

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

by

Zomsa - Self Help Group



SHG/CIG Name	::	Zomsa
BMC Name	::	Dankhar
Range	::	Tabo
Division	::	Wildlife Spiti

Prepared under:



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

Table of Contents

Sl. No.	Particulars	Page/s
1.	Background	3
2.	Description of SHG/CIG	3
3.	Beneficiaries Detail:	4
4.	Geographical details of the Village:	4
5.	Management	4
6.	Customers	5
7.	Target of the centre	5
8.	The reason to start this business	5
9.	The initial stage to start the business	5
10.	Some salient features to attract customers	6
11.	Marketing analysis of cutting & tailoring business	6
12.	Business targets	6
13.	Financial forecast/ projections	6
14.	Description of Economics:	7
15.	Income projections:	8
16.	Analysis of Income and Expenditure (Monthly):	8
17.	Fund flow in the group:	8
18.	Sources of funds and procurement:	9
19.	Trainings/capacity building/skill up-gradation	9
20.	Loan Repayment Schedule	9
21.	Monitoring Method	9
22.	Remarks	9

1. Background

Cutting and tailoring center by SHG Zomsa will be located at village Dankhar P.O. Tabo Tehsil and Distt. Lahul and Spiti HP. The total households in village Dankahr are 40 and to 3 small villages surrounding Dankahr 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	::	Zomsa Cutting & Tailoring
2.2	BMC	::	Dankhar
2.3	Range	::	Tabo
2.4	Division	::	Wildlife Spiti
2.5	Village	::	Dankhar
2.6	Block	::	Spiti
2.7	District	::	Lahul and Spiti
2.8	Total No. of Members in SHG	::	11 – females
2.9	Date of formation	::	20/03/24
2.10	Bank a/c No.	::	50076966597
2.11	Bank Details	::	KCC Bank Kaza
2.12	SHG/CIG Monthly Saving	::	100 per Member
2.13	Total saving		
2.14	Total inter-loaning		
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

3. Beneficiaries Detail:

Sr. No	Name	Designation	Category	Income Source	Phone No.	Age
1.	Tashi Bhutith	Member	S.T	agriculture	7018959773	42
2.	Tanzin Dolma	Member	S.T	agriculture	9015036265	30
3.	Chhering Dolker	Sectary	S.T	agriculture	8278	38
4.	Chhering Chhodon	Member	S.T	Agriculture	7876835516	27
5.	Tanzin Dechen	Member	S.T	Agriculture	9015283979	33
6.	Kesang Dolker	Member	S.T	Agriculture	8219986706	37
7.	Chhering Chonzom	Member	S.T	Agriculture	9015440954	38
8.	Pdma	President	S.T	Agriculture	7876468179	45
9.	chhodon	Member	S.T	agriculture	9015232719	41
10	Zanchuk Dolma	Member	S.T	agriculture	9015403741	34
11	Chhering Chonzom	Member	S.T	agriculture	9015008156	50

4. Geographical details of the Village:

3.1	Distance from the District HQ	::	210 Km
3.2	Distance from Main Road	::	500 mtr
3.3	Name of local market & distance	::	Kaza 32 KM
3.4	Name of main market & distance	::	Rampur 300 km, Manali 210 KM
3.5	Name of main cities & distance	::	Rampur300 KM, Manali 210 KM
3.6	Name of places/locations where product will be sold/ marketed	::	Rampur, Kullu Manali

5. Management

Cutting and tailoring centre by SHG Zomsa have 11 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 Dankhar 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 Dankhar 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 Zomsa will hire a spacious room to house the 11 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 =1000 / month
2. Sewing machine (manually operated)= 11@ 6000= 66,000
3. Room carpet 1 @ =1500
4. Cutting scissors = 11 @ 500 =5500
5. Tailors Kit = 11 @350 =3,850
6. Iron = 3 no's.@2000 = 6000
7. Sewing thread different colours = 4 pkt @ 400 =1600
8. Oil pippet = 10 no's.@ 50=500
9. Wool spinning machine=9,000

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 Zomsa 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 (manually operated)	11	66,000	66,000
2	Room carpet	01	1500	1500
3	Cutting scissors	11	500	5500
4	Tailors Kit	10	350	3500
5	Iron	3	2000	6000
6	Thread different colour	4	500	2000
7	Oil Pippet	10	50	500
8	Wool spinning machine	1	9,000	9,000
Total Capital Cost (A) =				94,000
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	Hanger Set	5	500	2500
4	Buttons different types	1 box	1000	1000
5.	Bukerem	50 m	80	4000
6.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1000
Total Recurring Cost (B)				10600

15. Income projections:

To start with it is estimated that each member will stitch one ladies suit in one day complete in all respect. The stitching charges as on today for simple suit is approximately 500 per suit. On an average the 11 members of group will 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 $300 \times 500 = \text{Rs } 150000/-$ only.

16. Analysis of Income and Expenditure (Monthly):

Sr. No.	Particulars	Expenditure / month (Rs)	Income per month (Rs)
1.	10% Depreciation on capital cost	9400	
2.	Total Recurring Cost	10600	
3.	SHG contribution	23,500	
4.	Total	43500	
5.	Net Profit (150000-43500)	106500	106500
6.	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	94,000	70,500	23,500
2	Total Recurring Cost	10600	0	10600
3	Trainings	60000	60000	0
	Total outlay	164600	130500	34100

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

18. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none">• <u>75%</u> of capital cost will be utilized for purchase of machines.• Upto Rs. 1 lakh will be parked in the SHG bank account <u>as a revolving fund</u>.• 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">• <u>25 %</u> 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 BMC 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

SEHMATI LETTER

समूह के बिज़नेस प्लान का सहमति पत्र

आज दिनांक 18/03/2024 को BMC Sub Committee - Tabo में Norzang (SHG) संवय सहायता समूह की बैठक की गई। बैठक की अध्यक्षता समूह की प्रधान व सचिव की अध्यक्षता में की गई। जिसमें समूह की सभी महिलाओं ने Hand Knitting का कार्य करने में सहमती दिखाई है। और कार्य करके समूह की आय को बढ़ाएगी। और आजिविका सुधार योजना जाइका परियोजना से जुड़ने में सब ने सहमति दिखाई है।

प्रधान

Sonam Palmo

सोनम पालमो

सचिव

पदमा छोडन

पदमा छोडन

Jinda
Deputy Conservator of Forest,
Spiti Wildlife Division, Spiti

Group members Photos-

				
<p>Tanzin Dolma</p>	<p>Chhering Chonzom</p>	<p>Padma</p>	<p>Chhodon</p>	<p>Kesan Dolker</p>
				
<p>Tanzin Dechen</p>	<p>Zagchuk Dolma</p>	<p>Tashi Butith</p>	<p>Chhering Chonzom</p>	<p>Chhering Chhodon</p>
				
<p>Chhering Dolker</p>				