

# Manufacture of Shirt (top) and Skirts

PRODUCT CODE	:	264104
QUALITY AND STANDARDS	:	Garment Quality Guide IS 12675 Children Garment Packaging for Export IS 4039 Garments Guide for Positioning of Labels IS 1094
PRODUCTION CAPACITY	:	Qty. : Shirts/Tops : 108,000 Pieces Skirts/Dress : 72,000 Pieces  Value : Rs. 223.20 lakh
MONTH AND YEAR OF PREPARATION	:	May, 2003
PREPARED BY	:	Branch Small Industries Service Institute 386, Patel Road, Coimbatore-641009 (Tamil Nadu)

## INTRODUCTION

Manufacture of Shirt (top) and Skirts is a new area in garment manufacture which has been developing very fast in our country in recent years, as there is good scope to set up this type of garment manufacturing unit in the country to fulfil the huge demand in the domestic market. These garments are generally manufactured from special type of fabrics having different colours and shades attached with frill, tape, lace at different places of garments to attract the children. It is essential for an entrepreneur to keep certain factors like colour combination of different fabric and design in mind as these make a significant changes in garments. Sometimes, small motif of embroidery work and fixing stickers on the garments makes more attractive. This report is prepared to give details on setting up unit for the manufacture of shirt (top and

skirts) with the capacity of 1,80,000 pieces per annum.

## MARKET POTENTIAL

As this is a growing field in the area of readymade garment industry and consumers in urban areas are preferring to purchase the children garments directly from show rooms rather stitching it from the tailoring shops, there will not be any constraint in marketing of these garments. It is also a difficult task for a tailoring shops to stitch childrens garments as per choice. At present, these industries are mostly present in selected cities only, so there is a good scope to make the venture successful.

## BASIS AND PRESUMPTIONS

This project is prepared on following assumptions:

The number of working days is considered as 300 working days in a year. The rental value indicated in the project is Rs. 30 per sq. mt. Costs of machinery and equipment referred in this project profile refer to a particular make and approximately to those prevailing at the time of preparation of this project. Installation and electrification expenditure is taken at 10% of cost of machinery and equipment. Non-refundable deposits, project report cost, trial production, security deposit with Electricity Board are considered under pre-operative expenses. Depreciation has been taken @ 10% on plant and machinery, 20% on office furniture and 25% on workshop accessories. Interest rate on capital loan is taken at 14% per annum.

## IMPLEMENTATION SCHEDULE

Time period in months required for executing different types of works for implementing this project is estimated at 6 months period approximately. However, on considering that some of many project implementing activities may be overlapping and can be done at the same time. The project implementation will take a total period of five months approximately for starting the actual production.

## TECHNICAL ASPECTS

### Process of Manufacture

#### *Procurement and Inspection of Fabric*

Raw material basically consists of fabric and accessories like buttons, threads, elastic, tags, labels, polybags are to be procured locally. Suitable suppliers for these items would have to

be identified for regular supply. After the purchase, fabric is inspected to check and remove any weaving defects, colour variation etc.

#### *Cutting and Sewing*

The inspected fabric piece is laid on the cutting table for cutting. After cutting of fabric, individual components are sorted out like front, back, collar, pocket, cuff, etc. and proper bundles of different sizes like small, medium, large etc. are made separately for identification. Different components are made by tailors and after this, required components are sewn together to make a complete garment.

#### *Labelling*

Labels like brand name, washing instruction, size of the garments are sewn at the respective places of the garments.

#### *Washing, Checking, Pressing and Packing*

All garments are charged into 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 hydroextracted to remove excess water and after this, they are dried in the tumbler dryer. Final checking is done before pressing and packing on the checking table so that any fault in the piece can be removed and protruding thread may be eliminated. The individual pieces are pressed by steam presses to remove any wrinkle marks.

#### *Finishing and Packing*

After completion of steam pressing, the garments are packed as per the buyers' requirements.

## Quality Control and Standards

Since the garments are made on specific design, there is no Indian standard specification on children garments. As a general rule, the product should be clean from oil stain, cuts and holes etc.

## Production Capacity (per annum)

Product Quantity (Pcs)	Value (Rs.)
Shirt (top) and Skirts	1,80,000
	2,23,20,000

## Motive Power

Totally, 30 HP of power is required to operate all the machines in this unit.

## Pollution Control

Although not required, entrepreneurs have 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 maintain minimum power consumption with maximum efficiency.

## FINANCIAL ASPECTS

### A. Fixed Capital

(i) Land and Building	
Building area	500 sq. mt.
Rent per month	Rs. 10,000

#### (ii) Machinery and Equipments

Sl. No.	Description	Nos.	Rate (Rs.)	Amount (Rs.)
1.	Power operated cutting machine	1	65,000	65,000
2.	Power operated SNLS stitching machine	60	4,000	2,40,000

Sl. No.	Description	Nos.	Rate (Rs.)	Amount (Rs.)
3.	Overlock stitching machine with motor and accessories	15	6,000	90,000
4.	Garment washing machine 25kg capacity	1	1,45,000	1,45,000
5.	Hydroextractor 25 kg. capacity	1	70,000	70,000
6.	Tumbler dryer 25 kg. capacity	1	1,40,000	1,40,000
7.	Potable steam press	6	20,000	1,20,000
8.	Washing room trolleys	4	10,000	40,000
9.	Other miscellaneous assets	LS	20,000	20,000
			Total	9,30,000

(iii) Other Fixed Assets		(Rs.)
(a)	Erection and installation	87,000
(b)	Office furniture	25,000
(c)	Pre-operative expenses	18,000
Total		1,30,000
Total Fixed Capital		10,60,000

### B. Working Capital (per month)

#### (i) Staff and Labour Wages

Sl. No.	Designation	Nos.	Rate (Rs.)	Amount (Rs.)
1.	Manager	1	8000	8000
2.	Clerk/Store-keeper	1	3000	3000
3.	Watchman	1	2250	2250
			Total	13250
<i>Production Staff</i>				
1.	Cutting master	1	7000	7000
2.	Skilled workers	77	3500	269500
3.	Pressing man	6	3000	18000
4.	Helpers	7	2250	15750
			Total	3,10,250
<i>Prerequisites @ 20%</i>				64,700
G. Total				3,88,200

## (ii) Raw Material

Sl. No.	Description	Qty. (mts.)	Rate/ unit	Amount (Rs.)
1.	Cotton popline/ terrycot fabric in different colours, design and shades	12,000	44	5,28,000
2.	Cotton popline/ Rubia or fancy fabric in different colours, design and shades	10080	35	3,52,800
3.	Lining cloth collars/stripes etc.	LS		1,00,000
4.	Button, Hooks, Plastic etc.	LS		30,000
5.	Sewing thread, packing material	LS		75,000
6.	Packing materials	LS		1,20,000
7.	Detergents for washing			3,000
	<b>Total</b>			<b>12,08,800</b>

## (iii) Utilities (per month) (Rs.)

Electricity	14,500
Water charges	2,000
<b>Total</b>	<b>16,500</b>

## (iv) Other Contingent Expenses (per month) (Rs.)

(a) Rent for building	10,000
(b) Postage/stationery	1,000
(c) Repair and maintenance	9,000
(d) Transport/travelling charges	1,000
(e) Insurance	1,000
(f) Miscellaneous	1,000
<b>Total</b>	<b>23,000</b>

(v) Total Recurring Expenses 16,36,500

(vi) Total Working Capital for 3 months 49,09,500

## C. Total Capital Investment

(i) Machinery and equipment	Rs. 10,60,000
(ii) Working capital for 3 months	Rs. 49,09,500
<b>Total</b>	<b>Rs. 59,69,500</b>

## MACHINERY UTILIZATION

Capacity utilisation is considered as 75% of installed capacity.

## FINANCIAL ANALYSIS

(1) Cost of Production (per year)	(Rs.)
Recurring expenses	1,96,38,000
Depreciation of machinery @ 10%	87,000
Depreciation on office furniture @ 20%	5,000
Depreciation on workshop items @ 25%	5,000
Interest on total investment @ 18%	8,35,730
<b>Total</b>	<b>2,05,70,730</b>

## (2) Turnover (per year)

Product	Pcs.	Rate/ Pc.	Amount (Rs.)
Shirts/Tops	1,08,000	120	1,29,60,000
Skirts/Dress	72,000	130	93,60,000
<b>Total</b>	<b>1,80,000</b>		<b>2,23,20,000</b>

(3) Net Profit Rs. 17,49,270

(4) Net Profit Ratio (Net Profit/ Turnover) 7.83%

(5) Rate of Return on Investment 29.30% (Net Profit/Total Capital Investment)

## (6) Break-even Point

Fixed Cost	(Rs.)
Rent on Building	1,20,000
Depreciation	97,000
Interest on Capital investment	8,35,730
40% of wages of staff and labour	18,63,360
40% of other contingent expenses	1,10,400
Insurance	12,000
<b>Total</b>	<b>31,38,090</b>

$$\begin{aligned}
 \text{B.E.P.} &= \frac{\text{FC} \times 100}{\text{FC} + \text{profit}} \\
 &= \frac{3138090 \times 100}{3138090 + 1749270} \\
 &= \frac{3138090 \times 100}{4887360} \\
 &= 64.20\%
 \end{aligned}$$

### Addresses of Machinery and Equipment Suppliers

1. M/s. Paras Special Machine Co.  
Madhopur Kucha No. 7,  
Rohan Road,  
Ludhiana.
2. M/s. Vijay Sewing (P) Ltd.  
17-D, Everest House,  
46-C, Chowringhee Road,  
Kolkata.
3. M/s. Industrial Machines Pvt. Ltd.  
1/23-B, Asaf Ali Road,  
New Delhi-110002.
4. M/s. Apparel and Leather  
Techniques Pvt. Ltd.  
Kaikondanahalli,  
Sarjapur Road,

Near Bellaandur Gate,  
Bangalore-560035.

5. M/s. Industrial Sewing Systems  
30, Ramakrishna Street,  
North Usman Road,  
T. Nagar,  
Chennai.

### Raw Material Suppliers

1. M/s. Vardhman Threads  
Mahavir Spinning Mills Ltd.  
Chandigarh Road,  
Ludhiana-141001.
2. M/s. Powerloom Cloth  
Manufacturing Centre  
Erode, Bhiwandi, Mumbai, Surat  
etc.