

Start a Brand Without a Factory

A step-by-step guide to contract manufacturing in India: how to find a manufacturer, check them, get samples, sign a safe agreement, follow the rules, and launch.

Who is writing this: I am Ishika, co-founder of **Eleveon** and **BM Designink**. For the last **6 years** I have run Amazon advertising for **350+ brands** across India, the US, UK and Dubai. I see brands after the product is made, when the ads start and the real problems show up: weak quality, wrong labels, bad margins. This guide is about getting the first half right.

What is inside

- **Part 1.** What Nike, Mamaearth and boAt actually do, with the facts checked
- **Part 2.** The words you need to know, in plain language
- **Part 3.** Which products are easy to start with and which are hard
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- **Part 5.** Rules and licences by product type (cosmetics, food, toys, electronics and more)
- **Part 6.** Where to find manufacturers, and how to check them (with a 20-question list)
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- **Tools.** A supplier comparison sheet and a sample scorecard you can print

An honest note: rules change and differ by product. I have checked what I could and listed every source at the end, but this is a guide, not legal advice. Before you pay a manufacturer or print a label, confirm the current rule for your exact product with the authority or a professional. Where I could not verify something, I say so.

Part 1: What the big brands actually do

The idea is real, but the details are more interesting than the headline.

Brand	What the filings say	What it means
Nike	In its FY2025 annual report: footwear is made by 15 contract manufacturers that run 97 footwear factories in 11 countries . Apparel is made by 67 contract manufacturers running 303 factories in 34 countries .	Nike does not run its shoe and clothing factories. One exception: it owns a unit (Air Manufacturing Innovation) that makes cushioning components, in Oregon, Vietnam and Missouri.
Mamaearth (Honasa)	Per its IPO filings as reported, Honasa owns no manufacturing plant and relies on 37 third-party contract manufacturers for its products.	Its work is formulation, brand, and managing those manufacturers.
boAt	Its IPO filing refers to "our contract manufacturers" and says components and suppliers come from Vietnam, India and China. It also said moving more manufacturing to India may take time.	The filing I read does not say how much is made where, so I am not quoting a split.

What the brand owns when it does not own the factory

- **The design or formula.** The product idea, specifications and quality standard.
- **The brand.** Name, logo, trademark, packaging and story.
- **The customer.** Reviews, data, repeat buyers and ad performance.
- **The quality control.** The right to reject a bad batch. This is the job you cannot hand over.

This is called an asset-light model. You spend on the brand and the first batches, not on land, machines and workers. The trade-off is that your product quality depends on someone else. The rest of this guide is about managing that risk.

Why this matters for you: the big brands did not start by building factories either. Factory ownership usually comes much later, once volume is high enough to justify it. For a new brand, the factory is the last step, not the first.

Part 2: The words you will hear

Learn these first. Manufacturers will use them and you should never nod along without knowing.

Word	What it means
Contract manufacturing	A factory makes your product to your specifications and your brand sells it.
White label	The factory already has a finished product. You put your brand on it with little or no change. Fastest, but others can sell the same thing.
Private label	Similar to white label, but you customise it: your formula, colours, packaging or features.
OEM	The factory makes it to your design. Your design, their production.
ODM	The factory designs and makes it, and you pick from their catalogue and add your brand.
MOQ	Minimum order quantity. The smallest batch the factory will make. Your cash needs start here.
Tooling, dies, moulds	Metal or plastic tools made to shape your product. Costly, and ownership must be written in your agreement.
Tech pack / spec sheet	A document with every detail of your product: materials, sizes, colours, packaging, tests. The base of everything.
Golden sample	The approved sample, signed and sealed. Bulk production is judged against it.
Pilot batch	A small first production run to test quality before a big order.
AQL	Acceptable quality limit. A rule for how many defects in a sample are allowed before a batch is rejected.
Loan licence	For cosmetics: the licence a brand holds when a licensed factory makes the product for it.
Relabeller (FSSAI)	For food: the category for a brand that sells food made by someone else's licensed unit.

Part 3: Which products are easy, and which are hard

My own assessment, based on the rules in Part 5. A harder product can still be a good business, but it needs more money and time before you sell.

Level	Examples	Why	Biggest hurdle
Easier to start	Bags, apparel basics, home textiles, candles, stationery, ceramics, glassware, wooden and metal home goods	Few mandatory certifications. Small batches are possible.	Quality consistency, sizing, finishing
Medium	Skincare and personal care, packaged food and snacks	Licences and label rules apply (Part 5). Need lab tests.	Licensing, shelf life, claims
Harder	Toys, electronics, kitchen appliances, anything needing a new mould	Mandatory BIS certification for many of these. Tooling costs.	Certification time and cost, tooling, after-sale support

A good first brand is usually something in the easier or medium group, where one good product and a clear angle can work.

Part 4: The 9-step roadmap

Follow these in order. Skipping a step is how most money is lost.

Step 1: Choose the product and write the spec sheet

Do not walk into a factory with only an idea. Write a spec sheet first. It makes quotes comparable and shows you are serious.

- **What it is and who it is for:** one clear user and one clear problem.
- **Materials and finish:** exact material, grade, thickness, colour codes.
- **Size and weight:** with the tolerance you accept (for example, plus or minus 2 mm).
- **Packaging:** inner pack, outer carton, inserts, barcode space, label area.
- **Tests and certificates needed:** what the product must pass (see Part 5).
- **Target cost and target selling price:** work this out first (Part 7).
- **Reference products:** photos of competitor products, marked with what you want better.

Step 2: Find manufacturers

Shortlist 5 to 8 and talk to all of them. Where to look is in Part 6. One trick that works: legal rules require packaged goods to show the name and address of the manufacturer, packer or importer. Read the label on competitor products to see who makes them, then look up that unit.

Step 3: Check them before you send money

Use the 20 questions in Part 6. Ask for GST number, Udyam registration and any licences your product needs. Ask to visit. A serious manufacturer will say yes. If they refuse a visit, do not go ahead.

Step 4: Order samples from 2 or 3 and compare

- Give every manufacturer the same spec sheet, so you compare fairly.
- Expect to pay for samples. Treat it as a cost of doing business, not a favour.
- Test samples yourself, and with 3 or 4 people who match your customer.
- Use the scorecard at the end of this guide.
- Once you pick one, get a **golden sample** signed by both sides and keep a copy. Bulk is judged against it.

Step 5: Negotiate the terms, not only the price

- **Price ladder:** ask for the price at 1x, 2x and 5x the MOQ. This shows how price falls with volume.
- **Payment:** manufacturers often ask for an advance. Try to split it by stage (part on order, part before dispatch) and keep every payment on record.
- **Lead time:** for the first order and for repeats, in writing.
- **Tooling:** who pays, and who owns it afterwards. Get this in the agreement.
- **Exclusivity:** will they make your design or formula for anyone else? Ask.
- **Know the payment rule:** under India's MSME law, a buyer must pay a micro or small enterprise supplier within 45 days of acceptance, or by the agreed date if earlier. Late payment carries compound interest at three times the RBI bank rate. Plan your cash so you pay on time.

Step 6: Put it in writing

A WhatsApp promise is not an agreement. Have a lawyer review a manufacturing agreement. It should cover:

- Scope and the specification, attached, with the golden sample referenced
- Price, MOQ, payment schedule, lead time and penalties for delay
- Quality rules: inspection, AQL, what counts as a defect, and who bears the cost of rejects
- **Ownership** of your design, formula, artwork files and tooling
- Confidentiality, and a clause that they will not make your product for others
- Who is responsible for licences and certifications, and for recalls
- How the contract ends, and how they hand over tools and files if you leave
- Where disputes will be settled

Step 7: Sort out the licences and labels

This is Part 5. Do it before the first batch, not after. A beautiful product with a wrong label cannot be sold.

Step 8: Run a pilot batch and inspect it

- Start with a small batch. A smaller first order costs more per piece but protects you.
- Inspect before the goods leave the factory. You can visit, or pay a third-party inspection company. Check against the golden sample and your AQL.
- Check packaging, labels, barcodes and batch numbers. Amazon asks for a barcode (GTIN) or an exemption, so check in Seller Central.
- Keep a few retained samples from every batch. If a complaint comes, you can compare.

Step 9: Protect the brand, then launch small

- **File your trademark early.** The government fee quoted by one filing service is Rs 4,500 per class for individuals, startups and small entities, and Rs 9,000 per class for companies and others. Check the official IP India portal for current online rates.
- **Amazon Brand Registry** needs a registered trademark or a pending application number from IP India. One consultancy says a pending application can be enough to enrol. Confirm on Amazon's own pages.
- Launch with a small stock, track returns and reviews closely, and fix problems at the factory before you reorder.
- Reorder in stages as you learn how fast it sells.

Part 5: Rules by product type

Who must hold which licence is the question that trips up most new brands. Always confirm for your exact product.

Product	What applies	Your action
Cosmetics and skincare	State licensing authority issues the licences. COS-8 is for someone who owns the factory. COS-9 (a loan licence) is for a brand that has a licensed factory make its product. The loan licence holder stays responsible for formulation, specifications and labelling. The licence is valid for 5 years.	Your factory must be licensed and GMP compliant. Ask for their licence copy.
Packaged food	FSSAI treats a brand owner whose food is made by someone else as a relabeller . It may have products made only at a unit with a valid FSSAI licence. Duties include annual returns by 31 May and six-monthly lab test reports.	Check the factory's FSSAI licence and that your product is covered.
Toys	Toys need BIS certification before sale, under the Toys Quality Control Order, in force from 1 September 2020. Non-electric toys fall under IS 9873 (Part 1):2019, electric toys under IS 15644:2006. Each type needs its own application.	Do not order a toy batch before the certification route is clear.
Electronics	About 80 categories fall under BIS Compulsory Registration (such as power banks, smart watches, LED products). The registration belongs to the manufacturer, but a brand can often register under its own name with the factory's authorisation. If you change manufacturers for the same product, you need a fresh registration , not a transfer.	Check the category for your product in the current notified list. Wireless products may also need separate approval.
Kitchen appliances	Many are under the Electrical Appliances for Kitchen Quality Control Order 2023, with ISI marking and a factory audit.	One source was unclear on induction cooktops. Confirm each product.
All packaged goods	Legal Metrology rules require declarations on the pack, including: name and address of the manufacturer, packer or importer, common name, country of origin, net quantity, month and year of manufacture or packing, best before or expiry where relevant, and MRP inclusive of all taxes.	Plan label space early. Marketplaces must show these declarations online too.
Textiles, bags, home goods	Generally no product licence, but the packaged goods label rules above still apply.	Quality testing (colourfastness, shrinkage) is on you.

Sources for these are listed at the end. Rules and category lists change, so check the current official notification before you commit.

Part 6: Where to find manufacturers, and how to check them

Well-known Indian manufacturing clusters are good starting points for your search. I have not checked individual units, so verify every manufacturer yourself.

Product	Well-known cluster (start here)
T-shirts, knitwear	Tirupur
Hosiery, woollens	Ludhiana
Footwear and leather	Agra, Kanpur
Brassware, metal handicrafts	Moradabad
Sports goods	Jalandhar, Meerut
Glassware	Firozabad
Wooden goods	Saharanpur
Home textiles, blankets	Panipat
Sarees, synthetic fabric	Surat
Block print, jewellery	Jaipur
Skincare and pharma contract units	Baddi (Himachal Pradesh) and several other states
Electronics assembly	Noida, Greater Noida

Other places to search

- **Online directories** such as IndiaMART and TradeIndia. Treat these as a phone book, not proof of quality.
- **Competitor labels.** The manufacturer or packer address on a similar product tells you who makes it.
- **Trade fairs and industry associations** in the cluster for your product.
- **Ask other founders.** A direct referral from someone already using the factory is worth more than any listing.
- **Public records:** you can check a GST number on the GST portal and a licence on the relevant authority's portal.

The 20 questions to ask every manufacturer

Topic	Questions
Business	1. Who owns the unit and how long has it run? GST and Udyam numbers? 2. Can I visit before I pay? 3. Do you do every step in-house, or subcontract any? 4. Can I speak to two current clients?
Capacity	5. Monthly capacity, and how full are you now? 6. Lead time for the first order and for repeats? 7. MOQ, and the price at 2x and 5x MOQ?
Quality	8. What is your defect rate, and how do you handle rejects? 9. What tests do you run on every batch? 10. Will you sign off against a golden sample? 11. Do you allow third-party inspection?
Compliance	12. Which licences do you hold, and valid until when? 13. Who handles BIS, FSSAI or cosmetics paperwork for my product? 14. Can you provide test reports?
Commercial	15. Payment terms, by stage? 16. Who owns moulds, dies and artwork files? 17. Will you make my design or formula for anyone else? 18. What if raw material prices change?
Risk	19. What happens if a batch fails? 20. Can you ship to my warehouse or an Amazon warehouse?

Red flags: refuses a visit; no GST number or licence; price far below everyone else; vague about subcontracting; pushes for 100% advance; no written quotation; bulk that differs from the sample; will not sign confidentiality terms.

Part 7: Do the maths before you order

A product that looks cheap to make can still lose money once everything is counted. Work backwards from the price.

The method

Maximum factory price = selling price (without GST) x (1 minus Amazon fees, ads, returns and profit you want) minus packaging minus freight.

Worked example (every number below is assumed, to show the method. Use your own numbers):

Item	Value	Note
Selling price without GST	Rs 800	Assumed
Amazon fees	25%	Assumed. Use Amazon's Revenue Calculator for your product
Ad spend	10%	Assumed
Returns and damages	5%	Assumed
Profit you want	15%	Your choice
What is left for the product	45% of Rs 800 = Rs 360	$800 \times (1 - 0.25 - 0.10 - 0.05 - 0.15)$
Packaging	Rs 40	Assumed
Freight to warehouse	Rs 20	Assumed
Maximum factory price	Rs 300	$360 - 40 - 20$

If no manufacturer can meet your maximum price at your MOQ, change the product, the pack or the selling price. Do not hope the numbers will improve later.

What to add to the cash you need

- First batch: MOQ x factory price
- Samples and sample shipping, usually several rounds
- Tooling or moulds, if any
- Testing and certification (Part 5)
- Trademark filing and any professional fees
- Barcodes, packaging design and product photos
- Inspection costs and your travel to visit the factory
- A cash buffer for a reorder, since a good product can sell out

Many founders only budget for the first batch. Then the product works, stock runs out, and there is no money to reorder. Plan for the second batch too.

Part 8: Mistakes that cost founders money

Mistake	What goes wrong
No golden sample	Bulk differs from the sample and you have no proof of what was agreed.
Paying everything upfront	You lose leverage. Pay by stage and keep records.
Not checking licences	Your product may be unsellable, or taken down, however good it is.
Assuming the design or formula is yours	Unless the agreement says so, it may not be. Write it down.
Skipping the trademark	Someone else can register your brand name, or you cannot enrol in Brand Registry.
Changing manufacturer on a certified product	For BIS-registered products you may need a fresh registration.
Depending on one factory	A single delay or closure stops your business. Qualify a backup.
Skipping inspection	You find the problem when customers return it.
Ordering big because the price drops	You are locked into stock you cannot sell. Start small.
Ignoring label rules	A wrong or missing declaration can stop a listing.
Paying MSME suppliers late	Compound interest at three times the bank rate on delayed payments.

Your 30-day plan

When	What to do
Week 1	Pick one product. Write the spec sheet. Work out your maximum factory price (Part 7). Check which rules apply (Part 5).
Week 2	Find and call 5 to 8 manufacturers. Use the 20 questions. Shortlist 3. Request quotes and samples.
Week 3	Test samples. Fill the scorecard. Pick one. Negotiate terms. File the trademark.
Week 4	Sign the agreement after a lawyer reviews it. Sign the golden sample. Start the licence or label work. Place a small pilot order.

Tool 1: Supplier comparison sheet

Print this and fill one column per manufacturer.

Item	Maker A	Maker B	Maker C
Name and location			
Years in business			
GST and Udyam checked (yes or no)			
Visited the factory (yes or no)			
Licences held and valid until			
MOQ			
Price at MOQ			
Price at 2x MOQ			
Price at 5x MOQ			
Payment terms			
Lead time (first order)			
Who owns tooling			
Offers third-party inspection			
References checked			
Notes			

Tool 2: Sample scorecard

Score each sample from 1 to 5. Multiply by the weight, and add up. Change the weights to fit your product.

Criteria	Weight	Sample A	Sample B	Sample C
Matches the spec sheet	3			
Material and finish	3			
Strength and durability	3			
Packaging	2			
Smell, feel or look (as relevant)	2			
Price and MOQ	3			
Communication and speed	2			
Total				

A note from me

A good product is only half of a brand. Once the first batch arrives, the work becomes selling it: Amazon listings, advertising, reviews, and watching the numbers. That second half is what I work on every day.

Eleveon is where I teach Amazon Ads and Meta Ads. If you would like to see how we teach before deciding anything, I run a free marketing series with live sessions. Comment **JOIN NOW** on my reels and my team will send you the community link. Seats are limited.

This guide is complete without any of that. If it helps you avoid one expensive mistake, it has done its job.

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Sources

Checked in October 2026. Some are secondary summaries, so check the official source for anything you act on.

- Nike contract factory counts and owned manufacturing: NIKE, Inc. Form 10-K for fiscal 2025 (sec.gov). Earlier counts: Vietstock, Vietnam remains largest manufacturer of Nike products (August 2024).
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- FSSAI relabeller category: FoodSafetyWorks, R.I.P. Marketeer, Relabeller is your KOB.
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