CHAPTER 4

RESULTS AND DISCUSSION
RESULTS AND DISCUSSION

The chapter presents the findings of the study obtained through the analysis of the field data and case study which presents a complete picture of the ten units studied.

Ahmedabad, is not only the Manchester of Gujarat but as well as of India in the field of cotton textiles. Though Garment industry is of recent origin in Ahmedabad yet it has out beaten the leading city Bombay in the manufacturer of garments. There are many garment producing units in Ahmedabad which produce Men’s and women’s wear. Off these 10 units were selected randomly, like kothri Traders, Vrajala Hiralal, Milestone Apparels, Mahavir Dresses Design Craters, and Glamour Garments which are located in proper Ahmedabad from where raw material is available easily and also the product is marketed without any problems. Two units Ablack Impex and Mark Apparel are situated in GIDC. Some units have their own showroom to market their products. Off all the units that produce garment in Ahmedabad, Ablack Impex is the only unit that export its products. All the units have been established in the last ten years and come under small scale industry except Ablak Impex. All the above ten units actually manufacture their products where as there are some units at Ahmedabad which get the stitching done on contract basis or through labours.
The nature of business organisation of the ten units were of different types. Majority were based on partnership. The nature of business organisation of all the units is shown in the table 7 and graph 3.

**TABLE 7 : SHOWING NATURE OF BUSINESS ORGANISATION**

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Type of Business</th>
<th>Frequency</th>
<th>Distribution (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>PROPRIETORSHIP</td>
<td>3</td>
<td>30 %</td>
</tr>
<tr>
<td>b</td>
<td>PARTNERSHIP</td>
<td>6</td>
<td>60 %</td>
</tr>
<tr>
<td>c</td>
<td>PRIVATE LIMITED</td>
<td>1</td>
<td>10 %</td>
</tr>
<tr>
<td>d</td>
<td>PUBLIC LIMITED</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>10</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Majority of the garment manufacturing units take financial assistance from banks. Table 8 and graph 4 represents the amount and source of financial assistance.
Graph No. 3

Nature of Business Organisation of Different Industries

- Private Ltd.: 10.0%
- Public Ltd.: 0%
- Proprietorship: 30.0%
- Partnership: 60.0%
### TABLE No.8: SOURCE OF FINANCIAL ASSISTANCE AND AMOUNT

<table>
<thead>
<tr>
<th>CODE</th>
<th>GOVERNMENT</th>
<th>BANK</th>
<th>PERSONAL</th>
<th>SHARES</th>
<th>AMOUNT IN LAKHS Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>AID</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>70</td>
</tr>
<tr>
<td>3</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>1.50</td>
</tr>
<tr>
<td>7</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>1.70</td>
</tr>
<tr>
<td>8</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PERCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INTAGE</td>
<td>0%</td>
<td>80%</td>
<td>20%</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

The investment and capacity differed from unit to unit. A table was formulated where capacity was kept constant and it was compared with other variables like number of machines, fabric used expenditure, number of persons employed, present investment of the units, yearly turnover, and built-in area.
Financial Assistance of Different Industries

- Personal: 20.0%
- Bank: 80.0%
TABLE No.9. SHOWING GENERAL INFORMATION OF THE 10 UNITS THAT WERE STUDIED

<table>
<thead>
<tr>
<th>Code</th>
<th>Capacity</th>
<th>No. of pieces/day</th>
<th>Expenditure</th>
<th>No. of stitchers used</th>
<th>Expenditure</th>
<th>No. of persons employed</th>
<th>Investment</th>
<th>Turnover</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>35</td>
<td>2000</td>
<td>24150</td>
<td>15</td>
<td>5 lakhs</td>
<td>12 lakhs</td>
<td>350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>800</td>
<td>150</td>
<td>302500</td>
<td>75</td>
<td>1.25 crores</td>
<td>2.25 crores</td>
<td>43500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>60</td>
<td>19</td>
<td>74000</td>
<td>35</td>
<td>15 lakhs</td>
<td>40 lakhs</td>
<td>350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>85</td>
<td>23</td>
<td>61175</td>
<td>20</td>
<td>18 lakhs</td>
<td>40 lakhs</td>
<td>2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>300</td>
<td>22</td>
<td>65000</td>
<td>26</td>
<td>4 lakhs</td>
<td>30 lakhs</td>
<td>700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>45</td>
<td>18</td>
<td>39300</td>
<td>24</td>
<td>14.75 lakhs</td>
<td>20 lakhs</td>
<td>350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>150</td>
<td>15</td>
<td>38590</td>
<td>28</td>
<td>12 lakhs</td>
<td>17 lakhs</td>
<td>450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>80</td>
<td>16</td>
<td>34375</td>
<td>22</td>
<td>7 lakhs</td>
<td>14 lakhs</td>
<td>375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>80</td>
<td>22</td>
<td>36500</td>
<td>20</td>
<td>13 lakhs</td>
<td>25 lakhs</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>75</td>
<td>17</td>
<td>46825</td>
<td>29</td>
<td>14 lakhs</td>
<td>30 lakhs</td>
<td>400</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Above data is graphically presented in graph No. 5 to 11
Graph No. 5

Capacity Verses Total Number of Equipments Used in Different Industries

- Capacity

Total Number of Equipments
Capacity Verses Amount of Fabric (in meters) in Different Industries

Graph No. 6

Amount of Fabric

Capacity

0 5000 10000 15000 20000 25000 30000
Capacity Verses Total Expenditure
(in Thousand Rs.) of Different Industries
Capacity Verses Persons Employed in Different Industries

Graph No. 8
Graph No. 9

Capacity Verses Total Investment (in Lakh Rs.)
of Different Industries

![Graph showing the relationship between capacity and total investment in lakhs of Rs.](image-url)
Graph No. 10

Capacity Versus Turn Over (in Lakh Rs.) of Different Industries
Graph No. 11

Capacity Versus Build up Area of Different Industries

Build up Area

Capacity
CASE STUDY

Case study is usually planned in detail in situations where we would like to bring about some changes to increase the qualitywise production.

Case No. 1

Milestone Apparels near Ghee kanta in Ahmedabad was established in February 1990. Mr. Milan Modh a partner of this industry named the brand Mascot. This industry was started with an initial investment of Rs. 3 lakhs. At present the investment is 5 lakhs, 2 lakhs have been got from bank. Annual turnover is 12 lakhs. The industry covers a total area of 400 sq. ft. and a built in area of 350 sq. ft.

Men’s shirts of size 36"-42" are manufactured 15 persons employed produce 35 shirts a day. Basically, executive casual shirts are manufactured the pattern is selected by the proprietor & ready made block paper patterns are used. On average the total expenditure on raw materials purchased per month is as follows:

Rs.

1) 2000 Mts. Fabric
   cotton silk & synthetic
   1,00,000

2) 100 boxes sewing thread
   4,200

3) 72 dozens buttons
   1,080

4) 72 dozens collars
   2,250
5) 5000 labels 5,000
6) Packing material 5,000

Rs. 1,17,530 => Total Expenditure

Price of a shirt => Total Expenditure + Profit

Number of shirts produced in a day

In milestone Apparel, 35 shirts are produced in a day and price ranges from Rs. 90 to 240 per shirt. No steps taken to control the cost of production but they opt for mass production.

Operating Expenses incurred per month are:

in Rs.

Rent 1000
Employee Salaries 16000
Advertising 500
Maintenance 1000
Interest on loan 2750
Office supplies 500
Stationary 400
Travelling expenses 1000
Professional expenses 500
Other Expenses 500
Total Expenses 24,150

Insurance + 3,00,000
Equipment investment 2,00,000
In all 12 Sewing machines 7 locals and 5 imported are used. Scissors are used to cut the material. 5 Juki and 4 Rainbow totally 9 industrial electrical clothing machines are used. 2 thread over lock sewing machines with motor, one electronic button sewing & button hole sewing machine and a high steam iron is used.

The proprietor decides the pattern, which is given to the master cutter. One person makes one piece totally. The products are checked in the evening the same day. In only rare cases the garment is rejected. They control the quality so there is no chance for the consumer to find faults. Rejected garments are altered in the factory & large size shirts are made small.

Garments are manufactured for the local market on local orders. Seasonal domestic demand is met by overtimelabours. Manufacture to retailer to consumer is the channel followed.

It takes one month from buying the raw material to selling of the garment. The blockage of money is made up by rotation. through the press, fair & exhibition they advertise their product, discount are given to the retailer.

According to Mr. Modh fashion & season do influence a product. Every pattern has a limit after it reaches its peak point the fashion slowly dies out. He wishes to expand his business so that he can fulfill the needs of the market. The scope of this business is not so good as there is a lot of competition. Advising any new comer in this field he says if you
opt for a monopoly product then its a bed of roses. Educated & qualified administrative staff makes a difference. Knowledge of a foreign language is necessary if one wants to export their products. Skill is needed to deal with finance.
Case No. 2

Mr. J.K. Goyal, owner of Ablack Impex is a farsighted person. Situated in vatva Ahmedabad. Ablack Impex is a proprietorship organisation, started in the year 1989, with an investment of Rs 7 lakhs and a brand name Ablack.

At present the total investment has gone up to 1.25 crores; 70 lakhs, having been got from the bank. It has a total annual turnover of Rs 2.25 crores. Travel duty benefits are taken from the government. This industry has a total area of 10,000 sq.ft. and a build in area of 4350 sq.ft.

Mens shirt are manufactured 150 persons are employed who produce 800 shirts per day. Basic party and casual shirts of size 37” to 43” are produced.

In selecting the pattern the proprietor plays a key role keeping in mind the party’s order. Sometimes the proprietor and the buying part together make the R.M. block patterns.

Total expenditure on raw material purchased for 1 month from cosmopolitan cities:

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Price Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>25,000 mts fabric. silk, cotton, &amp; synthetic</td>
<td>15,00,000</td>
</tr>
<tr>
<td>2)</td>
<td>1000 cones of thread</td>
<td>42,000</td>
</tr>
<tr>
<td>3)</td>
<td>1400 gross buttons</td>
<td>21,000</td>
</tr>
<tr>
<td>4)</td>
<td>2000 mts lining</td>
<td>70,000</td>
</tr>
<tr>
<td>5)</td>
<td>24000 lables</td>
<td>8,000</td>
</tr>
</tbody>
</table>
6) Packing material 1,000,00

<table>
<thead>
<tr>
<th>Total Expenditure</th>
<th>17,41,000</th>
</tr>
</thead>
</table>

Price of shirt => Total expenditure + C.C.A (Travel) + Profit

Number of shirts produced

The price range of shirts produced is between Rs. 60 to 80.

As a step to control the cost of production waste of fabric is controlled.

Expenditure incurred:

- Start up cost - business license 5000
- Other start up costs 5000
- Cost of service provided 10,000
- Operating Expenses:
  - Rent 10,000
  - Taxes 15,000
  - Employee salaries 90,000
  - Advertising 4,000
  - Maintenance 25,000
  - Interest on loan 1,00,000
  - Office supplies 10,000
  - Stationary 10,000
  - Bank Charges 1,000
  - Travelling expenses 10,000
  - Professional Expenses 5,000
- Other Expenses 2,500

Total Expenses => 3,02,500
xii) Final Layout and Cutting, with Vertical cloth cutter and drilling machine. (Courtesy Ablack Industry).

xiii) Wastema electric cloth cutting and drilling machine. (Courtesy Ablack Industry)
Stitching section
(Courtesy Ablack Industry)

Inspection and Quality Control Department.
(Courtesy Ablack Industry)
xvi) Finishing Department.
(Ironing and Folding of shirts)
(Courtesy Ablack Industry).

xvii) Packing Section.
(Courtesy Ablack Industry)
For stitching, 149 imported and one India sewing making a total of 150 machines are there other machines like vertical and round blades of kannegisser-Japan for cutting purposes, 121 industrial electric clothing machines of 4, 2 and 1 needle, 10 thread over lock machines with motor, 3 top fusing machines, 3 collar turning and pressing machines, 8 electronic button sewing and button hole sewing machines, 5 single needle embroider machines, a vaccum table and a portable steam generator with iron are used. Non availability of spare parts is the problem they face with their machines.

The garment is produced in the group system. Drafting is done on fabric and all shirts are cut at a time. It is then sent to the stitching department; the drafting are numbered according to different styles so the stitching become easy the garment are checked randomly at every step and rejected it fabric defect, staining or fault in stitching is found. When a shirt is fully complete it is checked once again and then packed in special export boxes for export if a consumer finds fault with the garment either the pieces is replaced or money is given back surplus or damaged shirts are sold in the local market.

The distribution channel followed is from manufacture to commission agent to retailer to consumer. It takes 6 months from buying the raw material to selling the garment. The blockage of money is made up by finance from the bank. They participate in international fairs.
The promotional technique of discount is used for the retailer to sell the garment. The product is exported through private agents. Shirts are exported to U.S.S.R. on quota or order basis.

The buying party decides the style and season, influence on the product. Mr. Goyal does not wish to expand his business because he thinks this is sufficient. The scope of this business is good. His advice to any individual who wishes to start a garmenty industry is good maintenance, produce good quality products in less time period, follow the local market fashion and market it to wholesalers, advertise your products.
Case No. 3

Kothari Traders situated in Kalupur, Ahmedabad is part of the Jee Hazoor Groups. Its brand name is Typhon it was established in March 1985. Mr. Pankaj Kothari a very intelligent, industrious and foresighted person is its owner.

This business organisation is based on partnership with an initial investment of Rs. 10 Lakhs. The total investment at present is Rs. 15 lakhs out of which Rs. 7 lakhs has been got through bank. Mr. Kothari said that they do not take any benefits, but to some extent the government gives tax liberty and reduces other duties.

It has a total area of 400 sq. feet and build in area of 350 square feet, in which there is a 3 storied building. They make use of the open space of 50 sq. -feet too.

They produce casual business and party shirts for men's and women's of size 38" to 45". It has a staff of 35 who have the capacity to manufacture 60 shirt a day. Annually its turnover is Rs. 40 to 50 lakhs.

Mr. Kothari selects the pattern using future foreign design catalogues and with the help of the cutting master make readymade block pattern.

Total expenditure on raw material for one months purchase Rs.

1) 5000 Mts. fabric 3,00,000 cotton, silk & synthetic
2) 100 boxes of sewing thread 5,800
3) 69.5 gross buttons 1042
4) 300 Mts. lining 9600
5) 3000 labels 1500
6) Packing material 6000

Total expenditure => 3,23,942

Price of a shirt => Raw material expenditure, interest, taxes + Profit

No. of shirts produced

Thus the price ranges from Rs. 70 to Rs. 350. To control the cost of production they opt for mass production and fix their overhead expenditure.

Expenditure Incurred : Rs.

Start up cost 5000
Cost of service provided 2500
Operating expenses : Rent 4500
Taxes 1200
Employee Salaries 40600
Advertising 1000
Maintenance 2200
Interest on loan 11000
Office supplies 2500
Travel Expenses 1500
Professional expenses 1000
Other expenses 1000

Total Expenses => 74,000

Company Insurance 11,00,000
Equipment expenditure 5,00,000

19 imported sewing machines are used out of which 4 are used for finishing purpose. They used scissors to cut the material. 14 heavy duty electrical clothing manufacture machines along with 2 thread over lock machines with meter or one top fusing machine, one electronic button sewing & button hole sewing machine, one electronic had stitching machine, 111 embroider single needle machine for sample making and one vacuum table with iron is used. They purchased standard company machines like Juki, Rego, Kashyop etc.

They follow the group system of production. The proprietor decides the design. The cutting master and proprietor together finalise the layout & the step wise stitching procedure so minimum material is used and the product is prepared in the shortest time period. At every step the checked, it is stitched in groups, finished and ironed. Care is taken to control the quality. Different styles are numbered so that sorting the garment is easy, styles are numbered so that sorting the garment is easy. If any new pattern is to be made it is stitched by experts. The product is differentiated, that which is sent to the retailer & that which is sent by order.
To maintain the quality of product, it is inspected at every stage and finally when it is ready. The buying party, generally does not rejected the product because half of the total cost is taken in advance the goods are delivered on cash payment of the remaining half amount. However the good is found to be defective, it is replaced. Surplus shirts are not produced and defective shirts are donated to the poor.

The garment is manufacture by the local order and without order for domestic purpose. The product has a domestic market, Manufacture to retailer to consumer is the channel used. There is a gap of 2 months from buying the raw material to selling of the material to the ultimate consumer. By investing more money they manage the blockage.

They participate in fairs like G.S.M.A and I.G.M.A. to market their product. Through press and fairs they advertise their product.

For the retailer they use discount as a productional technique.

According to Mr. Kothari, fashion & season influence the product. They predict the fashion change by looking into future planning books. He wishes to expand his business because since this is a small scale industry, there is government help available moreover peoples awareness towards readymade garment has increased. The scope of this business is good.
In the end his advice for the individual who wants to start a readymade shirt manufacturing business is that this business has benefit & government help is easy available with restrictions. If one knows how to tackle labour and administrative staff then there are no problems.
Case No. 4

A big and popular private limited company Mark Appraels on Asharam Road Ahmedabad was established in 1989. Under the brand name I like.Mr. Mahendar patel, the person who laid the foundation of G.G.M.A. is the owner.

This industry was started with an initial investment of Rs. 3 lakhs. At present the total investment is Rs. 18 lakhs out of which 9 lakhs have been obtained from bank.

The building covers a total area of 10000 sq.ft. in a total area of 20000 sq.ft.

20 persons are employed who manufacture Men’s shirts for party and executive wear. 8 to 90 shirts of size 36” to 44” produced in a day. The technical director selects the pattern.

Total expenditure on raw material purchased for one month are:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Quantity/Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) 3000 to 6000 mts. of fabric</td>
<td>3,00,000</td>
</tr>
<tr>
<td>silk, cotton &amp; synthetic</td>
<td></td>
</tr>
<tr>
<td>2) 100 boxes of sewing thread</td>
<td>4,000</td>
</tr>
<tr>
<td>3) 104 gross buttons</td>
<td>1,560</td>
</tr>
<tr>
<td>4) 225 mts. lining</td>
<td>7,900</td>
</tr>
<tr>
<td>5) 2500 labels</td>
<td>1,875</td>
</tr>
<tr>
<td>6) Packing material</td>
<td>7,200</td>
</tr>
</tbody>
</table>

Total expenditure => 3,22,535
Price of shirt $\Rightarrow$ Raw material + Making charge + Profit

Total production

Price of shirts manufactured ranges from Rs. 90 to Rs. 250.

To control the cost of production they control wastages, have mass production and regulated the spread of production.

Expenditure Incurred:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>1500</td>
</tr>
<tr>
<td>Taxes</td>
<td>500</td>
</tr>
<tr>
<td>Employee Salaries</td>
<td>18,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>800</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1000</td>
</tr>
<tr>
<td>Interest on loans</td>
<td>12,375</td>
</tr>
<tr>
<td>Office supplies</td>
<td>500</td>
</tr>
<tr>
<td>Stationary</td>
<td>3500</td>
</tr>
<tr>
<td>Professional charges</td>
<td>1000</td>
</tr>
<tr>
<td>Other expenses</td>
<td>2000</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>41,175</td>
</tr>
<tr>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Company Insurance</td>
<td>11,00,000</td>
</tr>
<tr>
<td>Equipment investment</td>
<td>4,00,000</td>
</tr>
</tbody>
</table>

In all 23 sewing machines are being used here one is Kashyap, local make and 22 are imported. A vertical blade cutting machine for cutting is used other than this 16 Juki heavy electrical clothing machines of which 4 are 2 needle and 12 are single needle, 2 thread over lock machine with motor, one top fusing machine, 2 electronic button sewing and button hole
sawing machine, one single needle embroidery machine, a vacuum table with iron and electrical iron are used. These sewing machines are of standard companies like Juki Rejo, Kashyop etc.

The technical director decides the pattern and the master cutter cuts the material. One unit is cut first if any new pattern is to be made. Stitching is done in groups. If any embroidery is to be done it is done first. The product is finished, packed and marketed. To improve the quality, the product is checked at every step.

If the good has any fault they leave it to the choice of the buying party whether to take back the money or he gets another piece as replacement. Surplus and rejected garments are sent to the open market. They have seasonal domestic demand, which is taken in their capacity, from manufacture to retailer to consumer is the channel followed.

This manufacturing unit invests more money in the initial stage and make up for the blockage by taking loans from the bank. By taking part in exhibition and fairs like BBMA and IBMA they market & advertise their product.

This promotional techniques of gifts, discount, and commission 5 % to 10 % is given to the retailer to sell garments.

According to Mr. Mahendra Patel, this business is fashion oriented. Customers look for something new every time.
He wishes to expand his business because this business develops fast. The scope of this business is good if one has full confidence on the product. His advisory note to the individual is that one should have awareness of the availability of clothes. Customer trends and the quality of the product should be taken care of.
Krym Apparels Gheekanta, Ahmedabad was established in 1990. Mr. Dipak, its proprietor, named its brand Krym. started with an initial investment of 2 lakhs, and total investment from personal savings of 4 lakhs, this industry has a turnover of 30 lakhs annually. Its building has a total and build in area of 700 sq.ft.

Men's shirt of size 38"-42" are manufactured. 26 persons manufacture 300 party and casual shirts per day. Pattern is selected by the proprietor or according to the party's order.

Total expenditure on raw material purchased for 1 month

Rs.

1) 8000 mts. Fabric, cotton, silk, & synthetic 4,00,000
2) 125 boxes of thread 5,000
3) 120 gross buttons 1,800
4) 300 dozens collars 6,600
5) 10,000 labels 5,000
6) Packing material 36,000

Total expenditure => 4,54,400

Price of shirt => Total expenditure + Profit

Total production
The price range of shirts produced is between Rs. 50 to Rs. 300. by opting mass production which control the cost of production. Such pattern are selected which are easy and can be completed in the shortest time period.

Investment Incurred:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company's insurance</td>
<td>4,00,000</td>
</tr>
<tr>
<td>Equipment investment</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>65,000</td>
</tr>
<tr>
<td>Rent</td>
<td>1500</td>
</tr>
<tr>
<td>Employee salaries</td>
<td>58,000</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,000</td>
</tr>
<tr>
<td>Office supplies</td>
<td>250</td>
</tr>
<tr>
<td>Stationary</td>
<td>500</td>
</tr>
<tr>
<td>Bank charges</td>
<td>500</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>1500</td>
</tr>
<tr>
<td>Professional expenses</td>
<td>750</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1000</td>
</tr>
<tr>
<td>Total Operating Expenditure</td>
<td>65,000</td>
</tr>
</tbody>
</table>

Totally 22 machines are used all are Indian. 16 industrial electrical stitching machine, 3 thread over lock machines with motor one electronic button sewing & button hole sewing machines, one single needle embroider machine and a high steam iron are used. If they do have problems with the machine the person employed for stitching have the ability to repair them.
The proprietor decides the pattern. The master cutter cuts the material and each pieces is given to one person to finish totally. The product is inspected at each step, but finally it is checked properly. It is marketed domestically.

The product is replaced if it has been rejected for incomplete finishing. Surplus goods are sent to the open market. Garments are manufactured on local order & some times without order. If they make up for it by the help of local tailors.

The channel is manufacture to retailer to consumer is used. It takes one month from buying the raw material to selling the product. The blockage of money is made up by the availability of credit facility. Discounts are given to the retailer.

According to Mr. Dipak fashion & season influence their product, since the young generation opt for change. He does not wish to expand his business because he thinks that all work & no play makes Dipak dull. The scope of this business is good, even without finance if one has the quality & labour control techniques. There is competition in women's & Men's wear & the demand of children's wear needs have not been kept up with.
Case No. 6

Vogue apparels situated off ashram road in Ahmedabad was established in 1989. Their brand name is Vogue Senator. Mr. Surendra Salecha an able industrialist is its owner.

It is based on partnership with an initial investment of 3 lakhs and a total investment at present of Rs. 14.75 lakhs. They have taken a loan of Rs. 1.5 lakhs from the bank.

The building covers a total area of 600 sq. feet and a build in area of 350 sq. feet.

This industry employs 24 people which manufacture 45 men's shirts of size 36" to 42". They produce executive and party shirts. The proprietor selects the pattern with the help of the cutting master.

Total expenditure on raw materials purchased for 1 month

Rs.

1) 5000 mts. fabric
cotton silk synthetic 3,00,000
2) 100 boxes of sewing thread 4,200
3) 100 gross buttons 1,500
4) 225 mts. lining 1,900
5) 2250 labels 1,690
6) Packing material 9,000

Total expenditure = 3,18,290

Total Expenditure + Profit

Price of a shirt = Total Expenditure + Profit

Total Production
The price of shirts ranges from Rs. 60 to 250. Mass production is a step to control the cost of production.

Operating Expenses:

<table>
<thead>
<tr>
<th></th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>2,000</td>
</tr>
<tr>
<td>Employee salaries</td>
<td>25,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>250</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2,500</td>
</tr>
<tr>
<td>Interest on loan</td>
<td>2,062</td>
</tr>
<tr>
<td>Stationary</td>
<td>1,000</td>
</tr>
<tr>
<td>Bank charges</td>
<td>2,000</td>
</tr>
<tr>
<td>Travelling</td>
<td>1,500</td>
</tr>
<tr>
<td>Professional expenses</td>
<td>1,000</td>
</tr>
<tr>
<td>Other expenses</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total Expenditure =&gt;</strong></td>
<td><strong>39,312</strong></td>
</tr>
</tbody>
</table>

Company insurance 4,00,000
Equipment expenditure 4,00,000

2 local and 16 imported totally 18 machines are used. The material is cut by scissors. 13 industrial electrical stitching machines are used out of which 11 are single needle and 2 are double needle machines. 2 Threadover lock machines with motor, 1 top fusing machine, 1 electronic button sewing & button hole sewing machine, 1 single needle embroider machine and a vacuum table with iron are the other machines that are used.
The group system of production is followed after the material is cut each every process is followed in one line. Stitching is done in the least time limit keeping in mind good finishing. To maintain the quality the product is checked at every stage and finally too.

Garments are manufactured for the domestic market on local order. Since they have seasonal domestic demand they meet it by overtime labour. The channel followed is manufacture to retailer to consumer.

It takes 50 days from buying the raw material to selling of the material to the ultimate consumer. They rotate the money that is blocked. Through exhibition press & fairs they market their products, Through the promotional technique of discount they sell their garments.

Mr. Salecha thinks that fashion & reason influence the product. They change the pattern of shirts after sometime keeping in mind the fashion trends. He wishes to expand his business to give the consumer complete satisfaction. As this business has demand the scope is good. One should have demonstrative quality and alertness to start such an industry.
Case No. 7

Mr. Arvind Shah, proprietor of Mahavir Dresses, Ahmedabad is an able industrialist. Mahavir Dresses was established in 1975 under the brand name Mala Dresses. With an initial investment of Rs. 2 lakhs, out of which Rs. 1.7 lakh were taken as loan from bank, the present investment is Rs. 12 lakh. Annually the turnover is Rs. 17 lakhs. The total area of the unit is 500 sq.ft, and the build-in area is 450 sq.ft.

This industry manufactures children's wear of size 2" to 10". 28 persons are employed who manufacture 150 dresses per day within the price range of Rs. 30 to 125 per piece. Simple and new patterns are selected by the proprietaries himself.

Total expenditure on materials purchased for one month are.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) 4000 mts. fabric</td>
<td>1,20,000</td>
</tr>
<tr>
<td>2) 100 boxes of sewing thread</td>
<td>5,500</td>
</tr>
<tr>
<td>3) 60 gross buttons</td>
<td>1,000</td>
</tr>
<tr>
<td>4) 400 mts. lining</td>
<td>12,000</td>
</tr>
<tr>
<td>5) 4500 label</td>
<td>2,250</td>
</tr>
<tr>
<td>6) Packing material</td>
<td>9,000</td>
</tr>
</tbody>
</table>

Total Expenditure => 149750
Price of a dress => Total expenditure + Marketing Expenditure + Profit

Number of dresses produced

To control the cost of production labour problems are handled with care keeping in mind mass production.

Total Investment incurred

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start up costs</td>
<td>2500</td>
</tr>
<tr>
<td>Cost of service provided</td>
<td>500</td>
</tr>
<tr>
<td>Employee salaries</td>
<td>25,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>500</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1500</td>
</tr>
<tr>
<td>Interest on loan</td>
<td>2340</td>
</tr>
<tr>
<td>Office supplies</td>
<td>2000</td>
</tr>
<tr>
<td>Stationary</td>
<td>1500</td>
</tr>
<tr>
<td>Bank charges</td>
<td>500</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>1000</td>
</tr>
<tr>
<td>Professional</td>
<td>750</td>
</tr>
<tr>
<td>Other expenses</td>
<td>750</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>38,590</strong></td>
</tr>
</tbody>
</table>

Company’s insurance   1,50,000
Equipment investment  4,75,000

In all 15 sewing machines are used out of which 4 are local made & imported are used. 10 Juki industrial electrical stitching
machines. 8 single needle and 2 double needle, 2 thread over lock
machines with motor, one top fusing machine, one electronic
button sewing & button hole sewing machine, one single needle
embroider machine and a vacuum table with iron are also used.

The master cutter cuts the pattern in mass quantity. Then
it is given to the workers who do the total job alone. One person
stitches the buttons and check the dresses at the final
stage. So that chances of rejected are less. The pieces are
then ironed, packed and transported to the domestic market.
without order. If there are minor defects in the children wear
they are over looked. The demand for these dresses is
continuous.

Manufacture to retailer to consumer is the channel
followed. It takes 1 month from buying the raw material to selling
the garment. The blockage is made up by investing more. Discount
are given to the retailer as an incentive

According to Mr. Shah increase in demand influence the
product. Fashion changes after some time he want to expand his
business because he wants to give the consumers a wide range of
choice. The scope of this business is good because people don't
have time to go through the long procedure of stitching clothes.
One who wants to start such an industry should check the selling
position and market trends before producing the garments.
Case No. 8

Design creators behind M.J. Library in Ahmedabad in 1988. Under the brand name D'peak point. Its partners Mr. Jitendra Chauhan and Mr. Bipin Chauhan, started with an initial investment of Rs. 2.15 Lakhs its present turn over is Rs. 1 Lakhs. At present the investment is Rs. 7 lakhs, 1 lakh has been obtained from the bank. The industry has a total area of 425 sq. ft and a built in area of 375 sq. ft.

In all 22 persons manufacture 75-80 Men's shirts per day between the size range of 38" to 44". The proprietor select the designs for the party and casual shirts produced.

Total expenditure on material purchased for one month

Rs.

1) 5000 mts. Fabric 3,00,000
cotton, silk, & synthetic.

2) 100 boxes of thread 5,500

3) 100 gross buttons 1,200

4) 200 mts. lining 6,000

5) 5000 labels 5,000

6) Packing material 9,600

Total Expenditure => 3,27,300
Price of shirt = Raw material + Marketing expenditure + profit

Numbers of shirts produced

The price of shirts manufactured varies between Rs. 60 to 350. By saving wastages of fabric they control the cost of production.

Investment Incurred: Rs.
Other start up costs: 2500
Operating Expenses: Rent 1000
Taxes: 500
Employee Salaries: 23,500
Advertising: 500
Interest on loan: 1375
Stationary: 500
Bank charges: 500
Travel expenses: 2000
Professional charges: 1000
Other expenditure: 1000

Total Expenditure => 34,375

+ Company's Insurance: 2,00,000
Equipment Investment: 3,00,000

3 local and 13 imported totally 16 sewing machines are used. 9 single needle and 2 double needle totally 11 Juki
industrial; electrical stitching machines are use. 2 super delux thread over lock machines with motor, one top fusing machine, one electronic button sewing & button hole sewing machine, one single needle embroider machine for sample making and vacuum table with iron are also used. In rare cases if there are machinery problems they repair it by themselves.

The pattern is selected, material is cut, stitched & finished in the group system. It is ironed, checked at the final stage and marketed to the local market on local order. They have seasonal demand which is met by giving orders to local tailors. The channel used is from manufacture to retailer to consumer.

The gap from buying the raw material and selling the product is 2 months. They have no financial problems because they manage in advance by rotation.

Fairs like BGMA, the press and exhibition are used agents to market their products. Retailers are given gifts & discounts.

According to both the Chauhan’s any new pattern put in the market speeds like fire once it is caught. They wish to expand their business slowly. The scope of this business is good if fashion & patterns change. To start such an industry the business should be seen from all the angles.
Case No.9

Vrijalal Hiralal established in 1970 under the brand name National is in Ahmedabad. It is a private Limited Company owned by Mr. Hasmukh. It had an initial investment of Rs. 3 lakhs. At present 13 lakhs have been invested from personal savings. Yearly turnover is Rs. 25 lakhs. The total area covered is 800 sq. ft. and built in area is 600 sq.ft.

20 person produce 75 to 80 Men's shirt per day between the size range of 38" to 45". The price range varies from Rs. 85 to Rs. 300 per shirt. The government gives them subsidies.

Total expenditure on raw material purchased for 1 month from local market and big cities.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) 5000 mts. Fabric</td>
<td>3,00,000</td>
</tr>
<tr>
<td>cotton, silk, synthetic</td>
<td></td>
</tr>
<tr>
<td>2) 100 boxes of sewing thread</td>
<td>4,000</td>
</tr>
<tr>
<td>3) 110 gross buttons</td>
<td>1,650</td>
</tr>
<tr>
<td>4) 150 mts. lining</td>
<td>4,550</td>
</tr>
<tr>
<td>5) 2500 labels</td>
<td>1,875</td>
</tr>
<tr>
<td>6) Packing material</td>
<td>6,800</td>
</tr>
</tbody>
</table>

Total expenditure => 3,18,875

The price of shirt => Total expenditure + Marketing expenditure + Profit

Number of shirts produced.
Avoiding wastage of material and mass production are methods to control the cost of production.

Investment Incurred :

<table>
<thead>
<tr>
<th>Item</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td>2000</td>
</tr>
<tr>
<td>Employee salaries</td>
<td>26,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>2,500</td>
</tr>
<tr>
<td>Maintenance</td>
<td>500</td>
</tr>
<tr>
<td>Office supplies</td>
<td>500</td>
</tr>
<tr>
<td>Stationary</td>
<td>2000</td>
</tr>
<tr>
<td>Travel Expenses</td>
<td>2000</td>
</tr>
<tr>
<td>Professional charges</td>
<td>1000</td>
</tr>
<tr>
<td>Other expenditure</td>
<td>2000</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>36,500</td>
</tr>
</tbody>
</table>

6 local and 16 imported totally 22 sewing machines are used 13 single needle & 3 double needle Juki industrial electrical stitching machines are use. 2 Rego thread over lock machines with motor, 1 Kashyops top fusing machine, 2 electronic button sewing & button hole sewing machine, one local make embroider machine and vacuum table with iron & electrical iron, in rare cases if there are problems with the machines the workers repair them.
The pattern is selected by the technical director and the fabric is selected & purchased according to the pattern. It is cut & stitched in the group system. The product is checked at every step after it is finished it is packed. If any special or awkward pattern is selected then an expert is called to stitch it. The product is sold in the local market, in rare cases the garment is rejected due to fabric defects. In such case it is left to the customer to choose whether he wants money or another piece in return.

Garments are manufactured on local order basis. They have seasonal domestic demand which is met by the new facilities they are creating although it has the capacity to meet the demand. The channel of manufacture to retailer to consumer is followed.

The gap from buying the raw material to selling the garment is 2 months. The money is circulated in such a way that no problems arise.

Through exhibition & fairs like GGMA they market their products. Retailers are given discount around 10% every 15 days.

According to Mr. Hasmukh political atmosphere and seasonal charges affect production. He wishes to expand his business because it has a wide scope since Indians have changed their way of living, time been given more importance. The scope of this business is good if the person handling it is educated.
Case No. 10

Mr. A.R. Gupta, president of S.G.M.A, is the managing director of Glamour Garments, situated behind Gujarat High Court in Ahmedabad. Mr. Gupta has played a very important role in starting S.G.M.A in Gujarat. Glamour Garment was established in 1984 under the brand name of 7th Avenue. It was started with an initial investment of 4 lakhs and Rs. 14 lakhs is invested at present. Of which 5 lakhs have been bank. The area covered is an area of 555 ft and build in area is 400 ft.

Men's and women's wear are manufactured of size 38" to 45". 29 person employed produce 65 to 75 shirts per day, basic, executive and party shirts are manufactured. The proprietor selects the pattern & readymade block paper pattern are made by the cutting master & proprietor.

Total expenditure on raw material purchased for one month

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) 2500-6000 mts. of fabric, cotton, silk &amp; synthetic.</td>
<td></td>
<td>3,00,000</td>
</tr>
<tr>
<td>2) 100 boxes of sewing thread</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td>3) 90 gross buttons</td>
<td></td>
<td>1,050</td>
</tr>
<tr>
<td>4) 225 mts. lining</td>
<td></td>
<td>7,900</td>
</tr>
<tr>
<td>5) 3000 labels</td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td>6) Packing material</td>
<td></td>
<td>6,000</td>
</tr>
</tbody>
</table>

Total Expenditure = Rs. 3,22,250
Price of shirt => Total Expenditure + Marketing charges + Profit

-----------------------------
Number of shirts produced

The price range of shirts produced varies between Rs. 70 to Rs. 350 per shirt. Mass production and labour dealing techniques are methods to control the cost of production.

Investment Incurred: Rs.

Start up costs.

Rent 200
Taxes 1500
Employee salaries 30,000
Advertising 500
Maintenance 1000
Interest on loan 6,875
Office supplies 2,000
Travelling expenses 2,000
Professional charges 1,000
Other expenses 1,750

Total Expenditure => 46,825

+ Company insurance 10,000,000

Equipment investment 4,50,000

2 local and 15 imported totally 17 sewing machines are used. Scissors are used to cut the material. 9 single needle and 2 double needle Juki industrial, electrical stitching machines are
used, 2 Rege threadover lock machine, 2 electronic button sewing machines, one single needle embroider machine and a table with iron are used.

Group stitching is the process followed. The pattern is decided by the cutter & proprietor. Material lots are put in the cutting section keeping in mind cost controls. The whole garment is prepared without wastage and in the shortest time period. The garment is inspected at every stage. The pattern’s are not numbered but special or awkward patterns are given to experts to stitch. Rarely the garment is rejected surplus garments are sent to the open market garments are marketed locally. Manufacture to retailer to consumer is the channel followed.

From buying the raw material and selling of the garment the time period is 2 months during which time no financial problems arise. They participate in fairs and exhibition like G.S.M.A., I.S.M.A. to market their products. Discounts are given to the retailers.

According to Mr. Gupta they give the consumer new patterns everytime. He wishes to expand his industry because Gujarat is a part from where exporting will be easy. The scope of this business is good. If one has alertness and good administrative power.
Out of the ten units that were studied majority of them are in their infant stage they have been very recently set up, not more than 5 years back. Most of the units supply their product in domestic market except one unit which exports. On an average all the entrepreneurs wanted to sell their product in the foreign market.

Generally in all units in the stitching and finishing departments, Indian machines are used. Raw materials is being purchased from the local or cosmopolitan cities, and group manufacturing process is followed as it saves time and quality goods are produced, as each person becomes an expert in finishing one part of the garment only.

The image of the product in the market depends on how capable the director is. As in most of the units the director makes the final decision of the pattern, the type of raw material to be used, the marketing strategy etc.