

# BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

By

Self Help Group Cutting & Tailoring - Shirgul Maharaj Shillal



SHG/CIG Name	::	Self Help Group Shirgul Maharaj Shillal
VFDS Name	::	Shillal
Range	::	Kanda
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 Self Help Group Shirgul Maharaj Shillal will be located at village Shillal PO Kupvi Tehsil Kupvi Distt. Shimla HP. The total households in ward Shillal are 43 and there are only 1 village in VFDS Shillal, 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 Shillal
2.2	VFDS	::	Shillal
2.3	Range	::	Kanda
2.4	Division	::	Chopal
2.5	Village	::	Dhar
2.6	Block	::	Kanda
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	8 Females
2.9	Date of formation	::	07/09/2020
2.10	Bank a/c No.	::	46210104327
2.11	Bank Details	::	HP Co-operative Bank Kupvi IFSC Code HPSC PO & Tehsil Kupvi District Shimla HP
2.12	SHG/CIG Monthly Saving	::	50/-
2.13	Total saving	::	5975/-
2.14	Total inter-loaning	::	300000/-
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.	Deva Devi (President)	W/o Narain Singh	51	5 <sup>th</sup>	General	Agriculture	Village Shillal	8894207491
2.	Shayma (Secretary)	W/o Suresh Kumar	32	10 <sup>th</sup>	General	Agriculture	Village Shillal	8628939557
3.	Savita Devi (Vice President)	W/o Bhim Singh	39	5 <sup>th</sup>	General	Agriculture	Village Shillal	9805974408
4.	Usha (Treasurer)	W/o Rakesh Kumar	26	10+2	General	Agriculture	Village Shillal	8628024023
5.	Geeta Devi (Member)	W/o Laiq Ram	53	5 <sup>th</sup>	General	Agriculture	Village Shillal	8894876762
6.	Veena Devi (Member)	w/o Rajender Singh	38	5 <sup>th</sup>	General	Agriculture	Village Shillal	6230220805
7.	Sumitra Devi	W/o Relu Ram	56	5 <sup>th</sup>	General	Agriculture	Village Shillal	8894884187
8.	Nirmo Devi Member	W/o Laiq Ram	61	5 <sup>th</sup>	General	Agriculture	Village Shillal	8894086831

### 4. Geographical details of the Village:

3.1	Distance from the District HQ	::	170 Km
3.2	Distance from Main Road	::	100Meter
3.3	Name of local market & distance	::	Kupvi, 3 km
3.4	Name of main market & distance	::	Nerwa, Kupvi & Haripurdhar, 50km, 3 Km and 28 Km
3.5	Name of main cities & distance	::	Shimla 170Km
3.6	Name of places/locations where product will be sold/ marketed	::	Nerwa, Kupvi & Haripurdhar

### 5. Management

Cutting and tailoring centre by SHG Shirgul Maharaj Shillal have 8 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 Shillal. 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 Shillal village in particular and all other residents of nearby villages.

This center aims is 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 Shirgul Maharaj Shillal will hire a spacious room to house the 8 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 Shirgul Maharaj Shillal 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 projected.

## 15 Description of Economics:

<b>A. CAPITAL COST</b>				
<b>Sr. No</b>	<b>Particulars</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Amount (Rs.)</b>
1	Sewing machine with tool pedal	7	7200	50400
2	Sewing machine simple/ordinary	01	4000	4000
3	Room carpet	01	1500	1500
4	Cutting scissors	08	500	4000
5	Tailor's scale	08	200	1600
6	Measuring tape	08	50	400
7	Interlocking machine	01	6000	6000
8	Hangers	02 set	300	600
9	Counter table along with wardrobe inbuilt	01	7500	7500
10	Stools	08	300	2400
11	Iron	02	700	1400
12	Almirah	01	5000	5000
13	Chairs	06	500	3000
	<b>Total Capital Cost (A) =</b>			<b>87800/-</b>
<b>B. RECURRING COST</b>				
<b>Sr.No</b>	<b>Particulars</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Amount (Rs)</b>
1	Room rent	1	1500	1500
2	Marking material chalk etc.	L/S	L/S	200
3	Sewing thread of different colours	03 pkt	300	900
4	Oiling pippet	8	50	400

5.	Buttons different types	1 box	1000	1000
6.	Buckram	20m	50	1000
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1000
<b>Total Recurring Cost (B)</b>				<b>6000/-</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 300 per suit. On an average the 8 members of group may stitch 160 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  $300 \times 160 = \text{Rs } 48000/-$  only.

### 17. Analysis of Income and Expenditure (Monthly):

Sr. No.	Particulars	Expenditure / month (Rs)	Income per month (Rs)
1.	10% Depreciation on capital cost i.e. $87800/12 \times 10 = 732$ or say 732 Rs.	732	
2.	Total Recurring Cost	6000	
3.	Total	<b>6732</b>	<b>48000</b>
4.	<b>Net Profit (48000 - 6732)</b>	<b>41268</b>	
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	87800	43900	43900
2	Total Recurring Cost	6000	0	6000
3	Trainings	30000	30000	
	<b>Total outlay</b>	<b>123800</b>	<b>73900</b>	<b>49900</b>

**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

### 19. Sources of funds and procurement:

Project support	<ul style="list-style-type: none"> <li>• 50% of capital cost will be utilized for purchase of machines.</li> <li>• Upto 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 codal formalities.
SHG contribution	<ul style="list-style-type: none"> <li>• 50% 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-



Divya Devi President



Shayma Devi Secretary



Savita Devi Vice-president



Usha Treasurer



Sumitra Devi Member



Veena Devi Member



Geeta Devi Member



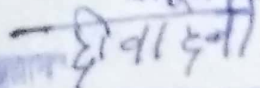
Nirmo Devi Member


## Certificate

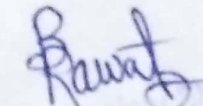
The Business plan of Self Help Group **Shirgul Maharaj Shillal** for the IGA of Cutting and Tailoring was presented before the General House of **VFDS Shillal** for approval. After long discussion and thoughtful deliberation by the different members the business plan was approved for adoption in the SHG and further implementation by the members of the SHG.

Dated 05-11-2021

Place: Shillal

  
शिरगुल महाराज शर्मा  
सहायता समूह शिलाल  
President SHG

  
Block Forest Officer  
KANDA  
Treasurer VFDS

  
President VFDS

  
Forest Officer  
FTU Officer Kanda Kanda

Approved  
  
DMU-cum-Divisional Forest Officer  
Chopal Forest Division Chopal.