

Infant Garments

PRODUCT	: Infant Garments
PRODUCT CODE	: 264104
QUALITY AND STANDARDS	: Children Garments Packaging for Export IS 4039 Garment Guide for Processing of labels IS1099 Production Capacity (per annum) Quantity : (Nos.)60,000 Nos. Value : Rs.11,04,000
MONTH AND YEAR OF PREPARATION	: January, 2003
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INTRODUCTION

Ready made garments for infant 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 the infant garment manufacturing unit in the country to fulfil the huge demand in domestic as well as export market. Infant garments are generally manufactured from special type of fabrics having different colours and shades attached with frills, tape lace at different places of garment to attract the customer. 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. Some time, small motif of embroidery work and fixing stickers on the garments make more attractive. The demand of infant garment is increasing day by day to

urbanizing of the cities and it is very simple to manufacture and easily marketable both in urban and rural areas.

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 infant garments directly from showrooms rather stitching it from the tailor. There will not be any constraint in marketing of children garments. It is also a difficult task for a tailoring shop to stitch infant 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. The main market of ready-made garment in India is based on Delhi, Mumbai, Kolkata, Chennai, Punjab, Bangalore, Rajasthan and U.P.

The export market for ready made garments are also based on Germany, USA, Canada, U.K., Indonesia and Australia, Brazil, West Africa, France, Italy and Holland etc.

BASIS AND PRESUMPTIONS

This project is prepared on the following assumptions:

1. The number of working days is considered as 300 working days in a year on single shift basis.
2. Since this industry is labour intensive, the working efficiency is considered at 75%.
3. Cost 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 taken @ 10% of the cost of machinery and equipment.
5. Non-refundable deposits, project report cost, trial production, security deposit with Electricity Board are taken under pre-operative expenses.
6. Depreciation has been considered:
 - a) On machinery and equipment @ 10%
 - b) On Office furniture and fixture @ 20%
7. Interest on capital investment has been taken @ 15% per annum.
8. Minimum 25% of total investment is required as margin money.

IMPLEMENTATION SCHEDULE

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

<i>Sl.No. Activity</i>	<i>Period</i>
1. Selection of Site/working shed	1 month
2. Formation of Company (Ownership/Partnership)	1 month
3. Preparation of feasibility report	1 month
4. Registration with Commissioner of Industries /D.I.C	1 month
5. Arrangement of finance (Term loan and working capital)	3 months
6. Procurement of machinery and requirement	1 month
7. Plant and m/c erection and electrification	2 weeks
8. Arrangement of raw material including package material etc.	1 month
9. Recruitment of man power	1 month
10. Selection of market channel	1 month
11. Miscellaneous work 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

Process of Manufacture

The process involves the following steps:

1. **Procurement of Fabric:** Dyed/printed/bleached cotton/synthetic fabrics as per demand are to be procured from the open market. The fabric will be inspected by lying on the inspection table against light before cutting so that unevenness in colour/shade or any other fault if visible in the fabric are eliminated.
2. **Cutting and Stitching:** The inspected fabric is placed on the cutting table in layers and then the different parts of respective garments are demarked by a chalk as per different sizes, cutting is carried out by the scissor. Stitching is carried out for individual portion and the garments by skilled workers with the help of stitching and overlocking, double needle stitching machine etc.
3. **Checking, Pressing and Packing :** Checking is done before pressing and packing in the checking table so that any fault in the garment may be removed and threads eliminated. The individual pieces are pressed by steam press to remove any wrinkle marks and packed in carton boxes.

Quality Control and Standards

The quality of garments mainly depends on quality of fabric used. Therefore, care must be taken while purchasing fabrics to ensure good colour fastness made as per customers'

specification in respect of size design and fashion.

Production Capacity (per year)	Qty. (Nos.)
1. Baby frocks/shirts	24000
2. Baby suits	24000
3. Baby bed sheets and blanket set	12000
Total	Rs. 11,04,000

Utilities

Power + Water.

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 and Building	
Covered area	250 sq.mt.
@ Rs. 2 per sq.mt (Rented)	Rs. 5,000 per month.

(ii) Plant, Machinery and Equipments

Sl. No.	Particulars	Ind/ Imp	Qty.	Rate (Rs.)	Value (Rs.)
1.	Foot operated sewing machine with all accessories	Ind	20	4,500	90,000
2.	Double needle stitching machine with motor and all accessories and motor	Ind	1	35,000	35,000
3.	Overlock stitching machine complete with all accessories and motor	Ind	01	26,000	26,000

Sl. No.	Particulars	Ind/ Qty. Imp	Rate (Rs.)	Value (Rs.)
4.	Electric Press (steam)	Ind 02	1,000	2,000
5.	Installation charges @ 10% with electrification etc.			15,300
6.	Workshop and testing equipment			9,700
7.	Office equipment			20,000
	(iii) Pre-operative expenses			12,000
	Total			2,10,000

B. Working Capital (per month)

(i) Staff and Labour

Sl. No.	Designation	No.	Salary/month	Total (Rs.)
1.	Production cum Market Manager	1	6,000	8,000
2.	Supervisor/Inspection	1	3,000	3,000
3.	Accountant-cum-purchase officer	1	3500	3500
4.	Clerk-cum-store keeper	1	3,000	3,000
5.	Peon-cum-Chowkidar	2	2250	4500
	Total			22,000
	<i>Technical Staff and Labour</i>			
6.	Pattern maker cum Master	1	5500	5500
7.	Checkers	1	2500	2500
8.	Skilled workers	12	2,500	30,000
9.	Unskilled worker	4	2250	9,000
	Total			69,000
	(+) Perquisites @ 20%			13,800
	Total			82,800

(ii) Raw Material (per month) (on Single Shift Basis)

Sl. No.	Particular	Qty.	Rate (Rs.)	Value (Rs.)
1.	Terry cot/Cotton fabrics of various colour and design	2400 mtr.	110 mtr.	2,64,000
2.	Knitted shoddy raised fabrics/ cotton fabrics	4000	60	2,40,000

Sl. No.	Particular	Qty.	Rate (Rs.)	Value (Rs.)
3.	Cotton fabrics/ blanket cloth	1500	70	1,05,000
4.	Foam	L.S.		39,500
5.	Lining cloth	L.S.		6,000
6.	Sewing thread	2500reels	3	7500
7.	Misc. items like label and packing material		5	25,000
	Total			6,87,000

(iii) Utilities (per month) (on Single Shift Basis)

1. Power/Electricity and Water charges	Rs. 3,200
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(iv) Other Contingent Expenses (per month)

Sl. No.	Item	Amount (Rs.)
1.	Rent	5,000
2.	Advertisement and Publicity	1,500
3.	Postage, stationery and Telephone	1,500
4.	Travelling/transportation charges	3,000
5.	Taxes/Insurance	1,000
6.	Miscellaneous	1,000
7.	Consumable store	1,500
	Total	15,000

(v) Total Recurring Expenditure (per month) (Rs.)

1. Salary and Wages	82,800
2. Raw material	6,87,000
3. Utilities	3,200
4. Other contingent expenses	15,000
Total	7,88,000

C. Total Capital Investment

i) Fixed Capital	Rs. 2,10,000
ii) Working capital (3 months)	Rs. 23,64,000
Total	Rs. 25,74,000

MACHINERY UTILISATION

Capacity is utilized 75% of the installed capacity.

FINANCIAL ANALYSIS

(1) Cost of Production (per annum)		(Rs.)
a) Total recurring expenditure		94,56,000
b) Depreciation on m/c and equipment @ 10%		16,830
c) Depreciation on work shop, testing equipment and office equipment @ 20%		5940
d) Interest on total investment @ 15%		3,86,100
	Total	98,64,870
	Say	98,65,000

(2) Turnover (per year)

Sl. No.	Item	Qty. No.	Rate (Rs.)	Value (Rs.)
(i)	Baby frocks/shirt of different design, shade and size	24,000	180	43,20,000
(ii)	Baba suits of different colour design, shade and size	24000	220	52,80,000
(iii)	Baby bed sheets and blanket set	12000	120	14,40,000
	Total			11,04,000

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

Turnover-Cost of Production = Net Profit
 Rs. 1,10,40,000 - Rs. 98,65,000 = Rs. 11,75,000

(4) Net Profit Ratio

$$= \frac{\text{Net profit} \times 100}{\text{Total turn over}}$$

$$= \frac{1174000 \times 100}{11040000}$$

$$= 10.6\%$$

(5) Rate of Return on Investment

$$= \frac{\text{Net profit} \times 100}{\text{Total capital investment}}$$

$$= \frac{1175000 \times 100}{2574000}$$

$$= 45\%$$

(6) Break-even Point (% of Total Production Envisaged)

(i) Fixed Cost		(Rs.)
i) Depreciation		22770
ii) Rent		60,000
iii) Interest		3,86,100
iv) 40% of wages for staff and labour		3,97,440
v) 40% of other expenses including utilities		58,560
vi) Insurance		12,000
	Total	9,36,870

(ii) Net Profit (per year) Rs. 11,75,000

$$\text{B.E.P.} = \frac{\text{FC} \times 100}{\text{FC} + \text{Profit}}$$

$$= \frac{936870 \times 100}{936870 + 1175000}$$

$$= 44\%$$

Addresses of Machinery and Equipment Suppliers

1. M/s. Kapoor Sewing machine
F-174 B, Laxmi Nagar,
Delhi-110092
2. M/s. K.C. Sewing Machine
Jagatpuri,
Delhi-110051
3. M/s. Paul Brother and Co.
1523, Nai Sarak,
Delhi-110006
4. M/s. Rajan Hosiery Enterprises
21-B, New Qutab Road,
Delhi-110006

Raw Material Suppliers

The Raw Material is available in the local market.