

BABY GARMENTS



1. INTRODUCTION:

Gone are the days when parents used to wrap babies in cotton sheets or old / used dupatta. With growing awareness and ambitions, the parents are more than willing to spend a large part of their income & saving on needs of their children. Since arrival of a new baby is a big occasion in the family, the parents and relatives happily spend more and more to pamper the babies.

2. PRODUCT & ITS APPLICATION:

Baby garments like frocks, T-shirts, Vests, under-wears and articles like face napkins, baby towels and baby blankets are used for clothing and hygiene requirements of new born babies. While there are some gender specific products like frocks or shirts, many textile products for children are gender neutral like blankets, towels, vests, underwear etc.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Graduate in any discipline.

4. INDUSTRY OUTLOOK & TRENDS:

A baby's birth is an important event in every family. Not just parents but grandparents, friends and relatives of the blessed family shower baby with various gifts, garments being the most common of these. Strong trend to celebrate baby-shower, baby's birth and her first birthday has led to growing demand for baby garments. Increasing income levels, growth in ratio of working women and aspiration to give child a better life has also brought a boom in spending on the baby garments.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

Going by current population, birth rate of 19 per 1000 and average births of 2.43 per women in India, the market for baby garments is huge. Almost all cities and towns are well populated leading to decent demand for these products all over the country.

6. RAW MATERIAL REQUIREMENTS:

The main raw material required for baby garment is cotton fabric. While some baby garments can also be made from polyester or blended fabrics, the parents avoid using such products as baby's skin is generally allergic to man-made fibers and its use may cause rashes or irritation leading to discomfort or disruption in sleep cycles. Even baby blankets and towels are made from cotton knit fabric for the same reason. Cotton knit and woven fabric is available in every major city through fabric dealers or textile mills.

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 34 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	20	28.80
2	Helpers	8,000	10	9.60
	<i>sub-total</i>		30	38.40
	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		34	45.60

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	11.65
4	Furniture, Electrical Installations	5.00
5	Other Assets including Preliminary / Pre-operative expenses	1.50
6	Margin for Working Capital	5.53
	Total	23.68

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	12.78
2	Bank Finance	10.90
	Total	23.68

12. WORKING CAPITAL CALCULATION:

The project requires working capital of Rs. 9.17 lacs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	8.59	40%	3.43	5.15
2	Receivables	3.50	40%	1.40	2.10
3	Overheads	3.10	100%	3.10	-
4	Creditors	-6.01	40%	-2.40	-3.61
	Total	9.17		5.53	3.65

13. LIST OF MACHINERY REQUIRED:

Sr. No.	Particulars	UOM	Qty.	Rate (₹)	Value(₹ in Lacs)
	Plan & Machinery / equipment				
	Main Machinery				
i.	Single Needle Machine	Nos	6.00	60,000	3.60
ii.	Double Needle Machine	Nos	3.00	75,000	2.25
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.	Button Hole Machine	Nos	1.00	40,000	0.40
vii	Button Stitching Machine	Nos	1.00	30,000	0.30
	<i>sub-total Plant & Machinery</i>				11.65
	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				18.15

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	113.82	132.79	151.76	170.73	189.70
3	Raw Materials & Other direct inputs	₹ in Lacs	93.38	108.94	124.50	140.06	155.63
4	Gross Margin	₹ in Lacs	20.44	23.85	27.26	30.67	34.07
5	Overheads except interest	₹ in Lacs	18.58	18.58	18.58	18.58	18.58
6	Interest	₹ in Lacs	1.67	1.67	1.67	1.67	1.67
7	Depreciation	₹ in Lacs	1.33	1.33	1.33	1.33	1.33
8	Net Profit before tax	₹ in Lacs	-1.14	2.27	5.68	9.08	12.49

The above calculations are based on assumed unit sales price varying from ₹ 15 to ₹ 150 for various products. The key raw material is assumed at a cost range of ₹ 75 to ₹ 100 per meter. Electricity tariff is assumed at ₹ 8 per KWH.

15. BREAK-EVEN ANALYSIS:

The project shall reach cash break-even at 59.43% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹. In Lacs	189.70
2	Variable costs	₹. In Lacs	155.63
3	Fixed costs incl. interest	₹. In Lacs	20.25
4	BEP = $FC/SR-VC \times 100 =$	% of sales	59.43%

16. STATUTORY 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.