

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. 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.

5. 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.

6. 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.

7. 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 Labor / Workers:			
1	Machine Operators	12,000	21	30.24
2	Helpers	8,000	11	10.56
	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		36	48.00

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 <i>(some activities shall run concurrently)</i>	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	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

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	16.34
2	Bank Finance	11.82
	Total	28.15

11. 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

12. List of machinery required:

Sr. No.	Particulars	UOM	Qty.	Rate (₹)	Value (₹ in Lacs)
	Plan & Machinery / equipments				
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

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	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

14. 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 = $FC/SR-VC \times 100 =$	% of sales	53.60%