



BUSINESS PLAN · INDIA

Apparel & Fashion Retail Store

Clothing, footwear & accessories retail - curated assortment, omnichannel, experience-led

RETAIL

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **Apparel & Fashion Retail Store** in India — a store retailing clothing, footwear & accessories (men's/women's/kids', ethnic/western, or a chosen segment), in-store with omnichannel (social/WhatsApp/online) selling. It earns retail margins on fashion merchandise, monetising India's large, aspirational, fast-growing apparel-retail market — a merchandising- & inventory-driven business where style, buying & turns determine success.

Apparel is one of India's largest retail categories, growing with incomes, aspiration, occasions, festivals & fashion consciousness. A well-located, well-merchandised store with the right assortment, pricing, visual merchandising & omnichannel reach earns healthy fashion margins — though it is inventory- & fashion-risk-sensitive (styles, seasons, markdowns), making buying & turns critical.

The promoter — a retail/fashion entrepreneur — seeks total funding of **₹25 lakh** for a ~800-1,500 sq ft store (₹9 lakh promoter + ₹16 lakh term/working-capital finance, eligible under PMMY-Mudra / CGTMSE), targeting **₹60 lakh** revenue in Year 1 and **₹1.4 crore** by Year 3. (*Fashion-retail; margins higher than grocery but inventory- & markdown-risk-driven.*)

2. Business Description, Vision & Legal Structure

Concept: A well-curated apparel & fashion store - right styles, assortment, pricing & experience - in-store & omnichannel.

Vision: To be a preferred fashion destination in its catchment & segment.

Mission: Offer on-trend, quality apparel & accessories at the right price with great experience & service, in-store & online.

Legal structure options

- **Proprietorship / LLP** — LLP recommended as it grows.
- **Private Limited** — for scaling into a chain or brand.

Regulatory anchor: apparel retail needs **Shops & Establishments registration, GST, and (for own brand) labelling & textile norms**; trade licence & fire/safety as applicable. Merchandising & buying, assortment & sizing, pricing & markdowns, inventory turns, visual merchandising & omnichannel determine success; margins are attractive but fashion & season inventory-risk is the key challenge.

3. Promoter & Ownership

Led by a promoter with retail, fashion or merchandising experience. Delivery uses sales staff, a store manager, a buyer/merchandiser, and cashier/omnichannel staff, with brand/distributor & wholesale supplier tie-ups. Year-one ownership rests with the promoter; ownership and profit-sharing are editable inputs.

4. Market Analysis — India

India's apparel & fashion retail is large & growing with incomes, aspiration, occasions/festivals, fashion consciousness & omnichannel. Segments span ethnic, western, men's/women's/kids', value & premium. Demand is seasonal & occasion-driven, and increasingly omnichannel. The market rewards the right assortment, style, pricing, experience & inventory discipline; it is competitive but sizeable.

Demand drivers

- **Rising incomes & aspiration.**
- **Occasions, festivals & weddings.**
- **Fashion consciousness & trends.**
- **Omnichannel & social** selling.
- **Segment/niche** demand.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Apparel & fashion retail in India	Very large
SAM	Catchment & segment demand	Substantial
SOM (Yr 1-3)	Footfall × conversion × basket	Scaling

Target segments

- Local shoppers (segment/style).
- Occasion/festival & wedding buyers.
- Omnichannel/social customers.
- Repeat & loyalty shoppers.

5. Competition & Competitive Advantage

Landscape: other apparel stores, brand outlets & MBOs, online fashion, and large-format retail. The firm competes on assortment/style, pricing, experience, service & omnichannel.

The firm's edge

- **Right assortment & style (buying).**
- **Pricing & value.**
- **Visual merchandising & experience.**
- **Service & omnichannel reach.**
- **Local/segment focus & trust.**

6. Products & Margins

Category	Model	Indicative margin
Apparel (ethnic/western)	Retail margin	30-50% (pre-markdown)
Footwear	Retail margin	30-45%
Accessories	Retail margin	40-60%
Private label	Higher margin	Higher
End-of-season sale	Markdown	Reduced (clearance)

Fashion carries attractive gross margins (30–50%+) but markdowns/clearance on unsold/seasonal stock erode realised margin — so buying, assortment & turns are critical. Accessories & private-label lift margin; omnichannel extends reach & sell-through.

7. Go-to-Market — Marketing & Sales

- **Location, windows & visual merchandising.**
- **Social/WhatsApp & omnichannel** selling.
- **Festival/occasion & sale** campaigns.
- **Loyalty & repeat** programs.
- **Assortment & style** as the draw.

Sales approach

Attract with location, windows, style & campaigns → convert with assortment, experience & service → drive repeat via loyalty & omnichannel → manage turns & markdowns. Buying, sell-through & experience drive fashion-retail economics.

8. Operations Plan

- **Store:** a ~800–1,500 sq ft store with displays, trial rooms, billing & backroom.
- **Process:** buying/merchandising → stocking & display → selling (in-store + omnichannel) → billing & alterations → replenishment & markdown.
- **Merchandising & buying:** assortment, sizing, seasons, trends; turns & markdown discipline.
- **Technology:** POS & inventory, omnichannel/social, loyalty.
- **Capacity:** footfall × conversion × basket; scale by assortment, omnichannel & stores.

Store workflow

Stage	Activity	Metric
Buy	Merchandise	Assortment
Display	Visual merch	Appeal
Sell	In-store/online	Conversion
Manage	Turns/markdown	Sell-through
Retain	Loyalty	Repeat

9. Regulatory, Licences & Compliance (India)

- **Shops & Establishments** registration; trade licence; GST.
- **Labelling & textiles:** product labelling, MRP & (for own brand) textile/label norms.
- **Business & MSME:** proprietorship/LLP or Pvt Ltd; PAN/TAN; Udyam (MSME).
- **Safety & data:** fire/safety; DPDP-aligned customer data (loyalty/omnichannel).

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / Owner	1	1	1
Store manager & buyer	1	2	3
Sales staff	3	5	8
Cashier & omnichannel/alterations	2	3	4
Accounts & admin	1	1	2
Total	8	12	18

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-2	Store, fit-out, licences, buying, stock, POS
Launch	Month 2-3	Store opens; first season & omnichannel
Traction	Month 3-8	Footfall & sell-through build; break-even nears
Scale	Year 2	Assortment, omnichannel & loyalty growth
Growth	Year 3	Strong repeat; possible second store/brand

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. They are not projections of guaranteed results. Fashion retail; attractive margins but markdown/inventory-risk driven.

12.1 Project cost & means of finance

Capital requirement	₹
Fit-out, displays & trial rooms	8,00,000
POS, IT & equipment	2,00,000
Opening inventory	10,00,000
Deposits, licences & branding	2,50,000
Working-capital buffer	2,50,000
Total project cost	25,00,000
Promoter contribution	9,00,000
Term/WC loan (Mudra / CGTMSE)	16,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Store & omnichannel sales	60,00,000	1,00,00,000	1,40,00,000
Cost of goods sold (post-markdown)	37,00,000	60,00,000	83,00,000
Gross profit	23,00,000	40,00,000	57,00,000
Salaries & wages	9,00,000	14,00,000	20,00,000
Rent & utilities	6,00,000	7,20,000	8,40,000
Marketing & overheads	4,00,000	6,50,000	9,00,000
Interest on loan	1,60,000	1,25,000	80,000
Total expenses (below GP)	20,60,000	28,95,000	38,20,000
Net profit (before tax)	2,40,000	11,05,000	18,80,000
Net margin	4.0%	11.1%	13.4%

12.3 Unit economics & break-even

- **Gross margin:** ~38% realised (30-50%+ pre-markdown less clearance); accessories/private-label lift it.
- **Levers:** footfall × conversion × basket; sell-through & markdown discipline; turns.
- **Break-even:** reached around month 6-9 as footfall & sell-through build; buying quality is decisive.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	2,50,000	2,10,000	2,40,000	3,20,000
Collections	12,00,000	14,00,000	17,00,000	17,00,000
Purchases & operating outflows	12,00,000	13,30,000	15,70,000	15,60,000
Loan EMI	40,000	40,000	50,000	50,000
Closing balance	2,10,000	2,40,000	3,20,000	4,10,000

Sales are largely cash/UPI/card (good cash) with festival/season peaks; inventory is bought ahead of season, and unsold stock needs markdown. Buying discipline, turns & end-of-season clearance manage the fashion-inventory risk; the buffer covers the ramp.

12.5 Key Performance Indicators to Monitor

- **Sales:** footfall; conversion; basket; sales/sq ft.
- **Merchandising:** sell-through %; markdown %; turns.
- **Margin:** realised gross margin; category/private-label mix.
- **Repeat:** loyalty; omnichannel share; repeat customers.

13. Funding Requirement & Bankability

Total ask: **₹16 lakh term/WC finance** against ₹9 lakh promoter contribution — eligible under **PMMY (Mudra)/CGTMSE**; a WC/cash-credit limit suits seasonal inventory. Year-2 net profit ~₹11 lakh with good cash flow underpins bankability; buying discipline & sell-through are the key risks lenders weigh. Attractive fashion margins support the debt with disciplined inventory.

13.1 Funding utilisation

Use of funds	₹	% of total
Opening inventory	10,00,000	40%
Fit-out, displays & trial rooms	8,00,000	32%
Deposits, licences & branding	2,50,000	10%
Working-capital buffer	2,50,000	10%
POS, IT & equipment	2,00,000	8%
Total	25,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Fashion/season inventory risk	Disciplined buying; turns; markdown planning; assortment testing
Markdown/margin erosion	Sell-through focus; accessories/private-label; clearance strategy
Online/competition	Assortment, experience, service & omnichannel differentiation
Working-capital strain	WC limit; supplier terms; turns; cash focus
Location/footfall	Right location; windows; campaigns; omnichannel

15. SWOT Analysis

Strengths Large market; attractive margins; good cash; omnichannel; experience-driven.	Weaknesses Fashion/season inventory-risk; markdowns; competition; location-dependent.
Opportunities Occasion/festival demand; omnichannel & social; private label; multi-store.	Threats Online fashion; chains & MBOs; trend misses; rent/margin pressure.

16. Recommended AiSevak Tools for This Business

This apparel store would use AiSevak's Retail vertical tools in delivery:

- **Store ops:** POS/inventory, sell-through/merchandising, omnichannel/social-selling and loyalty tools.

- **Compliance:** Shops-&-Est, labelling & GST tools (with Legal & Finance verticals).
- **Practice:** Business Plan, sell-through/margin and Break-even tools to model the store.

17. Key Assumptions & Notes

- Fashion retail; ~38% realised gross margin (30–50%+ pre-markdown less clearance); accessories/private-label lift it.
- Buying, assortment, sell-through, turns & markdown discipline are decisive; omnichannel extends reach.
- Term/WC finance ~11% p.a.; largely cash/card (good cash) but seasonal inventory-heavy; supplier terms help.
- Location, buying, experience & inventory discipline are decisive; figures exclude GST.

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