

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

by

SHG Cutting & Tailoring Sharsha- Self Help Group



SHG/CIG Name	::	SHG CUTTING & TAILORING SHARSHA
VFDS Name	::	SHARSHA
Range	::	NITHER
Division	::	ANI AT LUHRI

Prepared under:



Project for Improvement of Himachal Pradesh Forest Ecosystems
Management & Livelihoods (JICA Assisted)

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1. Background

Cutting and tailoring center by SHG Sharsha will be located at village Sharsha P.O. Sharvi Tehsil Nirmand, Distt. Kullu HP. The total households in VFDS Sharsha are 52 and 4 to 5 small villages surrounding Sharsha for which this cutting and tailoring centre will cater for. This centre will provide excellent service and guide the customers about what suits them the best to provide them the product that mark the highest level of satisfaction and comfort for them.

2. Description of SHG/CIG

2.1	SHG/CIG Name	::	SHG Cutting & Tailoring Sharsha
2.2	VFDS	::	Sharsha
2.3	Range	::	Nither
2.4	Division	::	Kullu
2.5	Village	::	Sharsha
2.6	Block	::	Margi
2.7	District	::	Kullu
2.8	Total No. of Members in SHG	::	12 - females
2.9	Date of formation	::	07/08/2020
2.10	Bank a/c No.	::	2429000100098780
2.11	Bank Details	::	PNB, Bagipul, Nirmand, Kullu
2.12	SHG/CIG Monthly Saving	::	50
2.13	Total saving		9084 (till Sept., 2021)
2.14	Total inter-lending		1800
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

3. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address	Contact No.
1.	Renuka Devi (President)	Vinod Kumar	29	General	agriculture	Sharsha	88944-03645
2.	Sushma Devi (Secretary)	Sanjay Kumar	32	General	agriculture	Sharsha	76508-48447
3.	Deepa Devi	Tara Chand	34	General	agriculture	Sharsha	
4.	Asha Devi	Puran Chand	43	General	agriculture	Sharsha	
5.	Vipna Devi	Layak Ram	32	General	agriculture	Sharsha	
6.	Prem Lata	Rajender Kumar	30	General	agriculture	Sharsha	
7.	Meera Devi	Bhawani Singh	32	General	agriculture	Sharsha	
8.	Shakuntla Devi	HukamDass	41	General	agriculture	Sharsha	
9.	Norma Devi	Chaman Lal	32	General	agriculture	Sharsha	
10.	Roshna Devi	Neel Chand	40	General	agriculture	Sharsha	
11.	Satya Devi	Rajesh Kumar	29	General	agriculture	Sharsha	
12.	Bresti Devi	Shyam Chand	41	General	agriculture	Sharsha	

4. Geographical details of the Village:

3.1	Distance from the District HQ	::	180 Km
3.2	Distance from Main Road	::	1.5Km
3.3	Name of local market & distance	::	Bagipul, 35km
3.4	Name of main market & distance	::	Rampur, 65km
3.5	Name of main cities & distance	::	Rampur, 65km Nirmand, 45km
3.6	Name of places/locations where product will be sold/ marketed	::	Rampur

5. Management

Cutting and tailoring centre by SHG Sharsha have 12 women members and they will have individual sewing machines and will hire a room in the village to execute their plan and work in a collective manner. Before the start of the actual work in the centre all the members will be imparted a short term capsule course for training them in cutting and tailoring under some professional trainers.

6. Customers

The primary customers of our centre will mostly be ladies and some cloth merchants around village Sharsha but later on this business can be scaled up by catering to nearby small townships.

7. Target of the centre

The centre primarily aims at to provide unique modern and high class stitching service to the residents of Sharsha village in particular and all other residents of nearby villages.

This centre will ensure to become the most renowned stitching centre with quality work in its area of operation in coming years.

8. The reason to start this business

Due to the prior experience of the members of this SHG who are already doing same work here and there this IGA has been selected and therefore the SHG is starting this business. This is an effort to combine the skill of various members and scale up their activity to earn more livelihoods.

9. The initial stage to start the business

The SHG Cutting & Tailoring Sharsha will hire a spacious room to house the 12 members along with their equipments at a centrally located place which will be easily accessible to all the members. The detailed requirement along with financial projection to start up the project will be as under:

1. Room rent = 2000 / month
2. Sewing machine with foot pedal = 11 @ 8000 = 88000
3. Sewing machine simple / ordinary = 1 @ 5000 = 5000
4. Room carpet 1 @ = 1500
5. Cutting scissors = 12 @ 600 = 7200
6. Tailors scale = 12 @ 200 = 2400
7. Measuring tape = 12 @ 100 = 1200
8. Marking material Chalk = 100
9. Iron = 6 no's. @ 700 = 4200
10. Sewing thread different colours = 4 pkt @ 500 = 2000
11. Oiling pippet = 12 no's. @ 50 = 600

10. Some salient features to attract customers

- The center will ensure stitching of the traditional, non- traditional fancy, daily use modern and stylish dresses
- Emphasis will be on stitching fancy and simple clothes for women and children
- The centre will repair all types of defects and ensure that no customer go unattended.
- Later on the SHG may scale up their business by going into readymade garments sale-purchase.

11. Marketing analysis of cutting & tailoring business

This is the most important factor which will ensure the success of our business. A detailed analysis and market survey of the command area is essential ingredient and it will give us the overview of our targeted customers and the members of the group will know the latest demands and trends.

12. Business targets

This SHG Sharsha will broadly aim at becoming the best stitching centre in the area and nearby villages. Our goal will be to scale up the business gradually and transform it into profit making unit within next 3-5 years.

13. Financial forecast/ projections

The final rather foremost step to start up the business is to make a financial plan to determine the cost to run the business and it should also cover the business profit which the SHG is going to earn in nutshell a cost benefit analysis is required to be projected.

14. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Sewing machine with tool pedal	11	8000	88000
2	Sewing machine simple/ordinary	01	5000	5000
3	Room carpet	01	1500	1500
4	Cutting scissors	12	600	7200
5	Tailor's scale	12	200	2400
6	Measuring tape	12	100	1200
7	Interlocking machine	01	6000	6000
8	Hangers	12	100	1200
9	Counter table along with wardrobe inbuilt	01	8000	8000
10	Stools	12	500	6000
11	Iron	06	700	4200
Total Capital Cost (A) =				130700
B. RECURRING COST				
Sr.No	Particulars	Quantity	Price	Total Amount (Rs)
1	Room rent	1	2000	2000
2	Marking material chalk etc.	L/S	L/S	100
3	Sewing thread of different colours	04 m	500	2000
4	Oiling pippet	12	50	600
5.	Buttons different types	1 box	1000	1000
6.	Bukerem	20m	50	1000
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1000
Total Recurring Cost (B)				7700

15. Income projections:

To start with it is estimated that each member will stitch one ladies suit in a day complete in all respect. The stitching charges as on today for simple suit is approximately 250 per suit. On an average the 12 members of group may stitch 300 ladies suit in a month to be on safer side and keeping in view the other household obligations of the members of group. Therefore the total output of the group is estimated $300 \times 250 = \text{Rs } 75000/-$ only.

16. Analysis of Income and Expenditure (Monthly):

Sr.No.	Particulars	Expenditure / month (Rs)	Income per month (Rs)
1.	10% Depreciation on capital cost i.e. $130700/12 \times 10 = 1089.17$ or say 1089 Rs.	1089	
2.	Total Recurring Cost	7700	
3.	Total	8789	75000
4.	Net Profit (75000 - 8789)	66211	
5.	Distribution of Net Profit	<ul style="list-style-type: none">• Profit will be distributed equally among all the group members.• Part of the profit will be used for further investment in IGA	

17. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	130700	65350	65350
2	Total Recurring Cost	7700	0	7700
3	Trainings	40000	40000	0
	Total outlay	178400	105350	73050

Note-

- **Capital Cost** - 50% of the total capital cost will be borne by the Project
- **Recurring Cost** –The entire cost will be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** –Total cost to be borne by the Project

18. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none">• 50% of capital cost will be utilized for purchase of machines.• Upto Rs. 1 lakh will be parked in the SHG bank account as a revolving fund.• Trainings/capacity building/skill up-gradation cost.	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• 50% of capital cost to be borne by SHG.• Recurring cost to be borne by SHG	

19. Trainings/capacity building/skill up-gradation

Trainings/capacity building/ skill up-gradation cost will be borne by project. Following are some trainings/capacity building/ skill up-gradation proposed/needed:

- Team work
- Quality control
- Packaging and Marketing
- Financial Management

20. **Loan Repayment Schedule** - If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is no repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL.

- In CCL, the principal loan outstanding of the SHG must be fully paid to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans, the repayment must be made as per the repayment schedule in the banks.

21. Monitoring Method -

- Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

22. Remarks

Group members Photos-



Sushma
Devi



Deepa
Devi



Meera Devi



Bresti Devi



Vipna Devi



Satya Devi



Renuka
Devi



Premlata



Shakuntala
Devi



Asha Devi



Norma Devi



Roshna Devi

Prepared by: Mr. M.M.Khushdil (Retd. HPFS)


Dr. Lalit Thakur (SMS)


Ms. Mitika Gupta (FTU Co-ordinator)


The business plan of Self Help Group **Cutting & Tailoring Sharsha** for the IGA of **Cutting and Tailoring** was presented before the general house of VFDS **Sharsha** for approval. After long discussion and thoughtful deliberations by the different members, the business plan was approved for adoption in the SHG and further implementation by the members of the SHG.

Date: 25-09-21

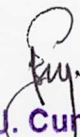
Place: Sharsha



Secretary
V.F.D.S. Sharsha
General Secretary


Secretary
V.F.D.S.
Teh. Nirmand, Distt. Kullu H.P.
Treasurer


President
V.F.D.S. Sharsha
Teh. Nirmand, Distt. Kullu H.P.
President

Approved


DMU. Cum. Divisional
Forest officer Anil
Luhri


FTU Nithar