

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

by

Gautam Rishi- Self Help Group



SHG/CIG Name	::	Gautam Rishi
VFDS Name	::	Burwa
Range	::	Manali
Division	::	Kullu

Prepared under:



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

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1. Introduction

Sweater and Cardigan Cutting & Tailoring along with Cutting & Tailoring socks, mufflers, scarf, caps, gloves etc. is a common household activity mainly among the women in rural India. Most of the women are well conversant with this IGA and they do it happily in their freetime and as well while doing other household works. The women in this SHG are already in activity to meet the need of their family members. Now the members have chosen this activity as IGA so that they can earn extra money to meet their expenses and raise some saving also for the difficult times. A group of 10 women of different age group came together to form a SHG under JICA project and decided to craft a business plan which can help them to take this IGA in collective manner and raise their additional income.

2. Background

Cutting & Tailoring center by Gautam Rishi SHG will be located at village Burwa Manali. 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.

3. Description of SHG/CIG

1	SHG/CIG Name	::	Gautam Rishi
2	VFDS	::	Burwa
3	Range	::	Manali
4	Division	::	Kullu
5	Village	::	Burwa
6	Block	::	Naggar
7	District	::	Kullu

8	Total No. of Members in SHG	::	10
9	Date of formation	::	25/04/2023
10	Bank a/c No.	::	
11	Bank Details	::	
12	SHG/CIG Monthly Saving	::	Rs 100/- (Total combined contribution of each Member)
13	Total saving	::	Rs 5000/- (Total combined contribution of each Member)
14	Total inter-loaning	::	--
15	Cash Credit Limit	::	--
16	Repayment Status	::	--

4. Beneficiaries Detail:

Sr.No	Name	Father/Husband Name	Age	Category	Income Source	Address
1	Lata Devi	Mukesh Thakur	22	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
2	Bel Banti	Ses Ram	35	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
3	Vijeta Thakur	Ishwar Dutt	28	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
4	Pushpa Devi	Bodhraj	26	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
5	Hem Lata	Madam Lal	34	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
6	Kashmira	Karan Singh	20	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
7	Reena Devi	Durga Dass	28	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
8	Puja Kumari	Gupt Ram	32	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
9	Khilawanti	Hotam Ram	41	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP
10	Sushma Thakur	Lot Ram	32	Gen	Agriculture	Vill Burwa PO Bahang Teh Manali District Kullu HP

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	60km
3.2	Distance from Main Road	::	6km
3.3	Name of local market & distance	::	Palchan (2km); Manali (6km)
3.4	Name of main market & distance	::	Manali (6km)
3.5	Name of main cities & distance	::	Manali (6km)
3.6	Name of places/locations where product will be sold/ marketed	::	Palchan (2km); Manali (6km)

6. Management

Cutting & Tailoring centre by 10 women members and they will have individual Cutting & Tailoring 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 & Tailoring under some professional trainers.

7. Primary Action Plan

The members of this SHG have very clear vision of this IGA and after careful and thoughtful discussion within the group decided to take up this activity for additional income. The members are doing this activity in isolation but now they have joined hands to venture into to this activity at a bit larger scale and in a planned manner. The division of labour between the members have been planned carefully so that each and contributes towards strengthening the IGA and resulting the additional money into their pockets.

8. Customers

The primary customers of our centre will mostly be local people around village but later on this business can be scaled up by catering to nearby small townships.

9. Target of the centre

The centre primarily aims at to provide unique modern and high-class Cutting & Tailoring service to the residents of the village in particular and all other residents of nearby villages. This centre will ensure to become the most renowned Cutting & Tailoring centre with quality work in its area of operation in coming years.

10. 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.

11. SWOT Analysis

❖ Strength

Activity is being already done by some SHG members
Raw material easily available from nearby markets
Manufacturing process is simple
Proper packing and easy to transport
Other family members will also cooperate with beneficiaries
Product self-life is long

❖ Weakness

Lack of technical know-how

❖ Opportunity

Increasing demand for good products

❖ Threats/Risks

Competitive market
Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

12. Machinery, tools and other equipment's

The traditional Cutting & Tailoring along with the mechanical Cutting & Tailoring will go hand in hand so that a value product is made available for marketing and making it competitive both in quality and price tag. Some of the items will be produced in traditional manner and others in mechanical manner depending upon the demand in the targeted area. The following machinery and tools need to be procured.

A.		CAPITAL COST		
Sr. No.	Particulars of machinery.	Quantity	Rate per unit	Total Amount
1.	Sewing Machine with tool pedal	10	8000	80000
2.	Rom Carpet)	1	1500	1500
3.	Cutting scissors	10	600	6000
4.	Tailors Scale	10	200	2000
5.	Measuring Tape	10	100	1000
6.	Interlocking Machine	1	7000	7000
7.	Stools	10	500	5000
8.	Iron	2	700	1400
Total capital cost			103900	

B.		Recurring cost		
Sr. No.	Particulars	Unit	Rate	Amount
1.	Room Rent	Per month	1500	1500
2.	Water & Electricity	Per month	1000	1000
3.	Cloth 400 Mtr Summer 100/Mtr	Per month	40000	40000
4.	Sewing Thread	Per month	2000	2000
5.	Lubricating Oil	Per month	1000	1000
6.	Diff Type of Buttons	Per month	1000	1000
7.	Bukerem 20Mtr	Per month	1000	1000
8.	Chalk	Per month	200	200
9.	Wear & tear	Per month	1400	1400
Total Recurring cost				49100

13. Total production and sale amount in month

Since it is an additional activity in the SHG apart from their routine household work the outcome will be proportionate to the working hours of each member. It is always better initially to keep the production on conservative side which can always be scaled up with passage of time and work experience. Therefore, it is presumed that each member will produce one item per day as finally finished product and daily 5 items can be made available for sale. Keeping in view this production rate of approximately 300 finished items (Suits/Caps/Basket) will be ready for sale in one month. As beginner the item rate on an average is presumed to be Rs. 500 each therefore the total income per month is worked as under:

Particulars	Total Amount (Rs.)	Project contribution (75%)	SHG contribution (25%)
Total capital cost	103900	77925	25975
Recurring cost			
10% depreciation on capital cost/ month	865	-	865

Other expenditure per month	49100	-nil-	49100
Total	49965		49965

Total sale in a month (500*300) = 150000

Total expenditure in first month (103900+ 49100) = 153000

However, an amount of rupees 77925 is the project support therefore for calculation purpose this amount can safely be deducted from the expenditure column and the net income can be re-cast again. More over the members of SHG will be doing the job collectively therefore their wages have not been taken into account. The net income at the end of the month is re-cast as under:

Capital cost			
Particulars	Amount		SHG contribution
Capital cost	103900		25975
Recurring expenditure			
i. i) 10% depreciation on capital cost per month	865		
i. i) Other expenditure on material cost etc.	49100		
Total	49965		49965
Total cost	25975+49965=75940		
Total sale in 1st month	150000		
Net profit	100035		

14. Sharing of the profit

The members of SHG has mutually agreed with consent voice that in the 1st month Rs. 5000 will be paid to each member as income and the remaining profit of Rs. 50035 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

15. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	103900	77925	25975
2	Total Recurring Cost	49965	0	49965
3	Trainings	45000	45000	0
		198865	122925	75940

Note-

- **Capital Cost** - 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

16. Sources of funds and procurement:

Project		Procurement of machines will be done
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support;

support;	<ul style="list-style-type: none">• 75% 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.	by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• 25% of capital cost to be borne by SHG.• Recurring cost to be borne by SHG	

17. 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-gradations proposed/needed:

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

18. 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.

19. 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.

Prepared by: SHG members in consultation with DMU Kullu, FTU Manali Forest Range and JICA staff.

Group member photos:-



Lata Dev



Banti

Bel



Vijeta Thakur



Pushpa Devi



Hem Lata



Kashmira



Reena Devi



Puja Kumari



Khilawanti



SushmaThakur

Resolution-Cum-Group-Consensus-Form

It is decided in the general house meeting of the group Gautam Rishi

Held on 16/07/22 at Burua that our group will undertake the Cutting & Tailoring Livelihood income generation activity under the project for implementation of Himachal Pradesh Forest eco system management and livelihood (Jica assisted)

Jatta
Signature of Group President

प्रधान सचिव

बौतन ग्रामिण स्वयं सहायता समूह पुरु-3
राज्य नगरपाली, बिला कुल्लु (हि.प्र.)

[Signature]
Signature of Group Secretary

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राज्य नगरपाली, बिला कुल्लु (हि.प्र.)

Signature of FTU-Cum-RFO

Range Forest Officer
Forest Range Manali

Approval

Business plan Cutting and Tailoring of SHG/CIG Gautam Rishi VFDS/VMC Burua

Approved by divisional management unit cum Divisional Forest Officer Kullu on dated 10/09/2022

[Signature]
Divisional Forest Officer Kullu
Kullu Forest Division