



BUSINESS PLAN · INDIA

Fabric Trading and Wholesale

The right fabric, on time, at fair price - with range, credit and reliability

TEXTILE

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 a **Fabric Trading & Wholesale** business in India — a distribution & wholesale operation dealing in greige (unprocessed) & finished fabrics (cotton, synthetics, blends, knits, suiting/shirting, dress materials) sourced from mills/processors & sold to garment manufacturers, retailers, tailors, wholesalers & institutional buyers, with credit & logistics. It earns thin-to-moderate trading margins on high-volume fabric turnover, monetising India's vast textile value chain, sourcing/pricing & the credit & availability that buyers need — a volume-, inventory-/credit-cycle- & sourcing-driven trading business.

India's textile value chain moves enormous volumes of fabric between mills/processors & garment makers/retailers, creating steady wholesale/trading demand. A fabric trader earns thin-to-moderate margins on turnover, with the key levers being sourcing (mill/processor tie-ups & pricing), inventory & turns, fabric-price/fashion-risk management, credit-cycle & buyer relationships. It is inventory- & working-capital-intensive (fabric stock + B2B credit) with price/fashion & dead-stock risk; success rests on sourcing/pricing, turns, credit discipline & relationships.

This is an MSME trading business — funded partly by the promoter and partly through bank finance (term for setup + CC/OD for working capital — the dominant need, under Mudra/CGTMSE; CC against stock/receivables). This plan models a fabric trader requiring **₹70 lakh** (₹24 lakh promoter + ₹46 lakh bank finance), targeting **₹6 crore** revenue in Year 1 and **₹11 crore** by Year 3. (*Fabric trading & wholesale; volume/thin-margin, inventory-/credit-cycle-intensive, sourcing- & relationship-driven.*)

2. Business Description, Vision & Legal Structure

Concept: A fabric trading & wholesale business - greige & finished fabrics - sourced from mills/processors, sold to garment makers, retailers, tailors & wholesalers, with credit & reliable supply.

Vision: To be a reliable fabric-supply partner across the textile value chain.

Mission: Deliver the right fabric, on time, at fair price - with range, credit & reliability.

Legal structure options

- **Proprietorship / Partnership** — common for a trading start.
- **LLP / Private Limited** — recommended for scale, credit, institutional & funding.

Regulatory anchor: a fabric trader is a trading/distribution business — Shops & Establishments, GST, trade licence, mill/processor tie-ups, weights-and-measures (metering), & transport/logistics. Sourcing/pricing, inventory/turns, fabric-price/fashion-risk, credit-cycle & relationships determine success; inventory-/WC-intensive, thin-margin, volume-driven.

3. Promoter & Ownership

Led by a promoter with fabric/textile trade, wholesale or business experience & mill/buyer relationships. The team includes sales/BD (garment makers/retailers), purchase/sourcing, stores/logistics & accounts (credit control). Sourcing/pricing, range/availability, turns & credit discipline are the differentiators. Ownership & stakes are editable inputs.

4. Market Analysis — India

India's textile value chain moves vast fabric volumes between mills/processors & garment makers/retailers/tailors, giving steady wholesale demand across cotton, synthetics, blends, knits & specialised fabrics. Buyers need range,

availability, credit & reliable supply. The market rewards sourcing/pricing, availability/range, turns, credit & relationships; it is volume-, WC-, price-/fashion- & competition-sensitive (traders, direct-mill, online), met with sourcing, turns, credit & relationships.

Demand drivers

- **Vast textile value chain** volumes.
- **Garment/apparel manufacturing** demand.
- **Retail, tailoring & institutional** buyers.
- **Range, availability & credit** need.
- **Fashion/seasonal** fabric turnover.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Fabric trading/wholesale in India	Very large
SAM	Region/segment & buyers	Substantial
SOM (Yr 1-3)	Volume / accounts	Scaling

Target segments

- Garment manufacturers (B2B core).
- Retailers & fabric shops.
- Tailors & boutiques.
- Wholesalers & institutional.

5. Competition & Competitive Advantage

Landscape: other fabric traders/wholesalers, direct-mill supply (large buyers), fabric markets & online B2B fabric platforms. The trader competes on sourcing/pricing, range/availability, credit, reliability & relationships.

The trader's edge

- **Sourcing/pricing & mill tie-ups.**
- **Range & availability.**
- **Credit & relationships.**
- **Turns & reliability.**
- **Fashion/trend sensing.**

6. Products & Revenue Model

Stream	Model	Basis
Greige fabric (unprocessed)	Thin margin (4-8%), volume	Core volume
Finished/processed fabric	Margin (8-15%)	Margin
Specialised/fashion fabrics	Higher margin (12-20%)	Margin/fashion

Bulk/institutional supply	Volume margin	Volume/base
Job-lot / surplus trading	Opportunistic margin	Turns

Greige is thin-margin (4–8%) volume; finished/processed & specialised/fashion fabrics carry higher margins (8–20%); bulk/institutional adds volume. Sourcing/pricing, inventory/turns, margin-mix & B2B credit-cycle drive economics — the decisive fabric-trading levers; turns & fashion/price-risk management against thin margins are central.

7. Go-to-Market — Marketing & Sales

- **B2B/field sales** to garment makers/retailers.
- **Sourcing/pricing & range** pitch.
- **Mill/processor tie-ups.**
- **Credit terms & reliability** (relationship).
- **Fashion/trend & sampling.**

Sales approach

Build B2B relationships (garment makers/retailers/tailors) with sourcing/pricing, range, availability & credit → grow volume & institutional → lift margin with finished/fashion fabrics → manage turns & credit discipline. Sourcing, turns, relationships & credit build volume & margin on the textile value chain.

8. Operations Plan

- **Godown & stock:** fabric godown/warehouse, range across fabrics, sampling/display; delivery/logistics.
- **Process:** source (mill/processor tie-ups) → stock → sell (B2B/sampling) → deliver → replenish & manage credit.
- **Inventory & WC:** range vs. holding cost, turns, fabric-price/fashion-risk & dead-stock management, B2B credit control.
- **Tech:** inventory/billing, order management, credit & analytics; fabric catalogue/samples.
- **Compliance:** GST, weights-and-measures, mill tie-ups, transport.

Fabric-trading workflow

Stage	Activity	Metric
Source	Mill/processor	Cost/terms
Stock	Godown/range	Availability/turns
Sell	B2B/sampling	Volume/margin
Deliver	Logistics	Reliability
Manage	Credit/replenish	Receivables/turns

9. Regulatory, Licences & Compliance (India)

- **Registration:** Shops & Establishments; trade licence; Udyam (MSME).
- **Tax & trade:** GST; PAN/TAN; mill/processor tie-ups; weights-and-measures (metering).
- **Logistics:** transport/vehicle norms; storage/godown.

- **Consumer & contract:** quality/spec adherence; trade terms.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / manager	1	2	3
B2B/field sales	4	7	11
Stores, logistics & delivery	4	7	11
Purchase/sourcing & accounts (credit)	2	3	5
Admin & support	1	2	3
Total	12	21	33

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0-2	Godown, mill tie-ups, inventory, tech, launch
Ramp	Month 2-7	B2B accounts, volume, turns, credit
Traction	Month 7-12	Volume & turns; ₹6cr revenue
Expand	Year 2	Range, finished/fashion, institutional, region
Scale	Year 3	₹11cr revenue; range & accounts

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. Fabric trading; thin-to-moderate margins, high volume, inventory-/credit-intensive.

12.1 Project cost & means of finance

Capital requirement	₹
Godown/warehouse setup & handling	12,00,000
Opening inventory (fabric range)	36,00,000
Working capital (B2B receivables)	14,00,000
Delivery, tech & equipment	4,00,000
Deposits, launch & pre-operative	4,00,000
Total project cost	70,00,000
Promoter contribution	24,00,000
Bank finance (term + CC, Mudra/CGTMSE)	46,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Greige & commodity fabric	3,20,00,000	4,80,00,000	5,60,00,000
Finished/processed fabric	2,20,00,000	3,60,00,000	4,40,00,000
Specialised/fashion & institutional	60,00,000	1,10,00,000	1,00,00,000
Total revenue	6,00,00,000	9,50,00,000	11,00,00,000
Cost of goods sold	5,34,00,000	8,40,00,000	9,68,00,000
Salaries & staff	24,00,000	36,00,000	48,00,000
Godown rent, logistics & overheads	20,00,000	30,00,000	37,00,000
Interest & other	12,00,000	18,00,000	22,00,000
Total expenses	5,90,00,000	9,24,00,000	10,75,00,000
Net profit (before tax)	10,00,000	26,00,000	25,00,000
Net margin	1.7%	2.7%	2.3%

12.3 Unit economics & break-even

- **Volume × turns × margin-mix:** greige is thin (4–8%) volume; finished/fashion lift margin (8–20%); blended margin depends on mix; inventory turns against holding/interest is the core lever.
- **Price/fashion & credit risk:** fabric-price swings & fashion/season shifts create dead-stock risk; B2B credit ties up receivable WC — turns, mix & credit discipline manage it.
- **Break-even:** at a volume/turns threshold covering godown, logistics & interest; net margins thin (trading), profit scales with volume, mix & turns.

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

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	5,00,000	4,60,000	4,50,000	4,70,000
Collections	1,25,00,000	1,45,00,000	1,60,00,000	1,70,00,000
Purchases, salaries & operating	1,25,40,000	1,45,10,000	1,59,80,000	1,69,40,000
Closing balance	4,60,000	4,50,000	4,70,000	5,30,000

Fabric wholesale carries B2B credit (receivables 30–90 days) & inventory is heavy WC; some cash/advance sales help. Inventory turns, credit discipline, receivable follow-up, CC & the WC margin manage cash; dead stock (fashion/price), over-holding & B2B credit defaults are the key risks — met with turns, mix, credit control & mill terms.

12.5 Key Performance Indicators to Monitor

- **Sales:** volume; greige vs. finished vs. fashion mix.
- **Inventory:** turns; ageing; dead stock; price-exposure.
- **Margin:** gross margin; margin-mix.

- **WC:** receivable days; inventory days; CC; defaults.

13. Funding Requirement & Bankability

Total ask: **₹46 lakh bank finance** against ₹24 lakh promoter contribution — term loan for godown/setup + **CC/OD for working capital** (the dominant need — inventory + B2B receivables), under Mudra/CGTMSE. Bankability rests on volume, turns, mill tie-ups & B2B relationships; fabric trading is a large, steady textile-chain sector. Year-1 profit ~₹10 lakh & growing supports servicing; inventory & receivables are financeable (CC); turns & credit discipline are key.

13.1 Funding utilisation

Use of funds	₹	% of total
Opening inventory (fabric range)	36,00,000	51.4%
Working capital (B2B receivables)	14,00,000	20%
Godown/warehouse setup & handling	12,00,000	17.1%
Delivery, tech & equipment	4,00,000	5.7%
Deposits, launch & pre-operative	4,00,000	5.7%
Total	70,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
Dead stock (fashion/price)	Turns; demand-based stocking; job-lot clearing; mix
Fabric-price volatility	Turns; timely pricing; mill terms; inventory discipline
B2B credit defaults / receivables	Credit control, limits, checks; CC; relationships
Thin margins / competition	Turns; finished/fashion mix; sourcing; relationships
Working-capital strain	Turns; CC; mill/supplier terms; WC margin

15. SWOT Analysis

Strengths Large textile-chain demand; high volume; mill tie-ups; credit/availability value; relationships.	Weaknesses Thin margins; inventory-/WC-heavy; price-/fashion- & credit-default risk; competition; dead-stock risk.
Opportunities Textile growth; finished/fashion (higher margin); institutional; region; online B2B.	Threats Price/fashion swings; direct-mill & online competition; credit defaults; slowdowns.

16. Recommended AiSevak Tools for This Business

This fabric trader would use AiSevak's Textile vertical tools in delivery:

- **Trading ops:** inventory/billing & catalogue, turns/margin-mix, order-management & B2B-credit-control tools.
- **Compliance:** Shops-&Establishments, GST & weights-and-measures, mill-tie-up & transport tools (with Legal & Finance verticals).
- **Practice:** Business Plan, turns/margin-mix and Break-even tools to model the business.

17. Key Assumptions & Notes

- Fabric trading/wholesale; greige (thin) + finished/processed + specialised/fashion (higher margin); B2B (garment makers/retailers/tailors) core.
- Sourcing/pricing, inventory/turns, margin-mix & B2B credit-cycle decisive; thin margins, high volume, WC-intensive; fashion/price dead-stock risk.
- Term + CC/OD (Mudra/CGTMSE) — WC dominant; Shops-&Establishments, GST, weights-and-measures, mill tie-ups, transport.
- Volume, turns, margin-mix & credit discipline drive economics; figures illustrative, exclude GST.

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