



FASHION TECHNOLOGY **INSTITUTE**

Introduction

Fashion Technology is a very specialized course and offered only in few institutes across India. This course is designed to train students in the garment manufacturing technology with emphasis on best practices in Apparel Production. It provides experience on apparel manufacturing technology with exposure in hands-on training and industry exposure.

After completion of the course the candidates can find excellent placements in garment, jewelry and leather industry as fashion designers, illustrators, merchandising executives, fashion coordinators, etc. Export houses, garment store chains, textile mills, boutiques, jewelry houses, leather companies and fashion show organizers also look for such candidates.

Market Potential

India is a nation with a prehistoric clothing design tradition, yet an emerging fashion industry. India's fashion industry is very, very young although to see it today, as published and showcased in national newspapers and magazines, that is hard to imagine. The first professional fashion show held in this country was just over 20 years ago.

The Indian fashion industry is expected to reach \$400 million in a couple of years with vigorous 10%+ growth year over year. The reason India's fashion industry will have a bright future is that India has a large young population. This combined with increasing disposable incomes has led to an increase in consumerism. The clothing made by India's elite fashion designers is not only beautiful, but unique, exquisite, and one-of-a-kind. It's the time which will tell when the fashion industry will sooner or later break that international barrier.

Cost of Project

Particulars	Amount (Rs. in Lakhs)
Land (own)	-
Land development cost	10.00
Civil works and Buildings (@1500/sqft)	800.00
Computer	17.55
Intangible Asset	2.30
Books	5.00
Plant and Machinery	3.25
Furniture	112.90
Misc Fixed Assets	48.47
D G Set 50 KV	4.40
Escalation & Contingencies	49.69
Preliminary & Preoperative Expenses	62.55
Sub Total(A)	1851.61
Working Capital Margin @ 40% of total Working Capital	90.96
Total Project Cost	1942.57
Total Working Capital Required (25% of 1 st Year Project	227.40
MEANS OF FINANCE	
Total funds required (A+B)	2079.01
Loan component	
Term loan (60% of A)	1110.97
Working capital (60% of B)	136.44
TOTAL	1247.41
Equity	831.61
TOTAL	2079.01

Detailed Cost Element

Sl. no.	Particulars	Qty.	Rate(Rs.)	Amount (Rs. in Lakhs)
1	Tables	44	4500	1.98
2	Big Tables	90	8000	7.20
3	Drawing table/ Tracing table	120	18000	21.60
4	Revolving chair	120	4000	4.80
5	Chairs	912	2500	22.80
6	Benches	600	3600	21.60
7	Cupboards	166	12000	19.92
8	Air Conditioner	128	30000	38.40
9	Water Filters	10	15,000	1.50
10	Server system (Latest	1	50000	0.50

11	LAN Connectivity & Internet facility		5,000	0.05
12	Designing Software Coral Draw	2	1,00,000	2.00
13	Antivirus Software	20	1,500	0.30
14	Computers	40	40,000	16.00
15	LCD Projector	1	80,000	0.80
16	Electric Automatic steam press	2	22,500	0.45
17	Sewing Machine - Single Needle	20	10,000	2.00
18	Over Lock Machine 3 Thread	5	6,000	0.30
19	Zig Zag Multi Purpose Machine	2	25,000	0.50
20	Vacuum Cleaner	2	30,000	0.60
21	CCTV	60	2,800	1.68
22	Electric Appliances(Fan, Tubelight			4.00
23	Furniture for classroom,			8.00
24	Washroom Fittings			5.00
25	Printer and Scanner	1	20000	0.20
26	Books for library/fashion			5.00
27	Other Fixed Asset			2.29
	Total			189.47

Contingencies and Escalations

It has been assumed at approximately 5% at cost of project.

Preliminary Expenses

Particulars	Amount (Rs. In lakhs)
Incorporation Expenses	0.15
Project Report Preparation and Consultation	0.35
Feasibility and Engineer's/Architect's Report and Plans	20.00
Legal Charges - Drafting for agreements, contracts, stamp paper, notary	0.05
Rent payments upto the start of commercial production	11.25
Other recurring expenses of revenue nature upto start of commercial	0.50
Interest Cost for period before commercial operations	24.00
Installation /erection charges	-
Total	62.55

Service Targets

Particulars	Year 1	Year 2	Year3	Year4	Year-5
Maximum Capacity	1200	1200	1200	1200	1200
Capacity utilisation	50%	60%	65%	70%	75%
Hours served during the year	1600	1600	1600	1600	1600

Salary

Designation	No. of Persons	Amount (Rs. In Lakhs)
Professors/Trainers	40	0.60
Lab Assistants	20	0.30
Dean	2	0.50
Administrator/ Office Staff	20	0.30
Sweeper	20	0.12
Security Guard	6	0.12
Total		1.94

Profitability Statement

Particulars	Amount in Rs. Lakhs				
	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5
<u>A. INCOME</u>					
Mximum Capacity - students	1200	1200	1200	1200	1200
Capacity utilisation	50%	60%	65%	70%	75%
Capacity utilised- students	600	720	780	840	900
<u>Revenue from students</u>					
Fees (yearly)	900.00	1080.00	1170.00	1260.00	1350.00
Other revenue (canteen, sale of	9.60	10.08	10.58	11.11	11.67
Total income during the year	909.60	1090.08	1180.58	1271.11	1361.67
<u>B. OPERATING EXPENSES</u>					
Depreciation and Amortization	139.76	139.76	139.76	139.76	139.76
Salary	481.44	529.58	582.54	640.80	704.88
Expenses on various	3.00	3.15	3.31	3.47	3.65
Repair & Maintenance	3.79	3.94	4.10	4.26	4.43
Lease Rent	0.00	0.00	0.00	0.00	0.00
Power & utilities	13.06	15.67	16.97	18.28	19.58

Total Operating Expenses	641.05	692.10	746.68	806.57	872.30
Operating Profit (A-B)	268.55	397.98	433.90	464.54	489.37
C.FINANCIAL EXPENSES					
Interest on loan	110.27	97.82	79.78	61.75	42.21
D. Other Expenses					
Administrative and General	18.19	21.80	23.61	25.42	27.23
Total Expenses	128.46	119.62	103.40	87.17	69.44
Profit Before Tax	140.09	278.36	330.51	377.37	419.93
Provision for Tax	35.02	69.59	82.63	94.34	104.98
Profit After Tax	105.07	208.77	247.88	283.03	314.94
Dividend					
Retained Profit	105.07	208.77	247.88	283.03	314.94

Breakeven Point

SL	Particulars	Break Even Point (BEP)			Amount in Rs. Lakhs	
		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
A.	Net Sales	909.60	1,090.08	1,180.58	1,271.11	1,361.67
B.	Variable Cost					
	Power and Utility	13.06	15.67	16.97	18.28	19.58
	Other Misc Expenses	18.19	21.80	23.61	25.42	27.23
	Total Variable Cost	31.25	37.47	40.58	43.70	46.82
C.	Contribution (A-B)	878.35	1,052.61	1,140.00	1,227.41	1,314.85
D.	Fixed					
	Salary	481.44	529.58	582.54	640.80	704.88
	Interest	110.27	97.82	79.78	61.75	42.21
	Repair & Maintenance	3.79	3.94	4.10	4.26	4.43
	Lease Rental	-	-	-	-	-
	Depreciation	139.76	139.76	139.76	139.76	139.76
	Total Fixed Cost	735.26	771.11	806.19	846.57	891.28
E.	Breakeven Point	84%	73%	71%	69%	68%
G.	Cash BEP	68%	60%	58%	58%	57%

Debt-Service Coverage Ratio

		Amount in Rs. Lakhs				
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
i	Profit	105.07	208.77	247.88	283.03	314.94
ii	Depreciation	139.76	139.76	139.76	139.76	139.76
iii	Interest	110.27	97.82	79.78	61.75	42.21
A	Total (i + ii + iii)	355.10	446.35	467.42	484.54	496.91
i	Interest	110.27	97.82	79.78	61.75	42.21
ii	Principal repayment	106.09	212.19	212.19	212.19	212.19
B	Total (i + ii)	216.36	310.01	291.97	273.94	254.40
	DSCR (A / B)	1.64	1.44	1.60	1.77	1.95

Interest on Term Loan and Principal Repayment

Refer Annexure I.

We have assumed the repayment tenure of term loan for a period of 7 years, Rate of interest being 8.5% p.a. with the moratorium period of 9 months.

Address of Vendors

Name of vendor	Address and Contact Number
Infotoolz	Chandni Chowk Street, 38, Ganesh Chandra Ave, Chandni Chowk, Bowbazar, Kolkata, West Bengal 700013 Ph. 033 2215 2079
Usha Company Stores	15/6 J. L Nehru Road Chowringhee Grand Hotel Arcade Ph. 09339571402
3 S Mannequins Inc	G1, Narayan Complex, Opposite Havmor Restaurant Navrangpura , Ahmedabad-380009 Ph. 08048076826

