Profile No.: 10 **NIC Code: 14109**

CHILDREN WEAR

1. INTRODUCTION:

More and more parents these days look for ready to wear garments for their children instead of stitching the same at home. Growing income levels, urbanization and awareness of fashion design has created a big market for children wear of all fabrics, designs, colors and patterns. Mass scale production of these garments has also brought down the cost of latest fashion children wear.

2. PRODUCT & its application:

Children wear include frocks, kid's underwear, shorts, shirts, pants, dungarees, chaniya choli (skirt blouse) and the like. Fashion designers come up with a variety of designs, patterns, shapes and fittings in these products to create a huge product line fulfilling the needs of all segments of the society.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

Graduate in any discipline.

4. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

As long as the population increases, the market for children wear shall continue to grow. Even if one was to manufacture and sell these garments on a local level, there is sufficient market in every reasonably sized city of India.

5. RAW MATERIAL REQUIREMENTS:

The key raw material is fabric which is available in from textile mills or wholesalers or agents throughout India. One can use cotton or polyester or blended fabric to achieve the desired cost & comfort in the end product.

6. MANUFACTURING PROCESS:

The fabric purchased in roll form is spread in layers on the cutting table. Patterns of various parts of the garmentmade 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.

7. MANPOWER REQUIREMENT:

The enterprise shall need40 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	24	34.56
2	Helpers	8,000	12	11.52
	sub-total		36	46.08
	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
	Total		40	53.28

8. IMPLEMENTATION SCHEDULE:

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

Sr. No.	Activity	Time Required *(in months)*
1	Acquisition of premises	1.00
2	Construction (if applicable)	-
3	Procurement & installation of Plant & Machinery	2.00
4	Arrangement of Finance	2.00
5	Recruitment of required manpower	2.00
	Total time required *(some activities shall run concurrently)*	3.00

9. COST OF PROJECT:

Detailed cost of project is shown below:

Sr. No.	Particulars	₹ in Lacs
1	Land	-
2	Building	-
3	Plant & Machinery	14.65
4	Furniture, Electrical Installations	5.00
5	Other Assets including Preliminary / Pre-operative expenses	1.50
6	Margin for Working Capital	4.97
	Total	**26.12**

10. 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	13.44
2	Bank Finance	12.69
	Total	**26.12**

11. WORKING CAPITAL CALCULATION:

The project requires working capital of ₹ 7.79 lacs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	8.26	40%	3.30	4.96
2	Receivables	2.21	40%	0.89	1.33
3	Overheads	3.10	100%	3.10	-
4	Creditors	-5.78	40%	-2.31	-3.47
	Total	7.79		4.97	2.82

12. LIST OF MACHINERY REQUIRED:

Sr. No.	Particulars	UOM	Qty.	Rate (₹)	Value (₹ in Lacs)
a)	***Main Machinery***				
i.	Single Needle Machine	Nos	10.00	60,000	6.00
ii.	Double Needle Machine	Nos	5.00	75,000	3.75
iii.	Border/Piping machine	Nos	2.00	50,000	1.00
iv.	Over-lock Machine	Nos	3.00	40,000	1.20
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
	sub-total Plant & Machinery				**14.65**
	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
	sub total				**5.00**
	Other Assets				
a)	Rent Deposits		2.00	75,000	1.50
	sub-total Other Assets				**1.50**
	Total				**21.15**

13. 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	113.44	132.35	151.25	170.16	189.07
3	Raw Materials & Other direct inputs	₹ in Lacs	94.51	110.26	126.01	141.76	157.52
4	Gross Margin	₹ in Lacs	18.93	22.08	25.24	28.39	31.55
5	Overheads except interest	₹ in Lacs	18.58	18.58	18.58	18.58	18.58
6	Interest	₹ in Lacs	1.76	1.76	1.76	1.76	1.76
7	Depreciation	₹ in Lacs	1.56	1.56	1.56	1.56	1.56
8	**Net Profit before tax**	₹ in Lacs	**-2.97**	**0.19**	**3.34**	**6.50**	**9.65**

14. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 64.47% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹. In Lacs	189.07
2	Variable costs	₹. In Lacs	157.52
3	Fixed costs incl. interest	₹. In Lacs	20.34
4	BEP = FC/SR-VC x 100 =	% of sales	64.47%