

# LADIES GARMENTS (CHURIDAR)

## INTRODUCTION

After food and shelter, clothing is the most essential human need. It was earlier to wear individually tailored dresses, and then it became fashion to wear readymade garments. It is easier to go to a shop and select what she/he likes and wear it right away. Readymade garments are bulk manufactured and hence it is cheaper than individually tailored ones. Now fashion conscious people started turned to designer garments. This project aims to establish a readymade garments as well as a designer garments unit for the fashion sensitive people.

The readymade garment industry is one of the channels of India's textile industry which dates back to the middle of 19th century. The textile industry is a leading industry in the country. There are mainly two types of clothing, one is natural and the other is synthetic. Cotton, Silk, Wool etc. comes under natural clothing and Polyester, Nylon etc. comes under synthetic clothing.

The overall demand of clothing is gone up since the increase in number of middle and upper middle class people who are very keen in their dressing habits. Compared to any other state in the country, Malayalees purchases more clothing for their personal needs. The increasing level of travel habits of the people has in turn created demand for occasional and seasonal clothing. The development in all spheres of life in general especially in educational, industrial and commercial sectors made the demand for garments manifold which can be evident from the fact that there are a lot of garment shops in every nuke and corner of even remote places.

## PROMOTER

Here gives a brief description on the capacities of the Entrepreneur and his/her entrepreneurial qualities and experience in the field.

## LOCATION, LAND AND BUILDING

Here gives details of the location and the advantages of the place, Infrastructural facilities available in the location etc.

## **SCOPE**

The conventional tailoring unit cannot cater to the need of people who have no patience to go here and there to select a cloth piece and wait for long to get it tailored to the desired size and shape. Now readymade garments are preferred to individually tailor ones due to its cost effectiveness and time saving. We can straight away purchase it and is ready to wear. Business, industry, service sector and growing rapidly and demand for clothing are increasing manifold. Numerous industrial, educational, commercial, service and financial institutions are located in and around the unit. There are a great number of garment shops are functioning in the town and nearby places and this unit can sell their products through these shops also. Since promoter has an experience in this field she finds the market in the entire Malabar area. Hence one can easily say the scope of the unit is beyond doubt.

## **PLANT AND MACHINERY**

The details of plant and machinery are enlisted in the economics of the project. They include embroidery machines, sewing machines, overlock machines, furniture etc. The proposed machineries are selected from reputed machinery makers with utmost care. The power requirement is 2kW.

## **RAW MATERIALS**

The raw materials are various clothing and sewing materials. They are easily available and care will be taken for the selection of the same. They are procured from wholesale dealers at Patel market Hyderabad in bulk quantities.

## **STAFF AND LABOUR**

Skilled and semi skilled workers are required for the smooth functioning of the unit. They can be arranged locally. The promoter herself has a lot of experience in the field and is capable of managing the staff and labour force of the unit. The total staff strength is detailed in economics of the project. The unit will be operated on a single shift basis of 8 hours per day and 25 working days in a month.

**IMPLEMENTATION SCHEDULE**

Sl.No.	Activity	Period of Completion (Change as per needs)
1.	Sanction of loan	16 months
2.	Procurement of machinery	
3.	Erection & electrification	
4.	Procurement of materials	
5.	Commercial production	

**FINANCIAL ASPECTS (All values in Rs)****1 FIXED CAPITAL**

1.1 Land and Building Rented @ of Rs. 8,000 per month

1.2 Machinery and Equipments

Sl. No.	Description	Qty.	Rate	Value
1	Ranew Embroidery foot+ power motor	1	15,000.00	15,000.00
2	Ranew overlock machine	2	8,000.00	16,000.00
3	Merrit 8208 foot + power motor auto oil lubricant	3	20,000.00	60,000.00
4	Scissors, Accessories etc.			3,000.00
5	Cutting table	1	10,000.00	10,000.00
6	Ironing - Table	1	10,000.00	10,000.00
7	Iron box (Steamed)	1	2,500.00	2,500.00
8	Shelf	2	6,000.00	12,000.00
			<b>Sub total</b>	<b>128,500.00</b>
9	Computer and Peripherals			28,000.00
10	Furnitures and misc			10,000.00
			<b>Sub total</b>	<b>38,000.00</b>
11	Electrification and installation			7,000.00
			<b>Grand Total</b>	<b>173,500.00</b>

**2 WORKING CAPITAL**

2.1 Staff and Labour (per month)

SI No.	Description	No.	Salary	Total
1	Manager cum designer	1 (self)	15,000.00	15,000.00
2	Cutting master	1	13,000.00	13,000.00
3	Skilled workers	3	8,000.00	24,000.00
4	Unskilled worker	1	4,000.00	4,000.00
			<b>Grand Total</b>	<b>56,000.00</b>

## 2.2 Raw Materials (per month)

SI No.	Description	Qty	Rate	Total
1	Churidar pieces from wholesale dealers of Patel market, Hyderabad	500	180	90,000.00
2	Misc. (thread, buttons, lace, etc.)			20,000.00
			<b>Grand Total</b>	<b>1,10,000.00</b>

## 2.3 Utilities (per month)

SI No.	Description	Amount
1	Power	1,500.00
2	Water	300.00
	<b>Grand Total</b>	<b>1,800.00</b>

## 2.4 Other Contigent Expenses (per month)

SI No.	Description	Amount
1	Stationary	500
2	Repair and maintainance	500
3	Transportation	800
4	Telephone	300
5	Miscellaneous	500
	<b>Grand Total</b>	<b>2,600</b>

**2.5 Total Working Capital 1,70,400.00**

**3. TOTAL CAPITAL INVESTMENT**

SI No.	Description	Amount
1	Fixed capital	1,73,500.00
2	Working capital for 3 months	5,11,200.00
	<b>Grand Total</b>	<b>6,84,700.00</b>

#### 4. MEANS OF FINANCE

Sl No.	Description	Amount Rs
1	Own contribution	1,74,700.00
2	Term loan	1,30,000.00
3	Working capital loan	3,80,000.00
	<b>Total</b>	<b>6,84,700.00</b>

#### 5. FINANCIAL ANALYSIS

##### 5.1 Cost of Production (per year)

Sl No.	Description	Amount
1	Total recurring cost	2,044,800.00
2	Depreciation on machinery @10%	9,100.00
3	Depreciation on tools @25%	13,375.00
4	Depreciation on furniture @20%	4,400.00
5	Interest on loan @ 14%	71,400.00
	<b>Grand Total</b>	<b>21,43,075.00</b>

##### 5.2 Turnover (per year)

Sl No.	Items	Qty.	Rate Rs	Total Rs.
1	Churidar	6,000.00	400	24,00,000.00
		<b>Grand Total</b>		<b>24,00,000.00</b>

##### 5.3 Net Profit (before taxation) (per year)

Turnover	2,400,000.00
Cost of production(-)	2,143,075.00
<b>Total</b>	<b>256,925.00</b>

#### 6) NET PROFIT RATIO

$$(\text{Net profit per year} / \text{Turnover per year}) \times 100 = 10.71 \%$$

#### 7) RATE OF RETURN ON TOTAL INVESTMENT

$$(\text{Net profit per year} / \text{Total investment}) \times 100 = 37.52 \%$$

**8) BREAK EVEN POINT**

Sl No.	Description	Amount Rs.
1	Rent for one year	96,000.00
2	Total depreciation	26,875.00
3	Interest on loan	71,400.00
4	40% salary and wages	268,800.00
5	40% of utilities and other contingent expenses	21,120.00
<b>Grand Total</b>		<b>484,195.00</b>

$$\text{B.E.P} = (\text{Fixed cost} \times 100) / (\text{Fixed cost} + \text{Net profit}) = 65.33\%$$

