

## READYMADE GARMENTS MANUFACTURING

### 1. INTRODUCTION

The business of ready made garments is increasing day by day due to changes of fashions in human life. The business is not only in India, there is a big export market. In the RMG sector Jean pants is showing good growth in local and export market. There are number of branded Ready made garments manufacturing Units in India. Even though the small scale units also surviving in the country because of varieties. Besides being one of the favourite attire, jeans have also gained popularity as a casual wear too. These days several companies are into the business of making jeans pants and also supplementary items like buttons, zips etc..

### 2. MARKET

The demand for RMG is increasing at around 18-20 % annually in the country. The popularity of jean pants is good among youth and fashion conscious public. The domestic market and the export market are growing rapidly and the unit for manufacturing can be run quite successfully if they can tap the market giving good price and quality.

### 3. MANUFACTURING PROCESS

The manufacturing process depends on skills of the workers. Required cloth to be cut in to required sizes and design as per the measurements of the latest designs. Then the required lining, button stitching, zip etc. are added to the semi finished fabric and finished garments are ready for packing and marketing.

### 4. PRODUCTION CAPACITY PER ANNUM

Capacity	7200 Pairs per annum
Selling Price	Rs. 205 Per pair

### 5. PROJECT COST/CAPITAL INVESTMENT

S.No	Description	Amount Rs.
1	Preliminary & Preoperative Expns	2000
2	Fixed Capital	44400
3	Working Capital for 1 month(s)	116700
	<b>Total Project Cost</b>	<b>163100</b>

### 6. MEANS OF FINANCE

S.No	Description	%age	Amount Rs.
1	Promoter Contribution	15%	24465
2	Subsidy	20%	32620
3	Term Loan	65%	106015
	<b>Total</b>		<b>163100</b>

## 7. FINANCIAL ASPECTS

## A. FIXED CAPITAL

i. Land and Buildings Rented 2000 per month

## ii. Machinery and Equipment

S.No	Description	Qty.	Rate	Amount Rs.
1	Sewing machine	4	3500	14000
2	Embroidery machine	1	6000	6000
3	Zig zag machine	1	8000	8000
4	Other accessories	1	5000	5000
5	Iron box, stools etc	1	5000	5000
6	Electrification	1	3000	3000
7	Wooden racks	1	3400	3400
	Total			44400

## B. WORKING CAPITAL

## i. Salaries &amp; Wages (per month)

S.No	Description	Nos.	Sal/mon.	Amount Rs.
1	Supervisor/Entrepreneur	1	2500	2500
2	Skilled	3	2000	6000
3	Unskilled	2	1500	3000
	Total			11500

## ii. Raw Material (per month)

S.No	Description	Unit	Qty.	Rate	Amount Rs.
1	Cloth	Mtrs	600	150	90000
2	Buttons, Thread etc	Lum	1	6000	6000
3	Color cloth	Lum	1	3000	3000
	Total				99000

## iii. Utilities (per month)

S.No	Description	Unit	Amount Rs.
1	Power	LS	500
2	Water	LS	200
	Total		700

## iv. Other Expenses (per month)

S.No	Description	Amount Rs.
2	Transportation Expenses	1000
4	Consumeble Stores	500
5	Miscellaneous Expenses	2000
	Total	3500

## v. Total Working Capital (per month)

S.No	Description	Amount Rs.
1	Rent	2000
2	Salaries and Wages	11500
3	Raw Material	99000
4	Utilities	700
5	Other Expenses	3500
	Total	116700

## 8. COST OF PRODUCTION (PER ANNUM)

S.No	Description	Amount Rs.
1	Total Working Capital	1400400
2	Depreciation @ 15%	6660
3	Interest @ 12%	12722
	Total	1419782

## 9. TURNOVER (PER YEAR)

S.No	Description	Unit	Qty.	Rate Rs.	Amount Rs.
1		Pairs per ann	7200	205	1476000
	Total				1476000

## 10. FIXED COST (PER YEAR)

S.No	Description	Amount Rs.
1	Depreciation	6660
2	Interest	12722
3	Rent	24000
4	Salaries & Wages @ 40%	55200
5	Other Expenses incl. Utilities @ 40%	20160
	Total	118742

## 11. PROFIT ANALYSIS &amp; RATIOS

1	Net Profit	Rs.	56218
2	Percentage of Profit on Sales		4%
3	Percentage of Return on Investment		34%
4	Break Even Point		68%