses, Scales etc.)	10,000.00
4.	Furniture and fixtures (including office equipments)	10,000.00

5.	Preliminary and pre-operative expenses	4,000.00
6.	Contingencies (including cost escalation)	2,000.00
7.	Working capital	60,000.00
	TOTAL	**1,00,000.00**

6. Means of finance

S. No.	Items	Total cost (in Rs.)	%age
1.	Promoters' Contribution	-	-
2.	NSTFDC - Term Loan	87,000.00	87.00
3.	M.M.L. - SCA	13,000.00	13.00
	TOTAL	**1,00,000.00**	**100.00**

Note: The State Channelising Agencies shall arrange to provide subsidy to beneficiary(ies) as per norms of their Corporation. Further, SCAs may also make efforts to avail incentive/subsidy from other centrally sponsored schemes.

7. Utilities (per annum)

S. No.	Items	Total cost (in Rs.)
1.	Power	12,000.00
2.	Water	3,600.00
	TOTAL	**15,600.00**

8. Manpower requirement (per month)

S. No.	Category	No.	Salary/Person (Rs.)	Total (in Rs.)
1.	Managerial	Self	4000.00	4000.00
2.	Supervisor Cutter	1	3500.00	3500.00
3.	Skilled	2	3,000.00	6,000.00
4.	Unskilled	1	2,500.00	2,000.00
			TOTAL	**15,500.00**

9. Raw material requirement

S. No.	Items	Qty. (mtr)	Rates (Rs.)	Value (Rs.)
1.	Cotton/synthetic plain & printed fabric of various colours and shades.	500	40 per mtr.	20,000.00
2.	Cotton printed fabric in different colours and shades	500	30 per mtr.	15,000.00
3.	Terry cot fabric in different colours and Shades	50	60 per mtr.	3,000.00
4.	Misc. items like sewing threads cotton yarn button, hook, laces, packing material etc.	LS		12,000.00
			TOTAL	**50,000.00**

10. Working capital requirement

S. No.	Items	Period (Month)	Amount (in Rs.)
1.	Raw Material	1/2	25,000.00
2.	Stores & spares	1/4	500.00
3.	Stock in process	1/2	12,000.00
4.	Finished Goods	1/2	15,000.00
5.	Receivable/debtors	1	5,500.00
6.	Other Current assets	1	2,000.00
		TOTAL	**60,000.00**

11. Project economics (Annual)

A. Sales realisation

S. No.	Item	Qty. (Nos.)	Rate (Rs.)	Value (Rs.)
(i)	Shirt/tops	1000	150	1,50,000
(ii)	Trousers	900	300	2,70,000
(iii)	Ladies Suit	1,900	200	3,80,000
(iv)	Nighty	1,000	100	1,00,000
	TOTAL	**4,800**		**9,00,000**

B. Cost of production (Per annum)

S. No.	Items	Amount (in Rs.)
(i)	Raw material (including Packing material)	6,00,000.00
(ii)	Stores & Spares	6,000.00
(iii)	Utilities (power, fuel, water etc.	15,600.00
(iv)	Salaries and wages	1,86,000.00
(v)	Rent	24,000.00
(vi)	Transportation/Freight	6,000.00
(vii)	Selling expenses (including advertising distribution cost, commission and rebates)	4,000.00
(viii)	Repair and Maintenance	2,000.00
(ix)	Interest	6,000.00
	TOTAL	**8,49,600.00**
C.	**Cash Profit (A-C)**	**50,400.00**
D.	**Depreciation @ 15% of fixed assets costs**	**5,100.00**
E	**Profit before tax (D-E)**	**45,300.00**
F.	**Taxes**	**-**
G.	**Profit after tax**	**45,300.00**

12. Viability indicators

S. No.	Particulars	Amount
1.	Repayment per annum (period - 5 years)	20,000.00
2.	Return on Investment	45.30%
3.	Debt Service Coverage Ratio	2.17%

13. Interest, moratorium & repayment period for beneficiaries

(a)	Interest	:	6% p.a. on NSTFDC term loan
(b)	Moratorium period	:	6 months from date of release of funds by SCA.
(c)	Repayment period	:	5 years excluding moratorium period.

14. General remarks

- The Cost of Plant and Machinery has been taken on the basis of items manufactured by standard/reputed suppliers having sound service network. The suppliers shall preferably be based in local areas or nearby States.
- Optimum working capital cycle has been taken for calculating the requirements.
- The cost of project will vary in different States & region

It is assumed that the products/services have good demand and the promoters have sound experience in the relevant fields.