

# LINGERIE

## **1. INTRODUCTION:**

Women's undergarments are collectively called Lingerie. The products are also individually called Bra, Panties, Slip, Brassiere etc. Growing income levels and continuous launch of fashionable products has also impacted Lingerie. Now days, these garments are designed to be more attractive, highly functional and comfortable to the body.

## **2. PRODUCT & ITS APPLICATION:**

Lingerie provides support and shape to parts of women's body and therefore plays an important role in her look & personality. There is also need for these garments to be skin friendly for hygienic reasons.

## **3. DESIRED QUALIFICATIONS FOR PROMOTER:**

Graduate in any discipline.

## **4. INDUSTRY OUTLOOK & TRENDS:**

There is a growing awareness among female population to spend well on own hygiene, looks, gait and attire. More and more women aspire to buy and use good quality and sometimes branded and/or expensive lingerie products.

Government's push to women's education, constant urbanization and increase in proportion of working women are other factors that fuel the spending on lingerie. The trends shall continue for next couple of decades.

## **5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:**

The market for Lingerie is as large as female population. What is important is that the awareness to spend on and care for lingerie is increasing day by day. Several manufacturers and online marketers of lingerie have reported growing sales of these products in tier II and tier III cities as women of smaller towns have dreams and aspirations but are unable to find products of their choice in such places. Therefore the potential for these products is very high. The entrepreneur has to be creative enough to achieve high degree of design, look and style at affordable price in order to achieve a higher market share.

## **6. RAW MATERIAL REQUIREMENTS:**

The main raw material is light weight fabric made from fine count of cotton yarn. Sometime synthetic fiber is also used in lingerie but it less preferred in hot and humid weather in most parts of India. Cotton fabric with little Lycra is the most ideal fabric to provide good fit and comfort in lingerie. Variety of cotton fabric is available in all major cities. Lace for floral designs and borders is also easily available with traders dealing in tailoring materials or dress materials. Elastic for waist in the panties and shoulder straps in the bra as well as hooks & eyes for bra are available with textile accessories dealers.

## **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 1<sup>st</sup> 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 39 employees as detailed below:

Sr. No.	Designation of Employees	Monthly Salary ₹	Number of employees required	Annual cost ₹. in lacs
1	Machine Operators	12,000	23	33.12
2	Helpers	8,000	12	11.52
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
	<b>Total</b>		39	51.84

## 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 (some activities shall run concurrently)	3

## 10. COST OF PROJECT:

Detailed cost of project is shown below:

Sr. No.	Particulars	Rs. in Lacs
1	Land	-
2	Building	-
3	Plant & Machinery	13.80
4	Furniture, Electrical Installations	5.00
5	Other Assets including Preliminary / Pre-operative	1.50

	expenses	
6	Margin for Working Capital	4.42
	<b>Total</b>	<b>24.72</b>

## 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	12.53
2	Bank Finance	12.18
	<b>Total</b>	<b>24.72</b>

## 12. WORKING CAPITAL CALCULATION:

The project requires working capital of Rs. 6.39 lacs as detailed below:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	2.83	40%	1.13	1.70
2	Receivables	2.45	40%	0.98	1.47
3	Overheads	3.10	100%	3.10	-
4	Creditors	-1.98	40%	-0.79	-1.19
	<b>Total</b>	<b>6.39</b>		<b>4.42</b>	<b>1.98</b>

## 13. LIST OF MACHINERY REQUIRED:

Sr. No.	Particulars	UOM	Qty	Rate (₹)	Value (₹ in Lacs)
<b>a)</b>	<b>Main Machinery</b>				
i.	Single Needle Machine	Nos	10.00	60,000	6.00
ii.	Double Needle Machine	Nos	4.00	75,000	3.00
iii.	Hook & Eye Fixing Machine	Nos	3.00	40,000	1.20
iv.	Overlock Machine	Nos	4.00	40,000	1.60

v	Cutting Table & machine	Nos	2.00	1,00,000	2.00
	<i>sub-total Plant &amp; Machinery</i>				<b>13.80</b>
	<b>Furniture / Electrical installations</b>				
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>				<b>5.00</b>
	<b>Other Assets</b>				
a)	Rent Deposits		2.00	75,000	1.50
	<i>sub-total Other Assets</i>				<b>1.50</b>
	<b>Total</b>				<b>20.30</b>

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](http://www.iigm.in)
- Juki India Private Ltd  
1090/I, Ground Floor,  
18th Cross, Sector III,  
HSR Layout,  
Bangalore 560102  
[www.jukiindia.com](http://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](http://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	107.53	125.45	143.37	161.30	179.22
3	Raw Materials & Other direct inputs	₹ in Lacs	83.02	96.86	110.69	124.53	138.37
4	Gross Margin	₹ in Lacs	24.51	28.60	32.68	36.77	40.85
5	Overheads except interest	₹ in Lacs	18.58	18.58	18.58	18.58	18.58
6	Interest	₹ in Lacs	1.60	1.60	1.60	1.60	1.60
7	Depreciation	₹ in Lacs	1.49	1.49	1.49	1.49	1.49
8	<b>Net Profit before tax</b>	₹ in Lacs	<b>2.84</b>	<b>6.93</b>	<b>11.01</b>	<b>15.10</b>	<b>19.18</b>

The above calculations are based on assumed unit sales price varying from Rs. 35 to Rs. 150 for various products. The cost of raw materials varies from 50% to 60% of the selling price. Electricity tariff is assumed at Rs. 8 per KWH.

#### 15. BREAKEVEN ANALYSIS:

The project shall reach cash break-even at 49.39% of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales Realization	In Lacs	179.22
2	Variable costs	In Lacs	138.37

3	Fixed costs incl. interest	In Lacs	20.18
4	$BEP = FC/SR-VC \times 100 =$	% of sales	49.39%

## 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](http://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.

Source:- Udyami Mitra/Sidbi