

LADIES GOWNS & NIGHTY



1. INTRODUCTION:

Women's clothing has been traditionally driven by the fashion. In some cultures, women's clothing is also driven by the customs, beliefs and religion. While women are driven or governed by these factors for their day time formal clothing, they prefer to have easy to wear, comfortable and relaxed dressing when they retire for the day. Gowns and nighty serve this purpose very well.

2. PRODUCT & ITS APPLICATION:

Gown is a single garment that covers women from shoulders to the toes. It is far more loose and comfortable than a formal outfit. A gown may be with or without sleeves, have a varying neckline and is generally long enough to touch the ankles although some gowns of shorter length are also available in the market to meet customer demand. As gowns are used for sleeping, comfort in using and while sleeping is the key parameter determining the look, feel, fitting and design of the product.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Graduate in any discipline.

4. INDUSTRY OUTLOOK AND TRENDS:

Basic gowns for ladies have been vogue for quite some time. However, nighty and high end gowns have become the rage these days. As women become increasingly aware of their right to freedom, they have become more conscious about their looks, personality and clothing. This change in culture has led to demand for gowns and nighties, particularly in metros and big towns.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

Although some women use salwar kurta, shorts & T-shirt, pyjamas or even saree while sleeping, most prefer gown or nighty due to its comfortable fitting. There is good demand for low price to high price gowns with varying fabric quality, designs, patterns and prints. The retail price of a gown varies from a low of ₹ 150 to as high as ₹ 10,000 per piece and there are buyers at each price level although a large portion of business takes place in sub-₹ 500 segment. A more fashionable version of the gown, namely Evening Gown is becoming more popular these days. Made out of better quality fabric and enriched with laces, embroidery and other embellishments, evening gowns command a retail price of ₹ 1,000 and above. Evening gowns are used for outdoor dressing, particularly in parties, weddings and other events.

6. RAW MATERIAL REQUIREMENTS:

The key raw material is fabric of natural as well as man-made fibers. Cotton, Polyester, Silk, nylon are commonly used for manufacture of gowns and nighty. All these fabrics are available in major cities in India. Accessories like buttons, laces are available with tailoring material traders.

7. MANUFACTURING PROCESS:

The fabric purchased in roll form is spread in layers on the cutting table. Patterns of various parts of the garment made out of card board or plywood or metal are laid on the fabric in such a way that wastage of fabric is minimized. Several layers of fabric

are then cut through vertical motorized blade. Garments are stitched in assembly line manner wherein each machine operator completes only a part of the product. The stitching starts on the 1st machine and gets completed at the last stage where the product is inspected for quality defects if any. Garments are then cleaned of loose yarn or dirt and packed in plastic bags as per customer requirements.

8. MANPOWER REQUIREMENT:

The enterprise shall need 36 employees as detailed below:

Sr.No.	Designation of Employees	Monthly Salary ₹	Number of employees required	Annual cost ₹ in lacs
	Variable Labour / Workers:			
1	Machine Operators	12,000	21	30.24
2	Helpers	8,000	11	10.56
	<i>sub-total</i>		32	40.80
	Fixed Staff Costs:			
1	Production supervisor	25,000	1	3.00
2	Accounts Executive	15,000	1	1.80
3	Stores Assistant	12,000	1	1.44
4	Office Boy	8,000	1	0.96
	<i>sub-total</i>		4	7.20
	Total		36	48.00

9. IMPLEMENTATION SCHEDULE:

The project can be implemented in 3 months as shown below:

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	-
3	Procurement & installation of Plant & Machinery	2

4	Arrangement of Finance	2
5	Recruitment of required manpower	2
	Total time required <i>(some activities shall run concurrently)</i>	3

10. COST OF PROJECT:

Detailed cost of project is shown below:

Sr. No.	Particulars	₹ in Lacs
1	Land	-
2	Building	-
3	Plant & Machinery	13.20
4	Furniture, Electrical Installations	5.00
5	Other Assets including Preliminary / Pre-operative expenses	1.50
6	Margin for Working Capital	8.45
	Total	28.15

11. MEANS OF FINANCE:

Bank term loans are assumed @ 60% of fixed assets. The proposed funding pattern is as under:

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	16.34
2	Bank Finance	11.81
	Total	28.15

12. WORKING CAPITAL CALCULATION:

The project requires working capital of ₹ 16.49 lacs as under:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	25.20	40%	10.08	15.12

2	Receivables	5.83	40%	2.33	3.50
3	Overheads	3.10	100%	3.10	-
4	Creditors	-17.64	40%	-7.06	-10.58
	Total	16.49		8.45	8.04

13. LIST OF MACHINERY REQUIRED AND THEIR MANUFACTURERS

Sr. No.	Particulars	UOM	Qty.	Rate (₹)	Value (₹ in Lacs)
	Plan & Machinery / equipment				
a)	Main Machinery				
i.	Single Needle Machine	Nos	6.00	60,000	3.60
ii.	Double Needle Machine	Nos	4.00	75,000	3.00
iii.	Border/Piping machine	Nos	3.00	50,000	1.50
iv.	Over-lock Machine	Nos	4.00	40,000	1.60
V	Cutting Table & machine	Nos	2.00	1,00,000	2.00
vi.	Embroidery Machine	Nos	2.00	75,000	1.50
	<i>sub-total Plant & Machinery</i>				13.20
	Furniture / Electrical installations				
a)	Inspection tables	Nos	2.00	25,000	0.50
b)	Office & Store furniture	LS	1.00	1,50,000	1.50
c)	Desktop computer & printer	Nos	2.00	50,000	1.00
d)	Storage system	LS	1.00	2,00,000	2.00
	<i>sub total</i>				5.00
	Other Assets				
a)	Rent Deposits		2.00	75,000	1.50
	<i>sub-total Other Assets</i>				1.50
	Total				19.70

Single Needle and Double Needle stitching machines are available from following suppliers. They have offices across several cities in India. There may also be other local machinery manufacturers offering alternate machines of various makes and models.

- IIGM Private Limited

Springdale No. 51,
Residency Road, 3rd cross,
Bangalore 560025
www.iigm.in

- Juki India Private Ltd
1090/I, Ground Floor,
18th Cross, Sector III,
HSR Layout,
Bangalore 560102
www.jukiindia.com
- Brother International (India) Pvt Ltd
Unit No.408, 215, Atrium B-Wing,
4th floor, Opp. Sangam Cinema,
Andheri Kurla Road, Andheri (East),
Mumbai 400093
www.brother.in

14. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity	%	60%	70%	80%	90%	100%
2	Sales	₹ in Lacs	241.50	281.75	322.00	362.25	402.50
3	Raw Materials & Other direct inputs	₹ in Lacs	218.08	254.43	290.77	327.12	363.47
4	Gross Margin	₹ in Lacs	23.42	27.32	31.23	35.13	39.03
5	Overheads except interest	₹ in Lacs	18.58	18.58	18.58	18.58	18.58
6	Interest	₹ in Lacs	2.34	2.34	2.34	2.34	2.34
7	Depreciation	₹ in Lacs	1.45	1.45	1.45	1.45	1.45
8	Net Profit before tax	₹ in Lacs	1.05	4.95	8.86	12.76	16.66

The above calculations are based on assumed unit sales price varying from ₹ 275 to ₹ 1000 for various products. The key raw material is assumed at a cost range of ₹ 75 to ₹ 200 per meter. Electricity tariff is assumed at ₹ 8 per KWH.

15. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 53.60% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹. In Lacs	402.50
2	Variable costs	₹. In Lacs	363.47
3	Fixed costs incl. interest	₹. In Lacs	20.92
4	BEP = FC/SR-VC x 100 =	% of sales	53.60%

16. STATUTORY / GOVERNMENT APPROVALS:

The project does not require any specific government approval. Registration with MSME is optional. An Entrepreneur may be required to obtain Shops & Establishment Registration and Professional Tax registration by local Municipal authorities. Registration under Factories Act, Provident Fund Act and ESI provisions would be required depending upon the number of employees, the location, the level of mechanization and the age of the enterprise. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD OR FORWARD INTEGRATION:

As the machines used in the project are versatile, the Entrepreneur can also consider manufacture of home furnishing articles like bed sheets, pillow covers, wall hangings etc depending on opportunities in the market he / she is familiar with.

18. TRAINING CENTERS/COURSES

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for handholding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.