

# School Uniforms

PRODUCT CODE	: 18101
QUALITY AND STANDARDS	: N.A.
PRODUCTION CAPACITY	: Qty. : 15,000 Pcs. Value: Rs. 12,15,000
MONTH AND YEAR OF PREPARATION	: January, 2003
PREPARED BY	: Small Industries Service Institute 65/1, G. S. T. Road, Guindy, Chennai-600 032

## INTRODUCTION

This profile shows the costs structure, profitability and other particulars for making school uniforms for children in the age group 3-10 years. It is suggested that school uniforms be made for six to eight months and ready-made garments for the remaining months of the year in order to keep that unit functioning. Cloth requirements, costs and product prices are worked out in this report on the basis of average sizes of uniforms and ready-made garments.

## MARKET POTENTIAL

Uniform for school students is a must in any region. It can be assumed that every student requires at least two pairs of uniform every year. This assumption suggests that the proposed capacity of 6,000 pairs requires at least 3,000 students in the location where this unit is to be set up. Therefore the unit would have enough market potential in any area where 8-10 schools function. The total market potential in any particular

location can be worked out by multiplying the number of students upto 10 years age in each school and the number of schools. Generally people prefer to buy ready-made garments for children instead of getting it stitched. Additional item proposed in this project is readymade garments for children. Capacity of such ready-made garments is only 3,000 pieces and the market would not be difficult as clothing is one of the basic necessities.

## BASIS AND PRESUMPTIONS

1. This project profile has been prepared on the basis of single shift of 8 hrs. per day, 25 days in a month.
2. The rates quoted in respect of salary and wages are above the minimum wages.
3. Interest rate on term loan and working capital loan has been taken @ 14%.
4. Margin money is required at 30% of total capital investment.

5. Cost of machinery and equipments, raw materials and consumables, other expenses etc. indicated in the profile are based on the prices prevailing at the time of project preparation. Therefore, these are subject to necessary changes from time to time.

## IMPLEMENTATION SCHEDULE

For commencement of production, the project will take a period of 6 months from the date of approval of the scheme. Break-up of the activities with relative time for each activity is shown below:

Sl.No.	Name of Activity	Period
1.	Scheme preparation and approval	1 month
2.	Provisional registration as SSI	1 week
3.	Sanction of loan	3 months
4.	Placement of orders for delivery of machinery	2 weeks
5.	Installation of machinery	1 week
6.	Electrification	2 weeks
7.	Recruitment of staff and workers.	2 weeks

## TECHNICAL ASPECTS

### Process of Manufacture

Manufacturing process involves following steps:

1. *Procurement of fabric:* As per the demand, dyed/bleached/printed cotton/synthetic fabric of various colours are to be procured from the market. Fabric will be inspected by laying 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:* Inspected fabric is placed on the cutting table in the form of layers and then the different parts of the respective garments is demarked by a chalk as per different sizes. Cutting of garment parts is done manually.

Stitching is carried out for individual portion of the garments by skilled workers with the help of over lock, lock stitch machines etc.

3. *Checking, Processing and Packing:* Final checking is done before pressing and packing on the checking table so that any fault in the piece may be removed and protruding threads may be eliminated. Individual pieces are pressed by electric presses to remove any wrinkle marks and packed in the carton boxes.

### Quality Control and Standards

No standards are available for the manufacturing of these items. However, care must be taken to procure good quality apparel fabrics.

### Production Capacity

Production capacity of the unit is 15,000 pieces of school uniforms including 3,000 pieces of children readymade garments.

### Motive Power

5 HP power is required to run this unit at full capacity.

## FINANCIAL ASPECTS

### A. Fixed Capital

(i) Land and Building	
Building Area: Factory Shed	100 Sq.mt.
Store Room	50 Sq.mt.
Total covered area	150 Sq.mt.
Rent on building	Rs. 2250

## (ii) Machinery and Equipments

Sl. No.	Description	No.	Rate (Rs.)	Amount (Rs.)
1.	Singer universal sewing machine with 1/4 HP	4	5500	22000
2.	Singer automatic zig-zag machine	1	20,000	20,000
3.	Singer overlock with 1/2 HP motor	1	8000	8000
4.	Cutting table	1	1500	1500
5.	Electric iron	2	1000	2000
6.	Other miscellaneous assets (scissors, tapes, etc.)	LS 3000		3000
Total				56500

(iii) Other Fixed Assets		(Rs.)
(a)	Erection and installation	5,000
(b)	Furniture	5,000
(c)	Pre-operative expenses	2,000
Total		12,000
Total Fixed Capital		68500

## B. Working Capital (per month)

## (i) Staff and Labour Wages

Sl. No.	Designation	Nos.	Rate (Rs.)	Amount (Rs.)
1.	Manager/ Cutting Master	1	3,000	3,000
2.	Skilled workers	6	2,500	1,5000
3.	Un-skilled workers	3	1,500	4,500
4.	Peon/chowkidar	1	1200	1200
Total				23700
Perquisites @ 15%				3555
G. Total				27255

## (ii) Raw Material

Sl. No.	Designation	Qty. (mts.)	Rate/ Unit(Rs.)	Amount (Rs.)
1.	Plain dyed P/C cloth	200	50	10000
2.	P/C cloth for Shirting	275	45	12375
3.	Dyed Cotton cloth for Froc	230	40	9200
4.	P/C cloth for blouse	260	45	11700
5.	Cloth for stitching of RMG	260	50	13000
6.	Sewing thread, zips etc.	LS		1500
Total				57775

(iii) Utilities (per month)		(Rs.)
Electricity bill, water and sanitation		1500
Total		1500

(iv) Other Contingent Expenses (per month)		(Rs.)
a.	Rent	2250
b.	Repair and maintenance @ 5%	1000
c.	Postage/stationery, telephone etc.	500
d.	Miscellaneous	500
Total		4250

(v) Total Recurring Expenses (per month)		(Rs.)
a.	Staff and labour	27255
b.	Raw material	57775
c.	Utilities	1500
d.	Other expenses	
Total		90780

(vi) Total Working Capital (for 1 month) Rs. 90780

## C. Total Capital Investment

i.	Machinery and equipment	Rs. 68500
ii.	Working capital for 3 months	Rs. 272340
Total		Rs. 340840

## FINANCIAL ANALYSIS

(1) Cost of Production (per year)		(Rs.)
a.	Recurring expenses	1089360
b.	Depreciation on machinery @10%	5000
c.	Interest on term loan amount @ 14% (assuming 70% is loan amount)	33402
Total		1127762

## (2) Total Sales

Items	Qty.	Rate	Total	
a.	Knicker	3,000	75	225000
b.	Shirt	3,000	85	255000
c.	Frock	3,000	80	240000
d.	Blouse	3,000	80	240000
e.	Readymade Garments	3,000	85	255000
Total		1,50,00		12,15,000

(3) Profit (per annum)	Rs. 87237.68
(4) Net Profit Ratio (Net Profit/ Turnover per annum)	7.18%
(5) Rate of Return on Investment (Net Profit/Total Capital Investment)	25.59
(6) Break-even Point	

Fixed Cost	Rs.
(a) Rent of the building	27000.00
(b) Depreciation on machinery @ 10%	5000.00
(c) Interest on term loan amount	33402.32
(d) 40% of salary and wages	130824.00
(e) 40% of other expenses	9600.00
Total	205826.32

B.E.P.

$$\begin{aligned}
 &= \frac{FC \times 100}{FC + Profit} \\
 &= \frac{205826.32 \times 100}{205826.32 + 87237.68} \\
 &= \frac{2058263}{293064}
 \end{aligned}$$

#### Addresses of Machinery Suppliers

1. M/s. Technik India (Apparel) Private Limited  
74-E, First Floor,  
Southern Wing,  
Mount Road, Guindy,  
Chennai-600 032

2. M/s. Industrial Sewing Systems  
19, First Floor,  
Jawaharlal Nehru Salai,  
Ambal Nagar,  
Ekkaduthangal,  
Chennai-600 097
3. M/s. Apparel and Leather Technics Limited  
Kaikondanahalli, Sarjapur Road,  
Near Bellandur Gate,  
Carmelram Post,  
Bangalore-560 035
4. M/s. Apparels and Leather Technics Limited  
B-283, Okhla Industrial Area,  
Phase-I,  
New Delhi-110 020.

#### Raw Material Suppliers

1. M/s. Shree Meena Fashions  
No. 478/32, F, 1st Floor,  
Chinery Vayal Kadu, Pallapatty,  
Salem-636 009
2. M/s. Kalaimani Textiles  
No. 1, Selvapuram,  
Thennampalayam Extn.  
Tirupur-641 604
3. Agents of Weaving Mills.
4. Powerloom Clusters in different states.