

**BUSINESS PLAN**

**INCOME GENERATING ACTIVITY – Cutting and Tailoring**  
by  
**Self Help Group Cutting & Tailoring SHG Ghichna** ✓



SHG/CIG Name	::	SHG Ghichna
VFDS Name	::	Ghichna
Range	::	CHOPAL
Division	::	CHOPAL

**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 Ghichna will be located at village Ghichna P.O. Makrog Tehsil Chopal Distt. Shimla HP. The total households in ward Ghichna are 44 and there are 1 villages in VFDS Ghichna, 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 Ghichna
2.2	VFDS	::	Ghichna
2.3	Range	::	Chopal
2.4	Division	::	Chopal
2.5	Village	::	Ghichna
2.6	Block	::	Chopal
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	13 - females
2.9	Date of formation	::	26-05-2016
2.10	Bank a/c No.	::	08670110018255
2.11	Bank Details	::	UCO Bank Maraog
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		1300 /-
2.14	Total inter-loaning		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

### 3. Beneficiaries Detail:

Sr.No	Name	Father/Husb and Name	Age	Education	Category	Income Source	Address	Contact No.
1.	Devindra Negta ( President)	W/o Chet Ram	38	10+2	General	Agriculture	Village Ghichna	9015411439
2.	Manju Lepta ( Vice President)	W/o Seeta Ram	32	8 <sup>th</sup>	General	Agriculture	Ghichna	88945-33605
3.	Brinda Negi ( Secretary)	W/o Chandar Mohan	28	10+2	General	Agriculture	Ghichna	82194-78578
4.	Rama Negta	W/o Ramesh Negta	45	8 <sup>th</sup>	General	Agriculture	Ghichna	85808-69008
5.	Balki Devi	W/o Lt.Amolak Ram	51	Illiterate	S.C.	Agriculture	Ghichna	78072-47657
6.	Mungla Devi	W/o Lt. Prem Chand	52	Illiterate	General	Agriculture	Ghichna	88944-78507
7.	Reena Devi	W/o Madan	29	Illiterate	General	Agriculture	Ghichna	86288-71337
8.	Rama Chauhan	W/o Pururshotam	37	8 <sup>th</sup>	General	Agriculture	Ghichna	98053-04403
9.	Shanti Lepta	W/o Ram das	52	Illiterate	S.C	Agriculture	Ghichna	78072-57793
10.	Usha Devi	W/o Pritam	48	8 <sup>th</sup>	S.C.	Agriculture	Ghichna	--
11.	Babita Lepta	W/o Inder Kumar	25	10+2	S.C.	Agriculture	Ghichna	98166-45781
12.	Sarla Devi	W/o Ramesh	32	8 <sup>th</sup>	S.C.	Agriculture	Ghichna	98168-53854
13.	Ramla Devi	W/o Parkash	36	Illiterate	S.C.	Agriculture	Ghichna	98164-17492

### 4. Geographical details of the Village:

3.1	Distance from the District HQ	::	90
3.2	Distance from Main Road	::	3Km
3.3	Name of local market & distance	::	Chopal, 26 km
3.4	Name of main market & distance	::	Maraog, Chopal , 5km and 26Km
3.5	Name of main cities & distance	::	Shimla 90km
3.6	Name of places/locations where product will be sold/ marketed	::	Maraog , Chopal

### 5. Management

Cutting and tailoring centre by SHG Ghichna have 13 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 the centre will mostly be ladies and some cloth merchants around village Ghichna . 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 providing unique modern and high-class stitching services to the residents of Ghichna village in particular and all other residents of nearby villages.

This centre aims 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. SWOT ANALYSIS

### 1) Strength

- i) All members are like -minded and have supportive attitude.
- ii) Cutting and tailoring activity is simple one.

### 2) Weakness

- i) SHG is new for the activity
- ii) lack experience in group working

### 3) Opportunities.

- i) Working in a Group may help in higher production.
- ii) Good demand of the activity.
- iii) Provision of **Project Contribution** to the extent of 50% of the capital cost.
- iv) Training and capacity building / Skill upgradation to be borne by the project

#### 4. Threat

- i) Suddenly increase in price of raw material.
- ii) Competitive Market.

### 10. Business Plan \_\_\_\_\_ Different Stages.

The SHG Cutting & Tailoring Ghichna will hire a spacious room to house the 13 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 given hereafter under the heading -Capital Cost:

### 11. Some Initiatives / steps 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.
- The SHG, at later stage , may scale up their business by going into readymade garments sale-purchase.

### 12. Marketing analysis.

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.

### 13. Business targets

This SHG Ghichna 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 4-5 years.

### 14. 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 projecte

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Sewing machine with tool pedal	13	7200	93600
2	Sewing machine simple/ordinary	-	-	-
3	Room carpet	01	1800	1800
4	Cutting scissors	13	500	6500
5	Tailor's scale	13	200	2600
6	Measuring tape	13	50	650
7	Interlocking machine	01	6000	6000
8	Hangers	03 set	300	900
9	Counter table along with wardrobe inbuilt	01	7500	7500
10	Stools	13	300	3900
11	Iron	04	700	2800
12	Almirah	01	7000	7000
13	Chairs	05	500	2500
<b>Total Capital Cost (A) =</b>				<b>135750/-</b>
B. RECURRING COST				
Sr.No	Particulars	Quantity	Price	Total Amount (Rs)
1	Room rent	1	1800	1800
2	Marking material chalk etc.	L/S	L/S	400
3	Sewing thread of different colours	04	300	1200
4	Oiling pippet	13	50	650
5.	Buttons different types	2 box	1000	2000
6.	Bukerem	25m	50	1250
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1000
<b>Total Recurring Cost (B)</b>				<b>8300/-</b>

### 16. Income projections:

At the beginning of IGA, 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 350 per suit. On an average the 13 members of group may stitch 200 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  $350 \times 200 = \text{Rs}70000/-$  only.

## Analysis of Income and Expenditure (Monthly)

Sr.No.	Particulars	Expenditure / month (Rs)	Income per month (Rs)
1.	10% Depreciation on capital cost i.e. $135750/12 \times 10 = 957$ or say // 31 Rs.	1131	
2.	Total Recurring Cost	8300	
3.	Total	9431	70000
4.	Net Profit (70000 - 9431)	60569	
5.	Distribution of Net Profit	<ul style="list-style-type: none"> <li>• Profit will be distributed equally among all the group members.</li> <li>• Part of the profit will be used for further investment in IGA</li> </ul>	

### 18. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	135750/-	83538/-	52212/-
2	Total Recurring Cost	9431/-	0	9431/-
3	Trainings	40000/-	40000/-	
	<b>Total outlay</b>	<b>185181/-</b>	<b>123538/-</b>	<b>61643/-</b>

#### Note-

- **Capital Cost** - 50% and 75 % 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



## 19. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none"> <li>• 50% and 75 % of capital cost will be utilized for purchase of machines.</li> <li>• Up to Rs. 1 lakh will be parked in the SHG bank account as a revolving fund.</li> <li>• Trainings/capacity building/ skill up-gradation cost.</li> </ul>	Procurement of machines will be done by respective DMU/FCCU after following all caudal formalities.
SHG contribution	<ul style="list-style-type: none"> <li>• 50% and 25 % of capital cost to be borne by SHG.</li> <li>• Recurring cost to be borne by SHG</li> </ul>	

## 20. 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

21. **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.

## 22. 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

23. Group members Photos-



रमा नेगटा



बाबीता लोपटा



स्रुष्टी देवी



उज्ज्वल प्रधान  
मञ्जु लोपटा



मुंगला देवी



लालकी देवी



सचिव  
सृष्टी नेगी



उ प्रधान  
देविन्द्रा नेगटा



रीना देवी



रमा चौहान



रमला देवी



शान्ती लोपटा



असा देवी

the Business plan of Self Help Group Cutting & Tailoring..... SHG Chichna for the IGA of Cutting & Tailoring was presented before the general house of VFDS..... Chichna 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

Dated:- 2/11/2021

Place:-

प्रधान Devindra  
स्वयं सहायता समूह गिठना  
डा. धार गवर्णमेण ते. वे.  
President SHG

M. K. K. K. K. K.  
Treasurer VFDS

प्रधान U. B. B. B. B.  
ग्रामीण वन विकास समिति गिठना  
President VFDS

Y. Y. Y. Y. Y.  
Range Forest Officer  
Forest Division, Chopal

K. S. S. S. S.  
Divisional Forest Officer  
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Chopal Forest Division, Chopal