

▪ EXECUTIVE SUMMARY

Why do we need a Garment Cluster at Panjri Dongargaon for Nagpur Cluster?

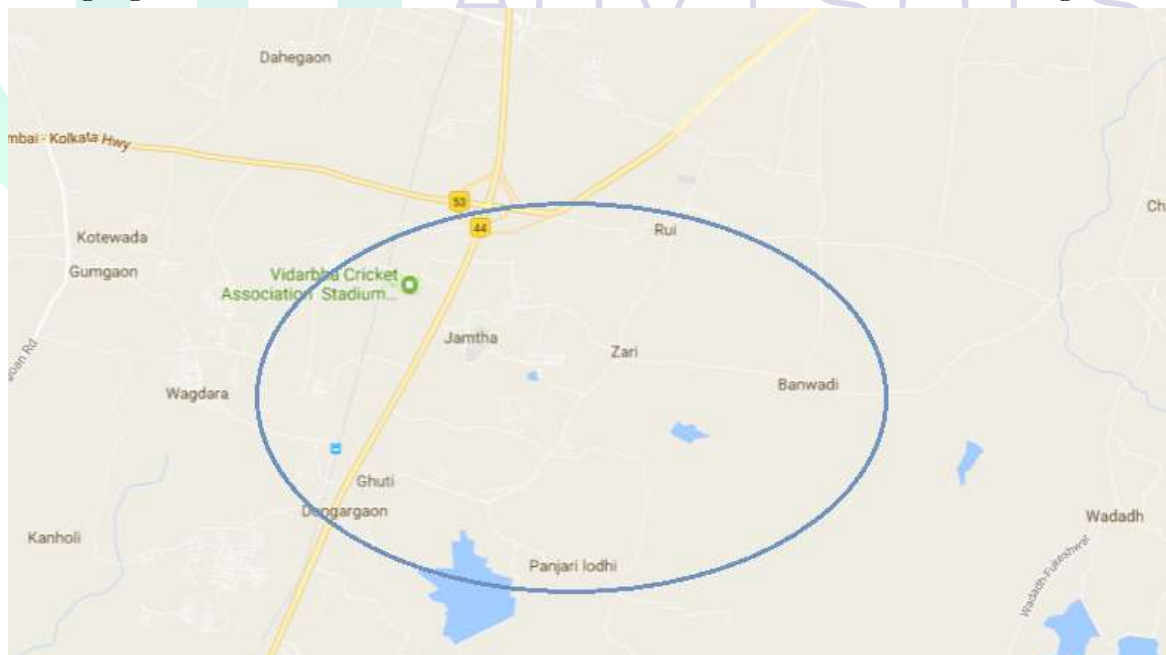
▪ Brief about the Units

There are around 200 units which form part of the cluster. All the units are very small in size and majorly are “Gruh Udyog”. Most of the production is done on job work basis. The earnings of these units vary from Rs. 2,500 to Rs. 4,000 per month.

All the cluster participants are women and 80% of the entrepreneurs are from Scheduled Caste or Scheduled Tribe category and rest are from Other Backward Caste.

▪ Location

The villages which will form part of cluster are Panjri, Jamtha, Dongargaon, Banwadi, Navarmari, Rui, Pevtha and Wardhaman Nagar



- **Products being manufactured**

- Blouse & Petticoat
- Roti Rimal
- Saree Cover
- Salwar suits
- Night suits
- Ladies tops

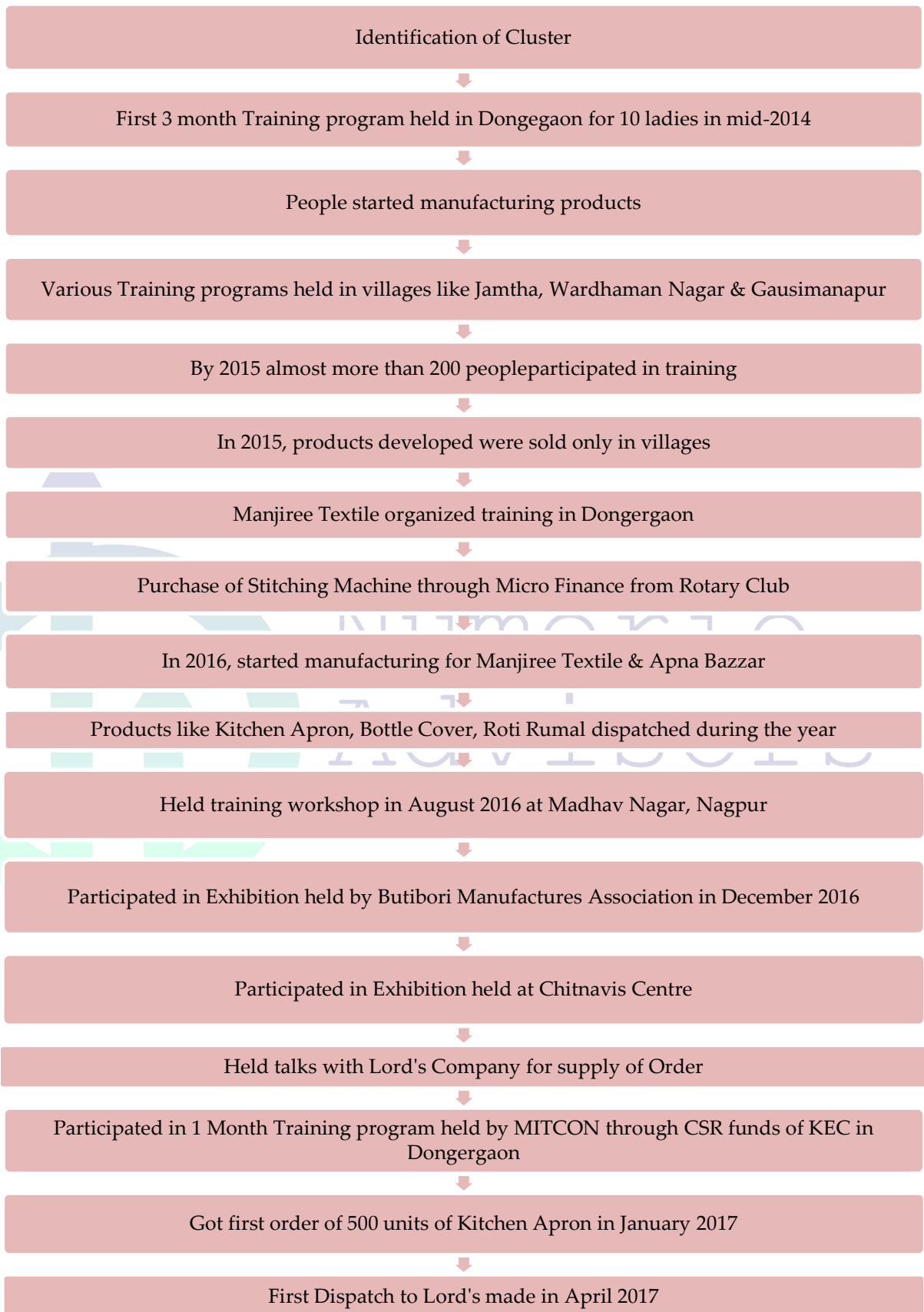
- **History of Cluster**

The entrepreneurs in the cluster are facing several hardships which had negative impact in their growth trajectory. To understand the hardship, we first need to know why this cluster is formed.

It's an all women cluster. The most of women are illiterate or level of literacy is really low. Then the question is why have they turned themselves entrepreneur? The reason is monetary issues and social evil existing in society.

These women were living a highly stressed life and going into depression. Most of these women have husbands who are alcoholic and thus unemployed. They are depended on BPL cards. They started working on garments so as to earn their bread and butter and support education of their children. Now, they are into garment job working for more than 3 years but still their per day earning ranges between Rs. 100 to Rs.150 only

- **Growth Story of Cluster**



- **Why do we need cluster at Dongargaon?**

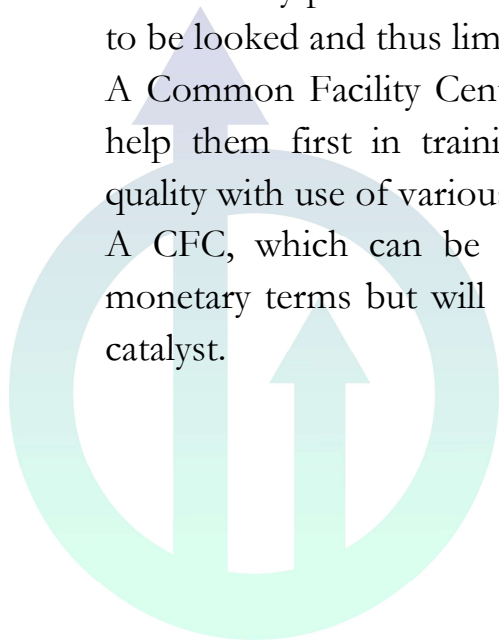
All the villages which comprises of cluster are part of Rural Nagpur. These villages are within 5 km of radius of each other with Dongargaon as its center.

The villages have very poor public transportation facility and thus make connectivity with Nagpur market is highly costly and at the same time unsafe for these women.

With poor public transportation and business acumen still developing, the women entrepreneurs are unable to travel to a place far away from their home or say place of work. They also have children in age bracket of 5-12 to be looked and thus limiting their mobility.

A Common Facility Centre, at location which can be easily reached will help them first in training and will help them improve their product quality with use of various hard intervention facilities.

A CFC, which can be best utilized can help them grow not just in monetary terms but will also give them life to cherish and act as perfect catalyst.



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- **VISION STATEMENT**

The cluster will transform into a modern cluster oriented to effectively and efficiently catering to the changing needs and preferences of the markets in terms of product mix quality, quantity and competitive prices thereby enhancing the economic status of the families resulting in poverty alleviation and socio-economic upliftment. Develop and bring this cluster on the world map, among the major suppliers of garment.



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▪ INTRODUCTION OF NAGPUR DISTRICT

▪ Introduction to Orange City:

Nagpur also known as “Orange City” is the winter capital and the third largest city of the Indian state of Maharashtra and largest city of central India. It has one of the highest literacy rates of 91.92% among all the urban agglomerations in India and one of the proposed Smart Cities from Maharashtra.

Nagpur is the seat of the annual winter session of the Maharashtra state assembly, "Vidhan Sabha". It is a major commercial and political center of the Vidarbha region of Maharashtra. In addition, the city derives political importance from being the headquarters for the Hindu nationalist organization RSS and an important location for the Dalit Buddhist movement.

Nagpur has been identified as the best city in India by topping the livability, greenery, public transport, and health care indices. The city has been adjudged as the 20th cleanest city in India and the top mover in the western zone as per Swachh Sarvekshan 2016.

Nagpur is also called the "Tiger Capital of India" as it connects many tiger reserves in India to the world. It is among the important cities for the information technology sector in Maharashtra. Nagpur is located in the center of the country with the Zero Mile marker indicating the geographical center of India

▪ Geography

Nagpur is located at the exact center of the Indian peninsula. The city has a Zero Mile stone locating the geographical center of India. The city lies on the Deccan plateau of the Indian Peninsula and has a mean

altitude of 310.5 meters above sea level. The underlying rock strata are covered with alluvial deposits resulting from the flood plain of the Kanhan River. Nagpur city is dotted with natural and artificial lakes. The largest lake is Ambazari Lake. Other natural lakes include Gorewada Lake and Telangkhedi Lake. Sonegaon and Gandhisagar Lakes are artificial, created by the city's historical rulers. Nag River, Pili Nadi, and nallas form the natural drainage pattern for the city. Nagpur is known for its greenery and was adjudged the cleanest and second greenest in India after Chandigarh in 2010.

▪ **Demography**

As of the 2011 census, Nagpur municipality has a population of 2,405,665. The total population constitutes 1,225,405 males and 1,180,260 females. Children form 10.27% of total population of Nagpur. The municipality has a sex ratio of 963 females per 1,000 males and child sex ratio of 926 girls per 1,000 boys. Average literacy rate of Nagpur city is 91.92%. Men are 94.44% and women are 89.31% literate.

▪ **Economy**

Nagpur is an emerging metropolis. The city is important for the banking sector as it hosts the regional office of Reserve Bank of India, which was opened on 10th September 1956. The Reserve Bank of India has two branches in Nagpur, one of which houses India's entire gold assets. Sitabuldi market in central Nagpur, known as the heart of the city, is the major commercial market area. Nagpur is home to ice-cream manufacturer Dinshaws, Sweets and dry snacks manufacturer Haldiram's, Indian ready-to-cook food manufacturer Act-Chawa, Indian Spices manufacturer Suruchi Spices and Ayurveda products company Vicco and Baidyanath

Nagpur and the Vidarbha region have a very prominent power sector as compared to the rest of Maharashtra. Koradi Thermal Power Station and Khaparkheda Thermal Power Station are two major thermal power stations located near Nagpur and operated by MSPGCL. NTPC has a super thermal power plant called Mauda Super Thermal Power Station in Mauda around 40 km from Nagpur and Vidarbha Industries Power Limited is situated in Butibori

The Multi-modal International Hub Airport at Nagpur (MIHAN) is a project for the Dr. Babasaheb Ambedkar International Airport, Nagpur. It is the biggest economic development project currently underway in India in terms of investments. The project aims to exploit the central location of Nagpur and convert the airport into a major cargo hub with integrated road and rail connectivity.

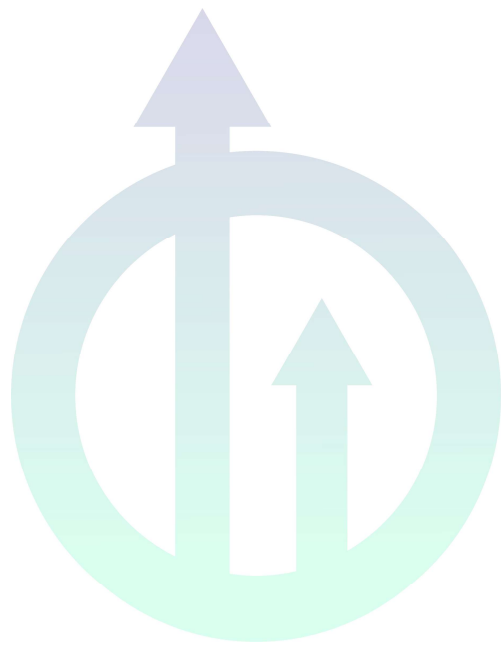
TCS, India's largest IT Company, has built its campus on a 50-acre area in the MIHAN SEZ. Infosys has commenced its construction work for its Nagpur campus at MIHAN SEZ. Mahindra Satyam is also building its campus. TAL Manufacturing Solutions has its facility in the SEZ for manufacturing structural components for Boeing's 787 Dreamliner airplanes. Air India has its MRO Facility in the SEZ which was constructed by Boeing and is ready for commercial operation.

Reliance Group has announced an Aerospace Park named Dhirubhai Ambani Aerospace Park (DAAP) in MIHAN which will be undertaken by Reliance Aerostructure Ltd. The project would be the first integrated facility in aerospace structure, engine design and manufacture, fabrication and platform integration in the country.

The Butibori industrial area is one of the largest in Asia in terms of area. The estate's largest unit is Indo Rama Synthetics, which manufactures synthetic polyester yarn. Other units in Butibori include the power transmission company Gammon India Limited (T & D), Gammon India Ltd. (Infra), KEC, ACE Refractories, Hyundai Unitech, ACC Nihon Castings Ltd and Electrolux. CEAT Tyres has announced its plans to invest Rs. 400 crore in a state-of-the-art tire plant in Butibori, Nagpur.

The Hingna industrial estate on the western fringes of the city is made up of around 900 small and medium industrial units. The major ones among them are the tractor manufacturing plant of Mahindra and Mahindra, casting units of NECO Ltd, Bajaj Auto group, Candico, Bharat Containers making aluminum aerosol cans, Ajanta toothbrushes and Sanvijay Group.

Owing to rich natural resources in the region, mining is a major activity. Several government organizations related to the mining industry are based in Nagpur, which includes Western Coalfields Limited, MOIL and Indian Bureau of Mines.



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▪ Nagpur Garment Industry

Readymade garments manufacturing in Nagpur was started approx. 35 years by local as well as migrant entrepreneurs. Initially ladies petticoats, gents bundies, sari falls were manufactured. Gradually they shifted to gents cotton kurtas. Which brought recognition to the manufacturers in around Nagpur. With time the manufacturers gained confidence and they started making night suits, school uniforms, industrial uniforms & finally to high end shirts and karats. There are over 500 small and medium units in and around Nagpur. Now the garments made in Nagpur are sold in 5 states viz. Maharashtra, Andhra Pradesh, Chhattisgarh, Madhya Pradesh & Orissa, having a collective turnover of over 500 crore. Some of the units are even exporting there goods to other countries.

Cluster Scenario

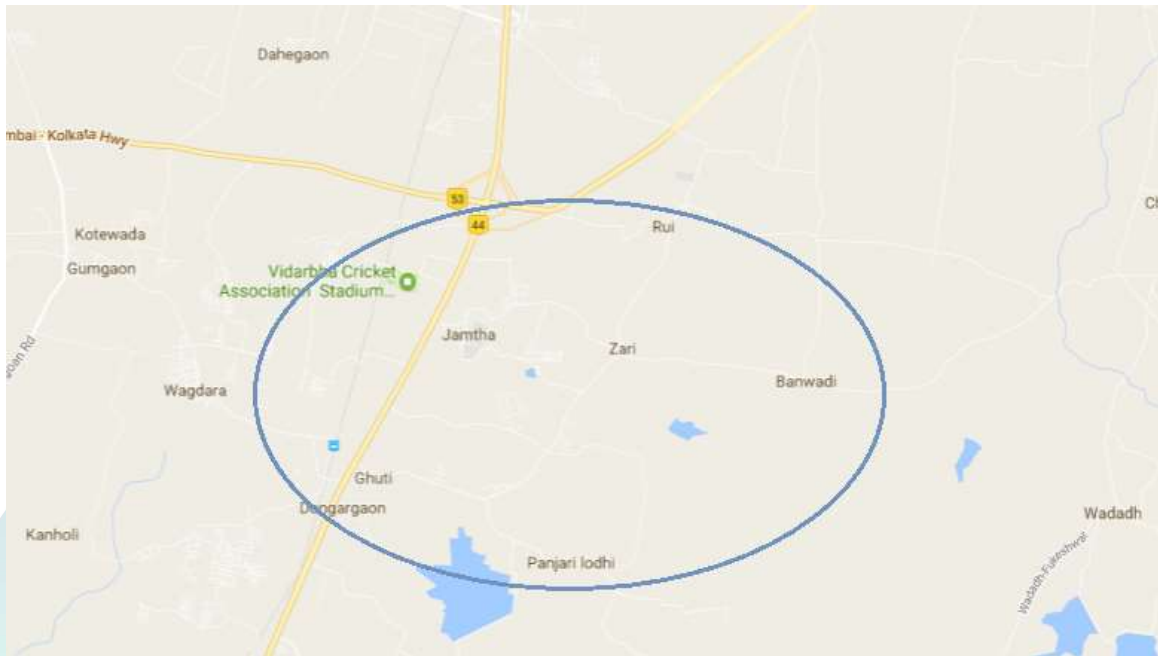
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Location

The proposed cluster is South Nagpur on Wardha Road. The cluster is spread in various villages which include Dongargaon, Jamtha, Wardhaman Nagar, Banwadi and Rui. All the villages are very close to each other with maximum distance between villages of 12 Km.



Type of Firms

The firms which form part of cluster are very small units which normally operate from home (Tier 4) which can be described as “TINY” under MSME definitions. All the units are operated by women entrepreneur.

The units do manufacturing on job-work basis. The job work which they do is either manual or mechanized work which can be done on stitching machine. The manual works includes embroidery and other designing.

Size of Cluster

There are 87 units in the cluster engaged in manufacturing of garment products.

Category	No. of Enterprises
GENERAL	2
OBC	45
SC	78
ST	75
Total	200

Products Manufactured

1. Salwar suits
2. Night suits
3. Ladies tops
4. Kurta pajama
5. Shirts & Trousers
6. Petticoat & blouse
7. Ladies
8. School/industrial uniforms

Employment

Presently cluster has direct employment level of 100-150 which includes skilled, semi-skilled and un-skilled and helpers. This level will increase drastically after Cluster Development to around 500 as number of new Cluster Participates shall increase.

The present indirect employment by way of workers with traders, transporters and out of state distributors and commission agents is around 125 and same may increase to 250 after systematic cluster development.

Turnover

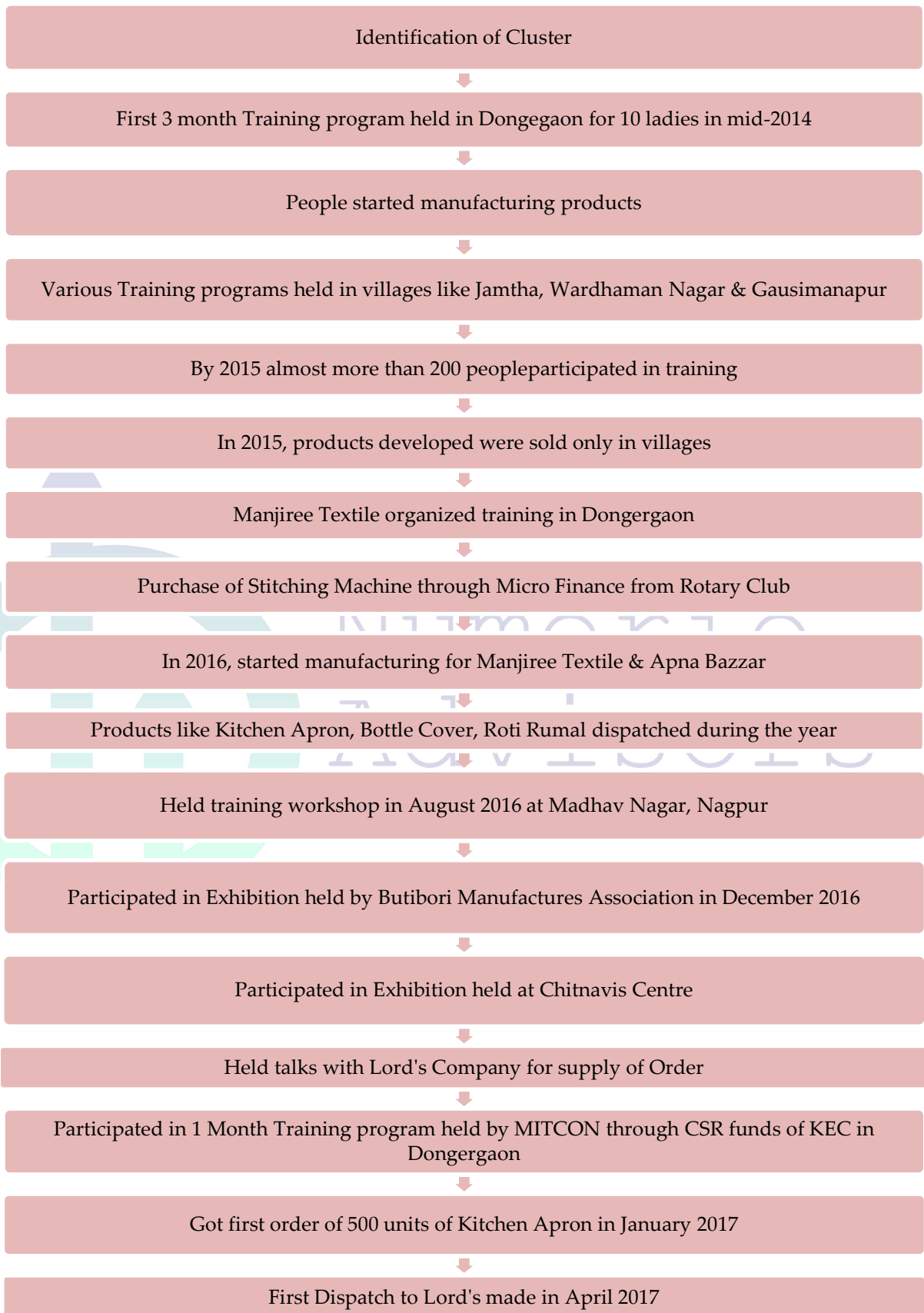
Currently, maximum work is done on job work basis and the entrepreneurs earn on per piece basis which varies based on product. The average job work income per entrepreneur is Rs. 200/- for 300 days a year. After up gradation of cluster, the quality of product will improve drastically with cost reduction through Lean Manufacturing Process under NMCP through National Productivity Council will result in increased per day income to Rs.750/-

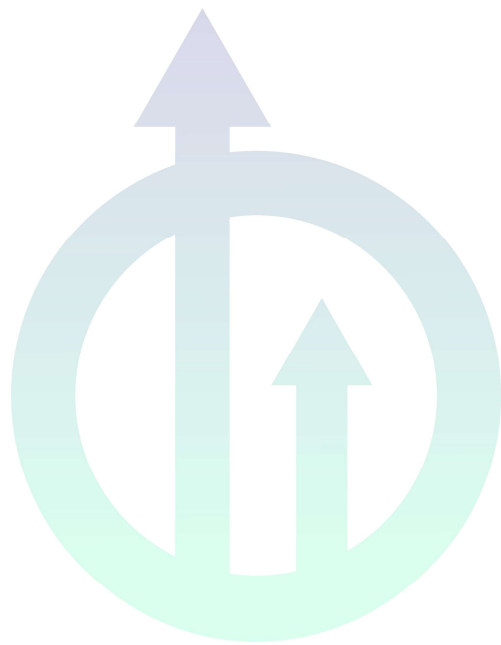
Secondly, with the help of facilitation from NSIC, World Trade Center and Export Promotion Council at Mumbai, Export market will be explored, exploited and tapped.

- **Growth Story of Cluster**



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▪ **ROLE OF MSME IN INDUSTRY**

MSME includes an enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use and an enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

TYPE OF ENTERPRISE	MANUFACTURING SECTOR	SERVICE SECTOR
	Investment in Plant & Machinery	Investment in Equipment
Micro	Does not exceed twenty five lakh rupees	Does not exceed ten lakh rupees
Small	More than twenty five lakh rupees but does not exceed five crore rupees	More than ten lakh rupees but does not exceed two crore rupees
Medium	More than five crore rupees but does not exceed ten crore rupees	More than two crore rupees but does not exceed five core rupees

The government runs various incentive schemes for development of MSME which includes:

- National Manufacturing Competitiveness Program (NMCP) Schemes Under XI Plan
- Micro & Small Enterprises Cluster Development Program (MSE-CDP)
- Credit Linked Capital Subsidy Scheme for Technology Up gradation
- Credit Guarantee Scheme
- ISO 9000/ISO 14001 Certification Reimbursement Scheme - In Scheme of Micro Finance Program

- **PRESENT INDIAN SCENARIO OF MSME'S IN GARMENT INDUSTRY**

Garment MSMEs are one of the fastest growing within the MSME category of industries. These units are key contributors to the total production of garment products. As part of a highly fragmented industry, these companies mostly are part of the unorganized sector. They operate in a tier framework, and most of the companies in the MSME segment are in the Tier II or below. The industry is undergoing a major restructuring and many existing companies are expected to move up in the value chain to a higher tier. Nevertheless, sustenance and survival still remains an issue of concern for these companies as the consumption of product in domestic lower class population is reducing. Cost competitiveness, customer orientation, lead time are some key factors the brass product MSME's will have to look into, to survive in the new global set-up. At the same time, these companies face the limitations of being MSMEs, like:-

- Low capital base.
- Limited generation of surplus funds for re-investment due to tight working capital cycle.
- Lack of awareness of business opportunities.
- Limited geographical diversity of markets.
- Obsolete Technology.
- Poor infrastructure facilities.
- Illiteracy in Tier 4 units.
- Poor banking habits.

▪ **CLUSTER ACTORS & SUPPORT INSTITUTIONS**

▪ **MSME Nagpur**

Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

It runs various government programs to support MSME Industries which includes-

- Prime Minister Employment Generation Program (PMEGP)
- National Manufacturing Competitiveness Program
- ASPAIR
- Scheme of Fund for Regeneration of Traditional Industries (SFURTI)
- Performance & Credit Rating Scheme
- Assistance to Training Institution
- Marketing Assistance
- Credit Linked Capital Subsidy Scheme

▪ **District Industrial Centre (Nagpur)**

DIC Nagpur promotes, register and route various subsidies to micro and small enterprises in the region. In last 5 years, it that taken a lead role in developing various industrial clusters and supporting them though Cluster Development Scheme of both Central & State Government.

It also runs various schemes for micro units like

- PMEGP

- Seed Money Scheme
- District Industries Center Loan Scheme

▪ **Financial Institutions**

Financial Institutions provide liquidity to the economy and permit a higher level of economic activity than would otherwise be possible and this is done through offering credit, managing markets and pooling risk among consumers.

Nagpur is hub of all the financial institutions with majorly all the banks nationalized, private or scheduled commercial banks operating in India having its presence in the city and surroundings.

Nagpur has either Zonal or Regional Offices of various banks and thus Turnaround Time for sanctioning of loans is really low.

▪ **DGFT**

Directorate General of Foreign Trade (DGFT) organization is an attached office of the Ministry of Commerce and Industry and is headed by Director General of Foreign Trade. Right from its inception till 1991, when liberalization in the economic policies of the Government took place, this organization has been essentially involved in the regulation and promotion of foreign trade through regulation. Keeping in line with liberalization and globalization and the overall objective of increasing of exports, DGFT has since been assigned the role of “facilitator”.

▪ **NSIC**

National Small Industries Corporation Ltd. (NSIC) is an ISO 9001-2008 certified Government of India Enterprise under Ministry of Micro, Small and Medium Enterprises (MSME). NSIC operates through countrywide network of offices and Technical Centers in the Country. To manage operations in African countries, NSIC operates from its office in Johannesburg, South Africa. In addition, NSIC has set up Training cum Incubation Centre & with a large

professional manpower; NSIC provides a package of services as per the needs of MSME sector. NSIC has recently partnered with Rubique, to facilitate lending for MSME segment. Rubique & NSIC will work together to create an interface which will ease credit facilitation for MSMEs by allowing quicker decision making and evaluation and to widen the product offerings will bring their respective bank/FI tie-ups under one umbrella for MSME.

The objective of NSIC is to mediate and provide help to small scale industries as a government agency. It runs various schemes of government and provide following services

- Bank Credit Facilitation
- Raw Material Assistance
- Single Point Registration
- Bill Discounting
- Marketing Assistance
- Performance & Credit Rating
- ASPIRE Scheme

▪ **Apparel Export Promotion Council**

AEPC is the official body of apparel exporters in India that provides invaluable assistance to Indian exporters as well as importers/international buyers who choose India as their preferred sourcing destination for garments. In recent years AEPC has worked tirelessly in integrating the entire industry - starting at the grass root level of training the workforce and supplying a steady stream of man power to the industry; identifying the best countries to source machinery and other infrastructure and brokering several path breaking deals for its members and finally helping exporters to showcase their best at home fairs as well as be highly visible at international fairs the world over.

- **Apparel Training & Design Center**

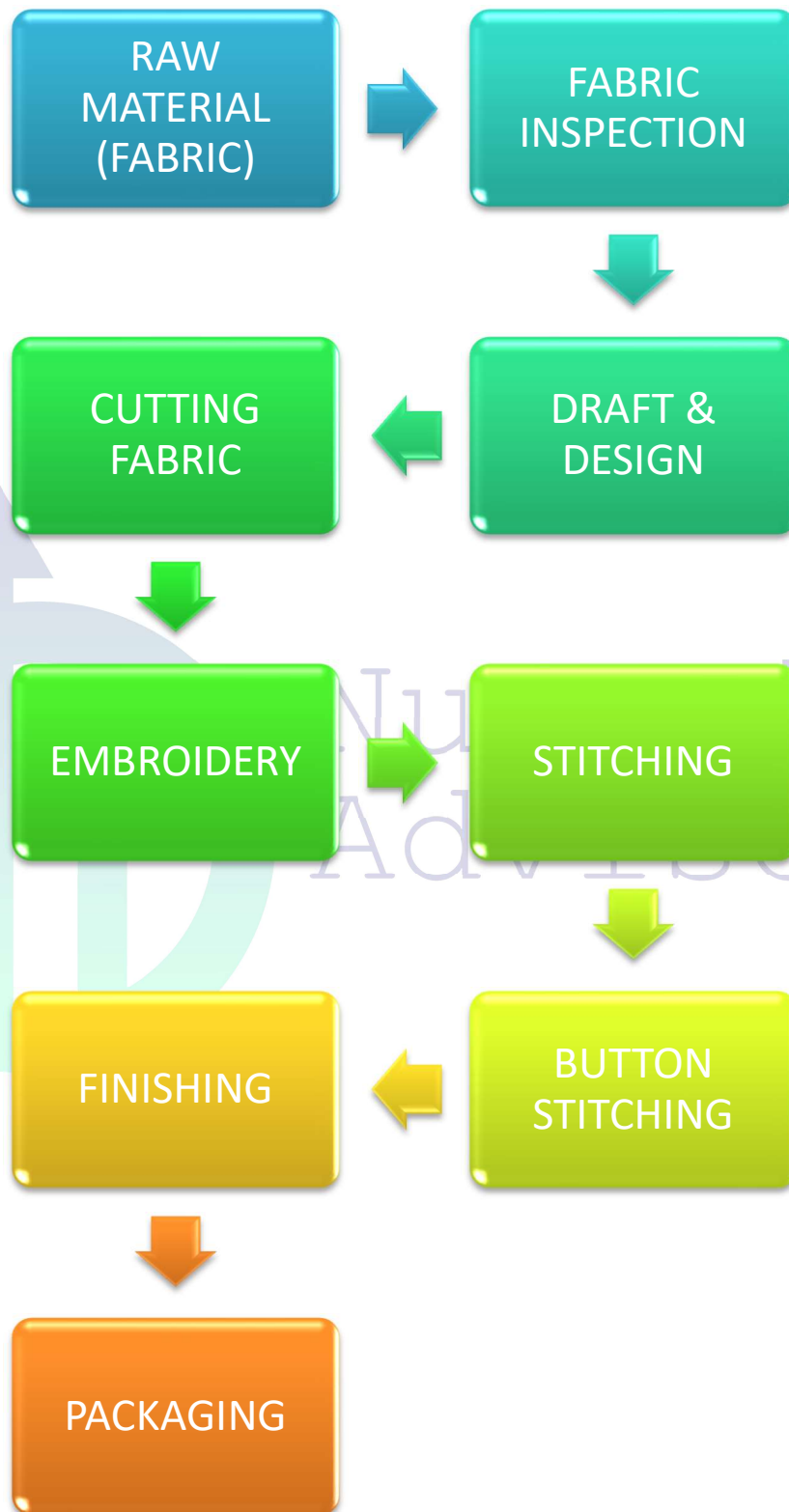
Apparel Training & Design Centre (ATDC), under the aegis of AEPC has emerged as India's Largest Vocational Training Network for the Apparel Sector with around 175 ATDCs including 65 ATDC Vocational Institutes and over 135 ATDC- SMART Centers and Skill Camps present in major Apparel clusters spread across 22 states & 85 cities Pan India.

ATDC conducts various Long Term and Short Term courses which ranges from 15 days to 3 months and provide significant transfer of knowhow.

ATDC has already trained 1, 73,241 Trainees (1996-March,2015) has transformed lives by providing gainful employment to youth, women & disadvantaged sections of the society and in particular over the pilot project period of ISDS, MOT, GOI since October 2010 (till Dec 2013) above 1,00,000 candidates have been enrolled and over 75% have been placed in the apparel industry with 45% in large & SME and also 25-30% in domestic industry units /self-help group and the rest for self-employment.

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- **BUSINESS PROCESS**



- OVERVIEW OF PRODUCTS & MANUFACTURING



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ADDITIONAL MANUFACTURING PROCESS AFTER CLUSTER DEVELOPMENT

1. **Computerized Embroidery Machine:** Industrial and commercial embroidery machines and combination sewing-embroidery machines have a hooping or framing system that holds the framed area of fabric taut under the sewing needle and moves it automatically to create a design from a pre-programmed digital embroidery pattern.

Depending on its capabilities, the machine will require varying degrees of user input to read and sew embroidery designs. Multi-needle industrial machines are generally threaded prior to running the design and do not require re-threading. These machines require the user to input the correct color change sequence before beginning to embroider. Some can trim and change colors automatically.

A multi-needle machine may consist of multiple sewing heads, each of which can sew the same design onto a separate garment concurrently. Such a machine might have 20 or more heads, each consisting of 15 or more needles. A head is usually capable of producing many special fabric effects, including satin stitch embroidery, chain stitch embroidery, sequins, appliqué, and cutwork.



2. High Speed Lock Stitch Straight Sewing Machine: The optimum-balance and highly rigid machine head were created using the latest 3D-CAD design technology. Thanks to its low vibration and low noise feature, the machine head provides the operator with a comfortable work environment. In addition, the distance from the machine arm to the needle on the front of the machine head is sufficiently wide to allow easy handling of the sewing material. This machine inherits all the desirable features, such as high-speed stitching performance 5,500 stitch/min, extreme stitching performance, ease of operation, and reliability, from the highly evaluated previous lockstitch machines.



3. **Button Hole Machine:** In a fully automatic button hole machine more than one i.e. pre-selected no. of button holes can be sewn in pre-selected distance. In this system no mark is needed on cloth for button hole. In this machine there is a system to make big or small button hole and also to increase or decrease the stitch density. Usually lock stitch or chain stitch is used here. Button hole can be made before or after sewing. Both systems have some advantage and disadvantage. If hole is made before then the cut edge is closed in sewing and the button hole is seen very good and clean. But the disadvantage is that after starting sewing there is no chance to change the button hole place & cut edge disturbs to sew well due to flagging. But disadvantage is thread of cloth is come out along the sewing line of button hole that looks very bad. Usually for dense woven & coarse cloth before sewing, for thin cloth after sewing button hole is made.



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4. **Button Attaching Machine:** There are different types of button attaching machine and different types of clamps are needed for different types and sizes of buttons. Especially there may two or three holes in the button. Again button of three holes may be attached by parallel or cross sewing. Buttons may be of different types specially there may be shank below the button or during sewing shank may be made by thread. For sewing button lock stitch, chain stitch or hand stitch machine may be used. When using chain stitch the sewing looks neat below the button but the safety of stitch is low that is the button may be fall out opening the sewing. This will not happen when used lock stitch but it is not as neat as chain stitch. In automatic machine by a hopper and pipe button is fed in button clamp in auto system and button is positioned. Moreover a predetermined number buttons can be attached in a cycle in a predetermined distant in a dress.



5. 4 Needle Lock Stitch Sewing Machine: This is a four needle lockstitch machine with large vertical hooks, automatic lubrication and puller feed. The machine is used extensively in the manufacture of parachutes, products constructed with banding and similar items. It is available in different gauge sizes depending on customer requirements. The distance between the first and second needles and the third and fourth needles are fixed at 1/4" respectively. The distance between the second and third needles can be altered and ordered as 1/4", 5/16", 3/8", 1/2", 5/8", 3/4", 1", or 1-1/2. This allows the machine the flexibility of an effective stitching range between 3/4" and 2".



6. 3 Needle Interlock Chain-Stitcher Machine: This is the newest style 3 needle 5 thread differential feed cylinder bed top and bottom cover stitch machine. Like flatbed model the machine is very smooth and quiet running being automatically lubricated by a fully sealed gear pump that circulates oil throughout the machine and its moving parts. Needle bearings and timing belts are used in critical driving positions. A silicon oil thread lubricator, needle cooler, and knob type stitch regulator are but a few of the standard features. The machine is used extensively in the construction of knit garments and is best suited for such operations as bottom hemming, collar binding, elastic waistband attaching and similar operations with small areas to join where a cylinder bed machine is better suited to facilitate material handling and ease of access.



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7. Needle Embroidery Machine: With 16 needles, speeds of up to 1,400 stitches per minute, automatic tension settings, and a narrow cylindrical arm, this machine will complete the task like a pro, whether embroidering a jacket back or small pocket. Personalize team uniforms and caps, monogram stylish totes, commemorate a special occasion, use the Chenille technique for a special 3-D effect, or complete an elaborate embroidered quilt, the results will be everything you ever dreamed of. Complete more embroidery more quickly by eliminating the time spent re-threading for each color change. Less time spent managing the embroidery process means more time for creativity and more custom jobs completed. Complete more embroidery projects confidently and more successfully with 1,400 stitches per minute and the quality of a true commercial system.



8. Cutting Machine (Circular Blade): The Fabric Circle Cutter helps you cut clean, consistent circles and frames without tracing or wobbly freehand cutting. A convenient push cutter glides smoothly along the template's tracks for circles from 2" to 12" in diameter. Its rotating handle allows you to make the entire cut without twisting and reaching, while cushy Softgrip helps boost comfort. A built-in 1/4" circle seam allowance and an optional 1/4" half circle seam allowance add convenience. To cut a circle, simply fold fabric in half and place the template on top, aligning the template's bottom lip with the folded edge. Position the cutter in one of 11 tracks, press down to expose the blade and then run it along the track for an impeccable circle without rough edges, bumps or holes. Perfect circles are simple with a design that eliminates bumpy freehand cutting, tracing and pinholes.



9. Auto-Sharpening Cutting Machine: These vertical knife cutting machines are designed with a powerful 1 HP motor, automatic knife sharpening and central lubrication. They are available in your choice of 6", 8", 10" or 12" blade sizes for use in a wide range of cloth cutting applications.



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10. Vacuum Table & with built-in Boiler: With built-in electric and automatic steam boiler or to be connected to central steam supply. With built-in vacuum unit or to be connected to a central vacuum supply. With steam iron assembly.



11. Steam Iron: An electric iron that emits steam from holes in its flat surface, as an aid to ironing articles that are completely dry.



12. Electric Vehicle- SPV proposes to buy two Electronic Rickshaws that will help them properly connect with all the villages forming the cluster. The women entrepreneurs will be able to use them for transportation of raw material i.e. fabric from Nagpur whole sale market. These rickshaws will also help them transport WIP or Finished Goods from their premises to CFC.



Marketing:

- **Current Marketing Scenario**

Participation in Trade Fairs organized by various government agencies or NGO's

- **Expected Marketing Scenario Post CFC**

- Brand building through use of registered Logo
- Company Website will be able to promote the products
- Marketing of products through E-Commerce channels like Amazon, FlipKart, etc.
- Participation in Local fairs organized by various statutory bodies and NGO's
- Participation in programs organized by World Trade Center
- Event Housing
- Tele-media Marketing
- Social Media
- Affiliate Marketing



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▪ ANALYSIS OF BUSINESS OPERATIONS

Let's analyze the business operation in the industry based for following factors-

○ **Raw Material**

The basic raw material in the industry is cloth and same is sourced from cities like Surat, Mumbai and Kolkata in Nagpur cloth market. However the cluster participants are currently purchasing the basic raw material from Whole-Sale Cloth market located in East Nagpur.

○ **Machinery & Production**

Units are working with traditional manufacturing techniques that are obsolete. Practically the tiny units of this cluster are not using any advance machinery and all operations are carried out by old black sewing machines.

○ **Product & Marketing**

There are about 15 products manufacturers in the cluster. They are capable of handling orders which are as small as 10 pieces and as big as 10000 pieces. The job working process is widely prevalent in the cluster. The products are marketed within the city. The products are marketed through traders/dealers or NGO's.

○ **Background of Entrepreneurs**

The majority of the enterprises are family owned and run by women. The owner and other family members are the manager, operator, marketer, technician and negotiator. There are less qualified persons recruited from outside. As a result no fresh idea came up and the process of manufacturing remained traditional. They are not updating themselves using available literature in market. The level of awareness of the entrepreneurs; especially in technical and marketing areas, is not as high as it should be.

- **Finance**

Finance has been a problem for the entrepreneurs since most of the units are not registered with DIC and run from home also the borrower lacks the collateral security for bank finance. If Micro Enterprises are strengthened to buy raw material from main source to produce the final product it will bring drastic change in the scenario of this cluster. There are banks that are ready to provide the financial assistance to them but these Micro units are accustomed to work on job work basis and not making efforts to borrow the money from financial institutions. This is also due to the reason that these Micro units are not maintaining any record of their transaction which is needed for the govt. borrowings. There is a good scope for providing working capital to enterprises by organizing them.

- **Training**

There are training institutions available in Nagpur to provide trainings. MSME DI has initiated process for imparting training particularly in the garment sector in the region to facilitate the cluster units.

- **Infrastructural Facility**

The units are set up in their own houses and there are no working sheds or suitable infrastructure available with them. There is a high scope that with the help of Industrial Infrastructure development organisation proper working sheds can be provided to them.

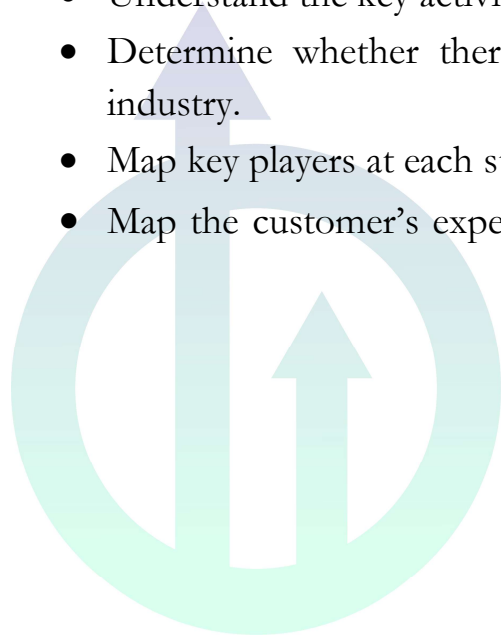
- **VALUE CHAIN ANALYSIS**

An industry value-chain is a physical representation of the various processes involved in producing goods (and services), starting with raw materials and ending with the delivered product (also known as the supply chain). It is based on the notion of value-added at the link level.

Primary object if Value Chain Analysis is to determine where the value is created in an industry.



Value Chains are also used for:

- Understand the key activities in an industry.
- Determine whether there is a backward or forward integration in an industry.
- Map key players at each stage of an industry's value chain.
- Map the customer's experience at each stage in an industry's value chain[®]



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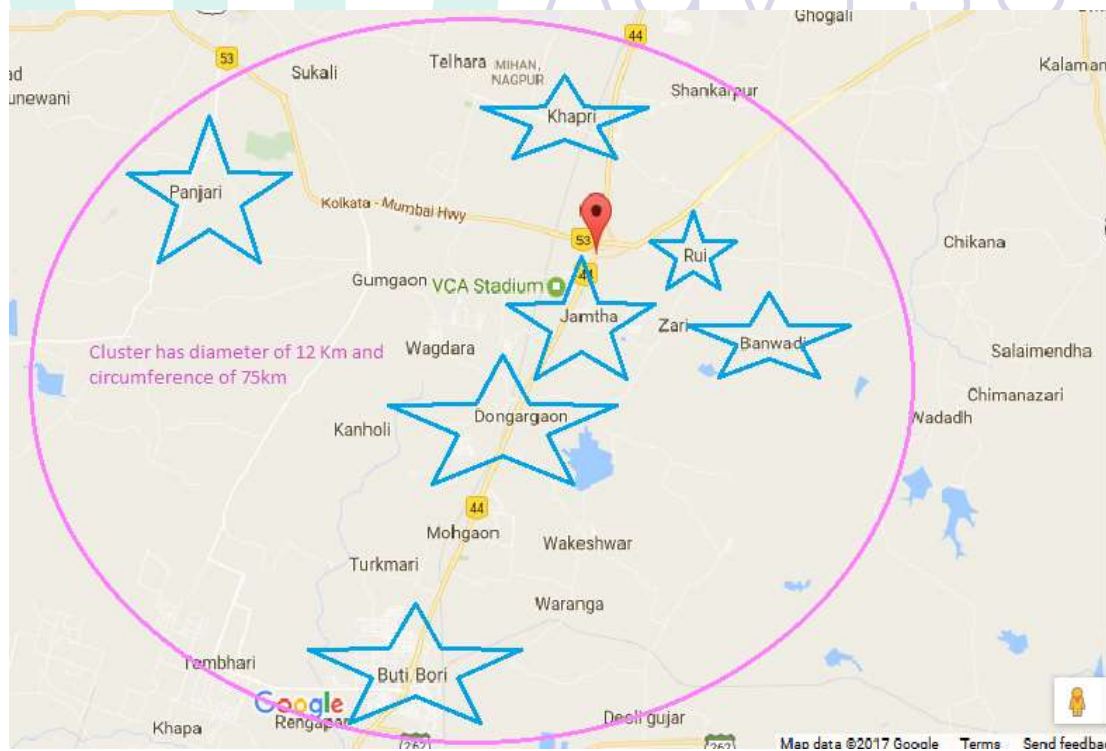
- Value Addition in Existing Products

Product	Photo	Current Details			After CFC								
		Capacity	Labor Charges	Earning	Capacity	Basic Labor	Finishing	Embroidery	Ironing	Packing	Total Value Addition	Total Earning	Incremental Earning
Roti Rumlal		20	5	100	50	3	1	5	2	2	10	650	550
Kitchen Apron		5	10	50	20	5	2	5	2	1	15	300	250

Sari Cover		10	5	50	25	3	4	10	1	0	18	450	400
Mat		2	25	50	15	15	5	10	2	3	40	600	550
Dohar Blanket		2	30	60	10	10	20	25	5	5	65	650	590
Sari Petticoat		6	10	60	30	5	5	0	5	5	20	600	560

Baby Bottle Cover		3	20	60	10	10	5	10	0	5	30	300	240
Baby Cloths		2	40	80	10	10	20	20	5	5	60	600	520
Door Mattress		1	25	25	5	20	10	5	0	5	40	200	175
Kurta		2	20	40	10	10	20	20	5	5	60	600	560

CLUSTER MAP



SWOT ANALYSIS

STRENGTH:

- With GST coming in, Nagpur will turn hub for manufacturing & logistic and demand for garments will only increase
- Workforce is easily available
- Raw Material in use is indigenous and is available throughout the year
- Highly motivated women entrepreneur
- With global market opening up and large number of financial institution leads to easy availability of finance.

WEAKNESS:

- Lack of Infrastructure
- Dependence on traditional technology
- Many artesian producing embroidery products do not have adequate marketing techniques to charge premium on their products
- Product with premium quality has huge demand and carries premium pricing
- Use of traditional & obsolete technology by small unit's leads to high cost of production and low quality finishing.
- Units in Residential Areas
- Traders/ Dealers are enjoying profits

OPPORTUNITY:

- Demand for High quality niche garment products is increasing
- Product diversification is great opportunity
- High quality products enjoy premium pricing and thus margins
- Brand building
- Exposure visits will help them evolve

THREAT:

- Raw Material getting dearer
- Ability to market its products however soft interventions will help it immensely
- Cheap Imports
- Stiff Competition
- International Brands



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▪ **KEY ISSUES HINDERING DEVELOPMENT**

▪ **Lack of Basic Infrastructure**

The cluster participants are tiny units operating majorly as Gruh Udyog. They lack basic infrastructure like automatic cutting machine, place of washing and drying of clothes before they are put for stitching.

▪ **Use Traditional and Obsolete Technology**

Currently, most of the entrepreneurs are manufacturing there products using old paddle stitching machine. The stitching of buttons on the fabric is still being done manually. Traditional equipment's are used for locking of fabric when embroidery is to be done on the same. The use of such technology has made the industry very labor intensive and slow. The productivity is really low.

▪ **Poor Quality Raw Material**

As these units have very low earning, they can't afford to buy good quality fabric. As the basic raw material quality is not excellent so is the quality of final product.

▪ **Current Quality of Finished Product not good enough to be sold in Upper or Middle Class Society**

The Upper or Middle Class society spends huge chunk of money of buying garments. However, as the quality of product is not very goods, the products manufactured can't be sold in targeted market. Selling of products in low income society has resulted in fetching low prices and thus low margins in business.

▪ **Difficulty in adopting to new technology**

As these entrepreneurs are in habit of using old machinery and they don't get the opportunity to work on latest technology machines,

they have phobia for these machinery. Also, as the awareness among these units is very poor they don't have knowledge to use them and other modern designing technique. However, if the skill development programs as identified in Soft Interventions are done, the labor force along with units will be ready to work on advanced machinery.

- **Poor Marketing Skill**

The units in cluster are not able to market their products. They are still dependent on traders to come to their place and collect the produce. Most of the entrepreneurs have failed to explore local Gandhibaug market forget about the e-commerce platform.

- **No Major Product Diversification**

Most of the units are still busy manufacturing Petticoat, blouse, roti rumal and plain handkerchief. These products are quiet easy to manufacture and at the same time fetch really low price.

Even diversification in products like colorful baby rumal, langot, bottle cover, mobile covers, sari covers will help them increase revenue. Bringing awareness and trainings on new products though programs as designed in Soft Intervention schedule will help these units.

- **Lack of Brand**

Due to product not being of an excellent quality and lack of awareness, unit holders have not been able to establish themselves as brand.

- **Low or No investment in Skill Development**

Due to low income, units have hardly invested anything towards skill development. They are dependent either on NGO's or on government bodies or industries to run skill development program for them under CSR.

▪ ACTION PLAN

As per the afore stated factual background and perspective of the Nagpur Garment Cluster diagnosed as above, the following road map for required and destined strengthening and development in future is submitted and noted as under as prescription to the problem diagnosed.

- Trust building activities will be undertaken to prepare the cluster firms for cooperation and collective actions
- Vision of the stakeholders broadened by exposure visits to well performing Clusters
- Technological up-gradation, modernization and expansion of productive capacities, diversification of product range etc., shall be achieved through awareness seminars, access to finance and linkage to machinery suppliers
- Skill development through continuous training
- Joint procurement of raw materials
- Giving opportunity to the skilled labor available locally
- Capacity building of Networks and Association
- Joint marketing and market development
- Credit facilitation

▪ CONCLUSION

Today's consumers are well aware of the upcoming trends, and competitive pricing. Media such as internet, magazines, and television are playing an integral role in spreading the awareness. They have become more demanding and expecting a cost effective deal in terms of both quality and pricing. Fashion apparel industry is one of the fastest moving industries and is more consumer driven. Apparel retailers sketch solutions for branding their merchandise, and enable adequate supply of products through their supply chain. Manufacturers are putting their best foot forward in improving the performance of their supply chain and offering a wide range of garments matching with the latest trends.

In the era of globalisation, the marketing activities of the entrepreneurs need to be integrated in order to capture the more market share. As the units are small, it is almost imperative that networking is done in order to capture largest orders. This will not only ensure economies of scale but also developed accountability of the entrepreneurs. In the present scenario, the entrepreneurs can join hands together, form consortium and grab large orders. This can be a brand building initiative where the products can be projected under a registered brand name. For making the cluster development initiative sustainable in the long run, it is important to ensure "capacity building" of the cluster actors. The cluster actors should realize "the need-to-change" and initiate actions in order to solve their problems and making themselves competitive. What is important here is that the process of change should be internalized rather than imposed.

Also, the cluster is an "All Women Cluster" who are in this industry to support their husbands and supplement their family income. Most of the women are earning an average of Rs. 2,500 per month, if the dream of CFC can be realised then their per month income will increase four folds to Rs.10,000 at minimum. This will be like a revolution to these entrepreneurs.

ANNEXURE-VII

PROPOSED SOFT INTERVENTION ACTION PLAN

Sr. No.	Value Addition	Description	Amount	SPV Share	GoM Share	No. of Participant	Outcome
1	Trust Building & Creating Awareness	Visit to Sangli Garment Cluster	52,000	5,200	46,800	10	1. Help in trust building among cluster members 2. Practical exposure towards latest technology in use 3. Awareness about the new products 4. Knowledge about potential market
2		Visit to Meghat Industry	67,500	6,750	60,750	25	
3		Visit to Aurangabad Cluster	36,000	3,600	32,400	10	
4		Visit to Varodra Anandone	12,000	1,200	10,800	40	
5		Visit to Nagpur Orange City Garment Cluster	12,000	1,200	10,800	40	
6	Creating Awareness	Workshop with Chartered Accountant	25,000	2,500	22,500	100	1. Awareness about various govt. schemes 2. Help remove Bank & Govt. phobia 3. Knowledge about importance of marketing of product 4. Help in dealing with Value Chain participants
7		Workshop with MBA- Marketing	15,000	1,500	13,500	100	
8		7 Days Communication Workshop	35,000	3,500	31,500	50	
9	Technology Up gradation	Embroidery Training	51,000	5,100	45,900	30	1. Technology Up gradation 2. Product Invention & Development
10		Fashion Designing Training	2,00,000	20,000	1,80,000	2	

11		Training on Dress Material	50,000	5,000	45,000	50	3. Help improve efficiency 4. Cost Effective Packaging Measures 5. Help in connecting with Value Chain
12		Training on Curtains, Bed sheet & Pillow Covers	40,000	4,000	36,000	50	
13		Training on Bags & Accessories	40,000	4,000	36,000	50	
14		Training on Uniforms	40,000	4,000	36,000	50	
15		Training on Packaging	51,000	5,100	45,900	50	
16	Capacity Building	Company Incorporation	50,000	5,000	45,000	50	1. Give Corporate Structure 2. Create Brand value & hence goodwill 3. Will give platform to market its products 4. Gap Analysis & help removing key hindrances
17		Logo Development & Brand Development for SPV	25,000	2,500	22,500	-	
18		Development of Cluster Website	15,000	1,500	13,500	-	
19		Product Exhibition	33,500	3,350	30,150	-	
20		Diagnostic Study Report Preparation	1,50,000	15,000	1,35,000	-	
Total			10,00,000	1,00,000	9,00,000		

ANNEXURE-VIII

Name of Technical Institutes, expert persons planned to be associated for technical know-how and guidance:

- **Government Polytechnic, Pune**
- **Institute of Fashion Designing**
- **Government Residential Women Polytechnic, Sangli**



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ANNEXURE-X

PROPOSED HARD INTERVENTIONS FOR THE CLUSTER

Sr. No.	Particulars	Amount
1	Land	10,00,000
2	Building	15,00,000
3	Electrification	7,50,000
4	Computerized Embroidery Machine (2)	2,05,000
5	Straight Sewing Machine	1,47,500
6	Jeans/ leather Stick Jumbo Hook	72,000
7	Bar tack Machine	5,60,000
8	Button Holding Machine	18,50,000
9	Shirt Placket Machine	70,000
10	Elastic Attaching Machine	65,000
11	Button Attaching Machine	10,50,000
12	Vacuum Table with Boiler	1,86,000
13	4 Blade Cloth Cutting Machine	45,000
14	8 Blade Cloth Cutting Machine	1,20,000
15	Waist Stitching Machine	93,000
16	Twin Needle Stich Machine	1,90,000
17	Electric Vehicle	2,00,000
	Total	81,03,500