

PROJECT PROFILE ON SHIVAAY THE HUB OF JEANS

DETAILED PROJECT REPORT On SHIVAAY THE HUB OF JEANS (Small Scale Manufacture)

1. Product: DENIM JEANS
2. NIC Code: 14101
3. Product Code:
4. Production Capacity: 93600 jeans / Capacity per year
(Valued Rs ₹170,470.72)
5. Date of Preparation: 15th June,2020
6. Prepared by: TEAM-FINBUILDER's
(Students of TKWs IBF)
New Rajinder Nagar, New Delhi, 110060

EXECUTIVE SUMMARY

This project report contains the business plan for a jeans manufacturing business, which is done on small scale in order to become a part of the government's "MAKE IN INDIA" project. Jeans is one of the products that have its demand in every household from a child to a man every person. And investing in this project would be worth. Our business plan consist of both optimized and sensitivity model which gives true figures about the business and helps to get funding from the banks. Being jeans manufacture needs expertise in the textile industry in all aspects of raw material, machinery and distribution and for this same we have made the report by keeping the smallest to smallest details required for the business. The ROI of our business for 3 years is: 17.62%, 29.26%, and 39.03% respectively.

A jeans business is considered to be profitable because of its demand in the Indian and Global market.

Introduction

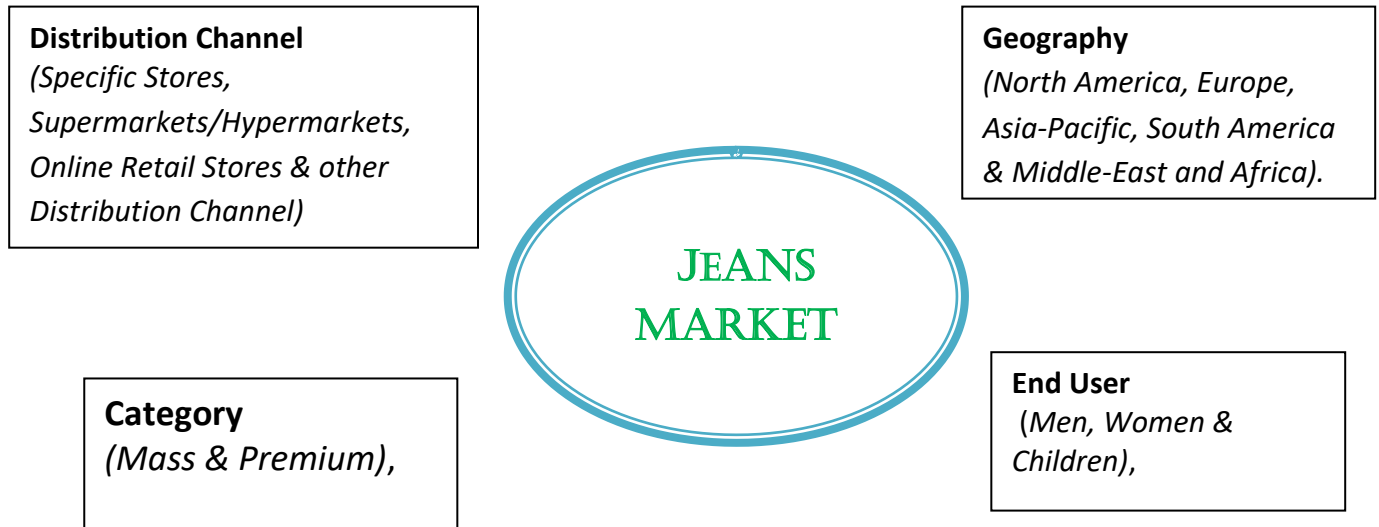
JEANS is one garment worn by people of all ages around the world that needs no introduction today. Jeans has today become a type of trouser that is seen in the wardrobe of men and women across the world.

FACTORS –why jeans is better than other trousers

Options are Endless	Array of styles, from bell button to high-waist, skinny to boyfriend jeans there too many choices with latest fashion.
They Last Longer than other Pants	Despite of many washes, wear and tear Jeans is considered to fresh and new every time.
They have Versatility	Because of denim fabric made jeans comfortable and can be worn almost every place, from offices to parties.
Well fitting	After wearing jeans a person's body looks to be in shape and gives confidence to an individual.
Super easy to Style	It takes less than 5 minutes to wear and make the beginning of the day without any delay.
Worth for Investment	Because of its durability and its affordability its worth to invest in jeans both by individual and firms & manufactures.

Jeans makes, an individual feel convenience, comfort, versatile, feel casual and relaxed, easy maintenance, fun to wear, long lasting, and a host of other similar benefits are provided by wearing jeans.

Industry Highlight



The Jeans Market Segmentation

Market segmentation is a subgroup of people or organizations that have one or more characteristics in common that causes them to have the same product needs.

The jeans market is segmented by:

Distribution Channel	In order to earn money there is various business channels that distribute jeans to reach end consumers.
Geography	Jeans are manufactured and sold all over the world. It has large global market.
Category/price	Jeans are available in both premium & basic affordable price; hence it is categorized as luxury as well as necessity product.
End User	There is no discrimination between gender or age for wearing jeans.

Market Overview

Globalization of fashion trends, changing consumer's lifestyle and growing preference for high-end and premium design labels among the middle-class population.

The jeans market is expected to register at a CAGR of 6.7% during the forecast period (2020-2025).

Fastest Growing Market: Asia Pacific
Largest Market: North America

Asia-Pacific is the Fastest Growing Region

Jeans industry witnessed significant growth in China & India, because shoppers trend to focus on quality and style while purchasing apparel.

Indian Denim Jeans Market Highlight

India has most of the young population that is about 65% below 35 years of age, which stimulates the jeans market due to exposure to the latest jeans collection by design and quality.

The retail industry in India has been witnessing healthy positive growth for the past few years, moving towards from unorganized to organization at fast pace, denim jeans retail industry thus gaining growth.

The popularity and demand both are increasing day-by-day, which makes manufacturing business of jeans financially feasible in India. Entrepreneurs can expect an approximate IRR of 21.31%.

Jeans Manufacturing Business

Jeans manufacturing business is one of the finest denim fabric businesses in India and even in the international garment market. Ready-made denim clothes are having great popularity than the tailor-made clothes and it is becoming a trendy fashion in every age group.

Licensing & Registration Required for Jeans Business

- 1) Registration of Firm:** Since it is a partnership firm on a small scale. Therefore it has been registered with ROC as Pvt.Ltd. i.e. *“SHIVAAY HUB Pvt.Ltd”*
- 2) GST Registration:** GST number 1100099997867471
- 3) Trade License:** trade license has been issued from local authority.
- 4) Trade Mark:** brand name has protected under trade mark.

Factory – Location

Right area with availability of effective utilities requirements should be there for carrying jeans manufacturing business.

Space Requirement	Required Area (sq. ft.)
Fabric & accessories inventory store	1,000
Cutting Room	400
Stitching Room	1,250
Inspection Room	850
Packing Room	750
Finished Garment Store	850
Total Factory Area	5,100
Management Building	650
Total Area Required (sq. ft.)	5,750
RENT (per month)	90000

.LOCATION – KUNDLI
BUILT-UP AREA- 6000 SQ. FT.
PROPERTY AGE- 5-10 YEAR OLD PROPERTY
RENT- Rs.90, 000
PRODUCT CODE- U48590981
Address- opp. KFC, NH-1, Kundli, Sonipat
Partial power backup is available.
Separate electricity/water meter is provided for this property

Manufacturing Process

1) BUSINESS MODEL or ASSUPTIONS

ASSUMPTION	year 1	year 2	year 3
Depreciation charged	@10%p.m WDV method	@10%p.m WDV method	@10%p.m WDV method
Per Day production :	300 Jeans	301 Jeans	302 Jeans
Inventory stocking for	1 month	1 month	1 month
Revenue	345 days	345 days	345 days
Debtor	1 month of the T.Sales	1 month of the T.Sales	1 month of the T.Sales
Finished good stock	15 days	15 days	15 days
Salaries & Wages	8 Hrs	12 hrs +10%	16+ 10%
Rent	as per cost sheet	Increased by 10%	Increased by 10%
Printing & Stationary	as per cost sheet	Increased by 6%	Increased by 6%
Packing expense	as per cost sheet	Increased by 6%	Increased by 2 times
Other expences	as per cost sheet	Increased by 6%	Increased by 6%

2) PURCHASE of RAW MATERIALS & PACKAGING ITEMS – per jeans

Raw Material Details			
Raw Material	Price	CONSUMPTION (per jeans)	TOTAL COST
Fabric (Metre)	250	0.75	187.5
Zipper	10	1	10
Button	4.5	1	4.5
Rivert	2	6	12
Label	7	1	7
Threads	11	1	11
Total	284.5		232

3) Machine Requirement – Main & Other

PRODUCTION BASED MACHINES			
NAME	PRICE (Rs)	T. INSTALATION	T.COST (Rs)
SWEING MACHINE	18000	5	90000
OVER LOCK MACHINE	27000	5	135000
BARTACKING MACHINE	78000	5	390000
FEED UP / SHAPE TACKING	65000	5	325000
BELT LOOPING	58000	5	290000
CUTTING MACHINE	22000	5	110000
LUPPI(BOTTON) MACHINE	65000	5	325000
STEAM FRESH with BOILER	18000	5	90000
		40	1755000

OTHER MACHNIERY EQUIPMENTS			
NAME	PRICE (Rs)	T. INSTALATION	T.COST (Rs)
Assembled Pc	25,000.00	2	50,000.00
Printers	15,000.00	1	15,000.00
Fabric scissors	220.00	5	1,100.00
Tele/Fax	15,000.00	2	30,000.00
Other Tools	10,000.00	2	20,000.00
Steam Iron	2,800.00	3	8,400.00
TOTAL	68,020.00	15	124,500.00

PRODUCTION CAPACITY					
NAME	Capacity	per hr capacity	KWH	Per hours power consumption	Per day Power consumption
SWEING MACHINE	3000stich - 250W	180000	0.25	1.25	10
OVER LOCK MACHINE	8000stich- 400W	480000	0.4	2	16
BARTACKING MACHINE	3200stich- 400W	192000	0.4	2	16
FEED UP / SHAPE TACKING	2500stich- 400W	150000	0.4	2	16
BELT LOOPING	2500stich- 400W	150000	0.4	2	16
CUTTING MACHINE	8inch-400W	480	0.4	2	16
LUPPI(BOTTON) MACHINE	2700stich- 400W	162000	0.4	2	16
STEAM FRESH with BOILER	5Ltr	15 min		0	0
			2.65	13.25	106

STEP 1) spreading of fabric on fabric spreader

STEP 2) Cutting of denim cloth accourding to jeans pattren

STEP 3) Sweing the cloth in order to make jeans as per the deisgn.

STEP 4) Sticking of buttons,revert,zip in the jeans to giving finishing.

STEP 5) Steam boiling or dying of the jeans.

STEP 6) Ironinng of the washed jeans & Packaging.

4) OTHER REQUIREMENT – MANPOWER & UTILITIES

UTILITIES		
Particulars	Per day consumption	Yearly consumption
Electricity (6.75/unit)	715.5	
Internet (600/month)		7200
Telephone(400/month)		4800
		12,000.00

Wages and Salary			
Class of Employment	daily wage	No.of employes	T. salary
Unskilled	350	4	1400
Semi-skilled	400	4	1600
Skilled	500	3	1500
Total	1250	11	4500

5) OTHER FIXED ASEETS – FURNITURE & FIXTURES

FURNITURE DETAILS			
NAME	PRICE (Rs)	T. INSTALATION	T.COST (Rs)
Fabric spread tables	5,000.00	2	10000
Air Conditioner	40,000.00	3	120000
Steam Iron Table	5,000.00	2	10000
factory furniture	20,000.00	10	200000
TOTAL	70000	17	340000

TOTAL FIXED CAPITAL	
Production Machinery	₹1,755,000.00
Other Machinery Equipments	₹124,500.00
Furniture & Fixtures	₹340,000.00
Total	₹2,219,500.00

Supply Chain of Jeans Business



STEP 1) Purchase of raw material & packaging items from the right supplier.

STEP2) Planing the business model and assinging the effedctive work schedule for procuring the business in the right direction.

STEP3) Manufacturing of the googd quality of jeans with right production machinery and effictive manpower.

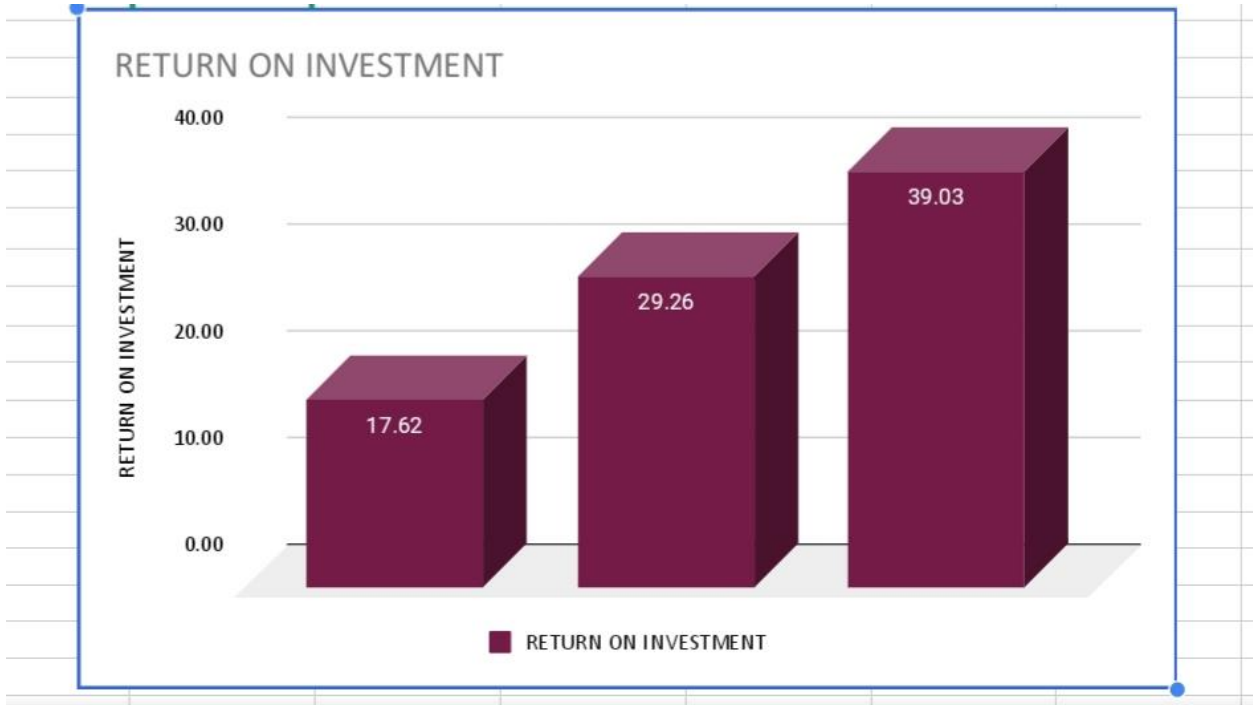
STEP 4) Finishing of the product by checking the each details and packaging it in right manner.

STEP 5) Availablity of the inventory should be at right place with proper hygiene.

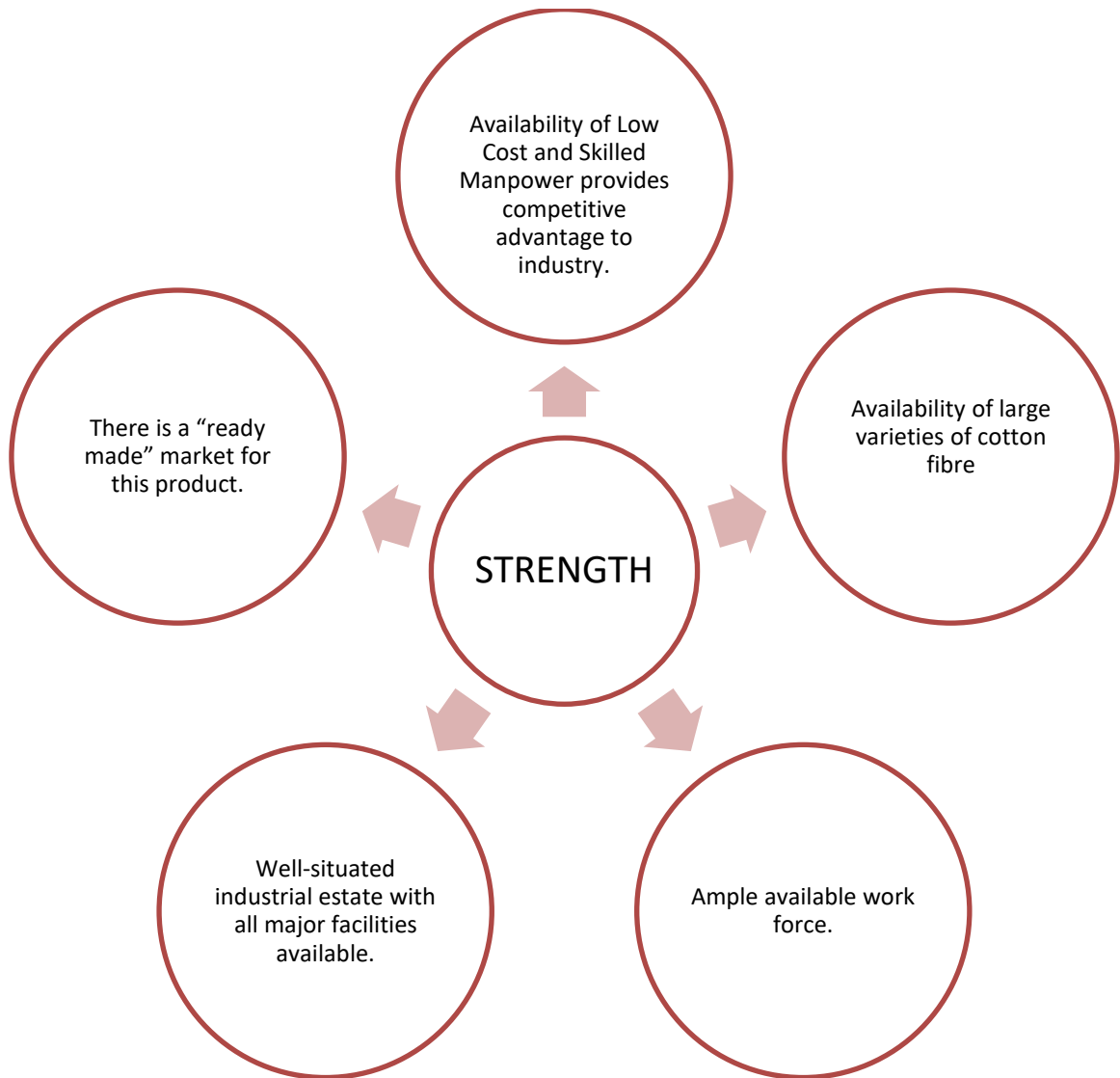
STEP 6) Distribution channel should be strong enough to earn the profits on regualr basis.

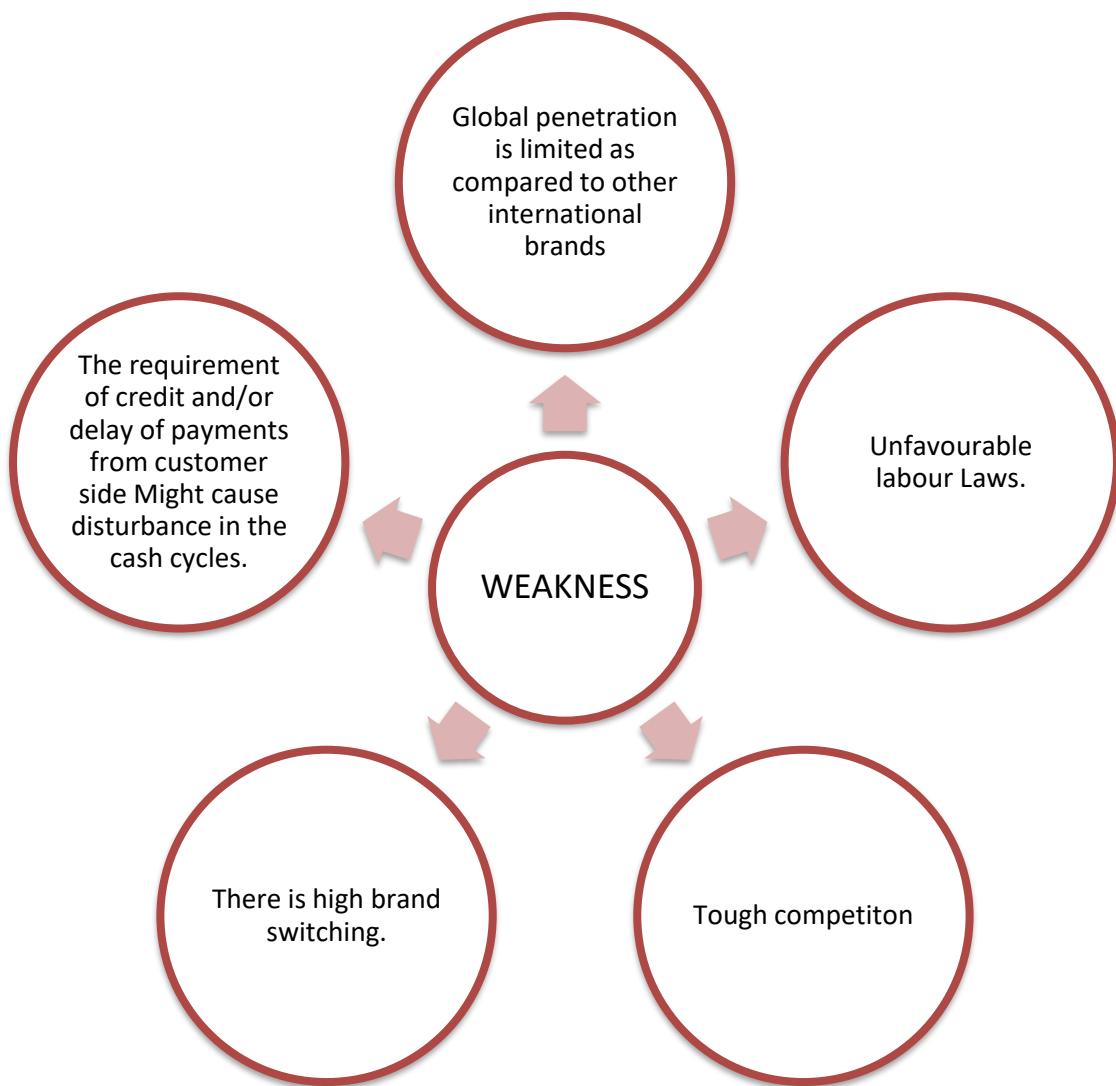
Financial Highlights

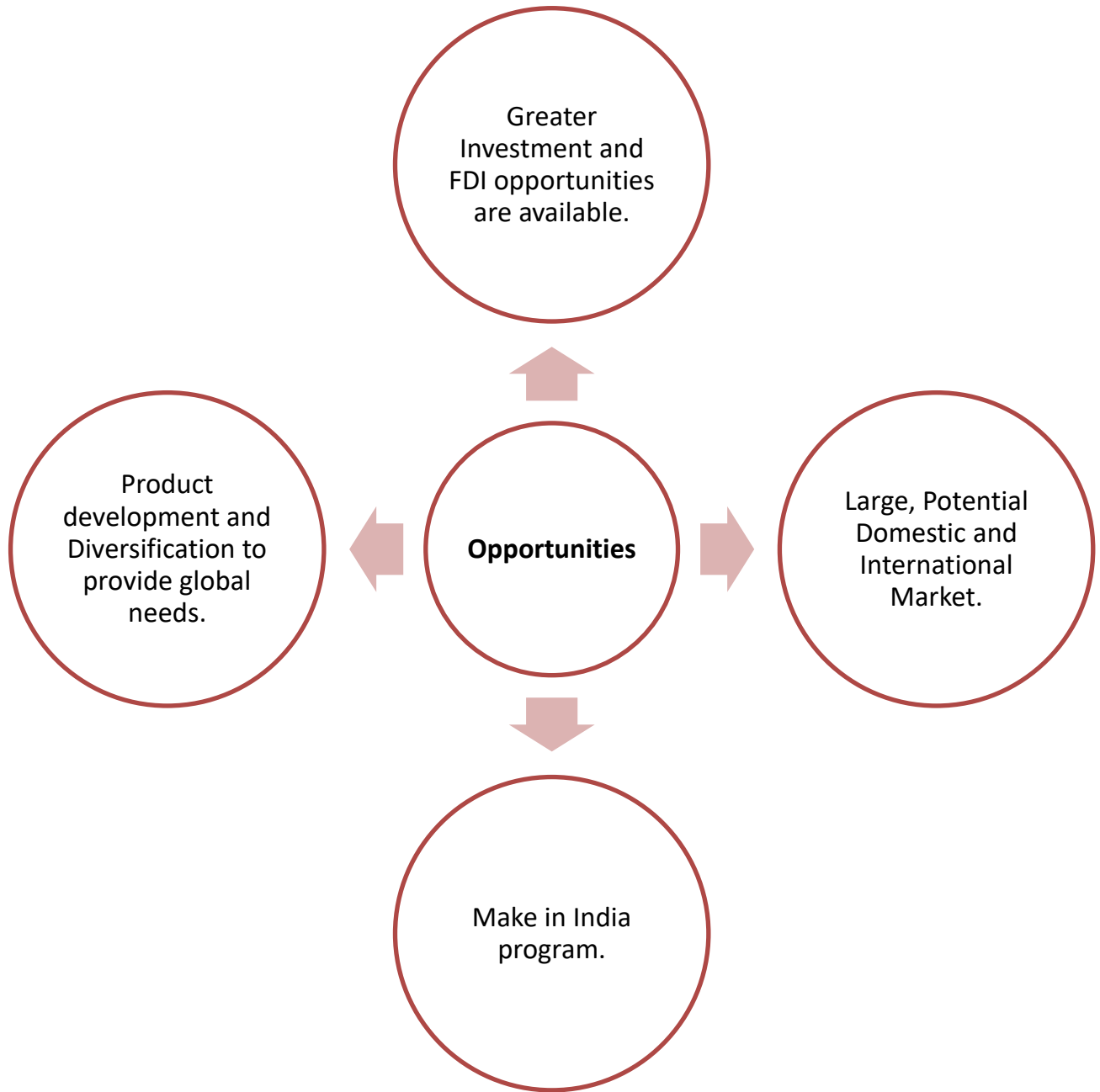
BREAKEVEN ANALYSIS		
particulars	AMOUNT	TOTAL AMOUNT
RENT		90,000.00
UTILITIES		
Water bill	48,000.00	
Cable and internet	12000	60,000.00
Electricity bill		246,847.50
insurance		100,000.00
Selling Expenses		470,250.00
Administrative Expenses		
Transportation (every 15 days)	53475	
Advestisement(you tube videos and udaan promotions)	50,025.00	103,500.00
Stationary		
printer	24000	
cartege	7000	
office supplies	52,000.00	83,000.00
Total		1,153,597.50



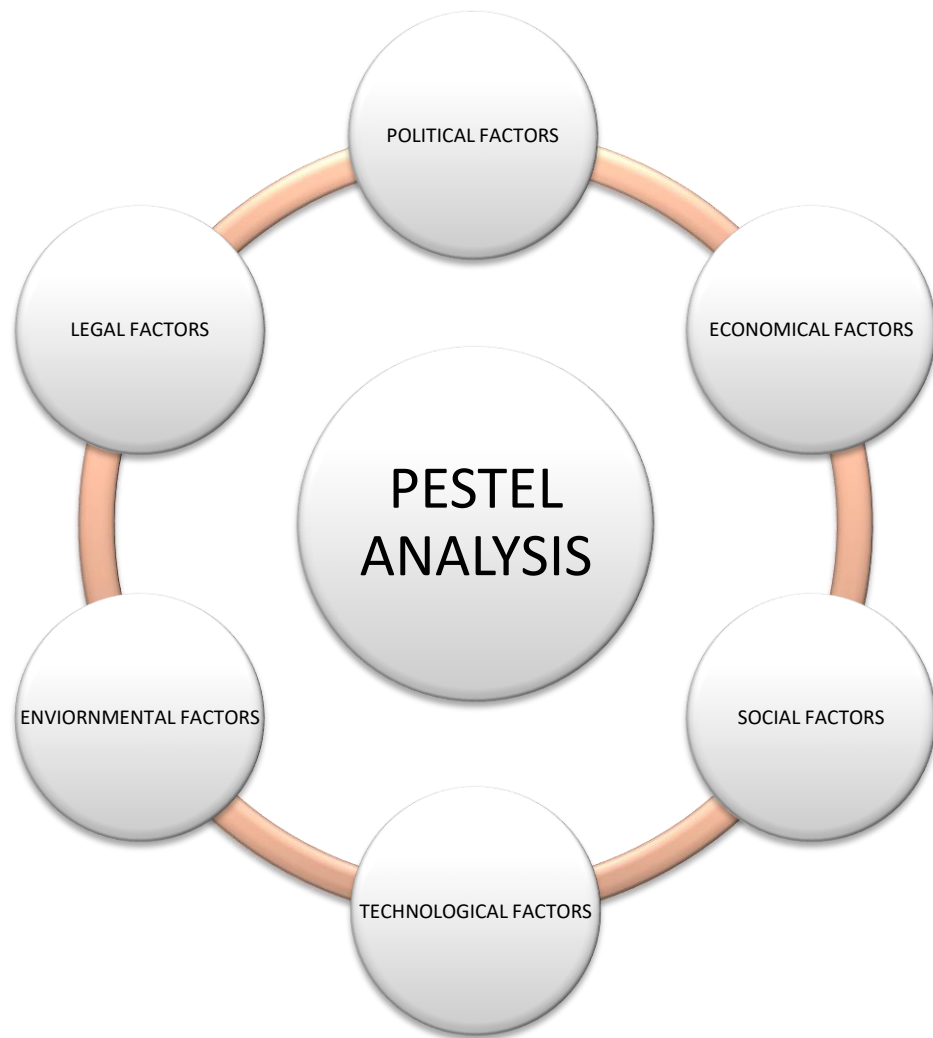
SWOT ANALYSIS











POLITICAL FACTORS

- Promotional activities are regulated in all countries by legislations.
- Removal of trade related tariffs and non-tariffs barriers.

ECONOMICAL FACTORS

- Global economic crisis context: COVID19 pandemic has already affected the purchasing power of consumers, which is an important determinant of the size of a market.
- The stage of the economic development of a country affects also the advertising campaign.
- Distribution channels may require adaptation in relation to the stage of development of each local market.
- Competition in the denim market is very strong.
- The industry has shown continual growth over the years. With 15% growth annually over the last five years.

SOCIAL FACTORS

- Cultural differences are important: needs and fashion are different according to cultures. Brands have to adapt to these different needs.
- Colours are a cultural dimension: for example, white colour is associated with death in china but black colour is the colour of death in Europe.
- There is a found evidence of forced and child labour in these industries.
- Jeans are seen as second-skin: at the beginning, it was designed for workers and then for cow-boys.

TECHNOLOGICAL FACTORS

- Development of online shopping.
- Mobile applications for i-Phone and Android: this strategy takes the denim market into an all new era.
- Denim brands increasingly develop their advertising strat

ANNEXURES

- 1) INDUSTRY & MARKET TRENDS -
<https://www.mordorintelligence.com/industry-reports/jeans-market>
<http://www.technopak.com/Files/denim-market-in-india.pdf>
- 2) Process:
Youtube videos
<https://youtu.be/zluxBydA1o>
- 3) Machinery details – INDIA MART 's REGISTERED DEALER
Dutta Store: contact - +91 8700217954