

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

by

Karuna - Self Help Group



| | | |
|--------------|----|----------------|
| SHG/CIG Name | :: | Karuna |
| VFDS Name | :: | Sagnum 2 |
| Range | :: | Tabo |
| Division | :: | Wildlife Spiti |

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 Karuna will be located at village Sagnum P.O. Sagnum Tehsil and Distt. Lahul and Spiti HP. The total households in village Sagnum are 55 and 4 to 5 small villages surrounding Sagnum 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 | :: | Kurna Cutting & Tailoring |
| 2.2 | VFDS | :: | Sagnum 2 |
| 2.3 | Range | :: | Tabo |
| 2.4 | Division | :: | Wildlife Spiti |
| 2.5 | Village | :: | Sagnum |
| 2.6 | Block | :: | Spiti |
| 2.7 | District | :: | Lahul and Spiti |
| 2.8 | Total No. of Members in SHG | :: | 10 – females |
| 2.9 | Date of formation | :: | 20/12/23 |
| 2.10 | Bank a/c No. | :: | 89621300000105 |
| 2.11 | Bank Details | :: | Garmin Bank Sagnam |
| 2.12 | SHG/CIG Monthly Saving | :: | 100 per Member |
| 2.13 | Total saving | | 2000 |
| 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. | |
|--------|-----------------|-------------|----------|---------------|------------|--|
| 1. | Tashi Dolma | President | S.T | agriculture | 7651091368 | |
| 2. | Dechen Yagzom | Sectary | S.T | agriculture | 9459684767 | |
| 3. | Chhering Zagmo | Member | S.T | agriculture | 8988232272 | |
| 4. | Chhering Ankit | Member | S.T | Agriculture | 9459326192 | |
| 5. | Kalzang Chukit | Member | S.T | Agriculture | 9459955473 | |
| 6. | Yeshey Chhonzom | Member | S.T | Agriculture | 9459313752 | |
| 7. | Tanzin Dolma | Member | S.T | Agriculture | 8988347389 | |
| 8. | Chhering Dolker | Member | S.T | Agriculture | 9459733031 | |
| 9. | Kunga Chhodon | Member | S.T | agriculture | 9459728548 | |
| 10. | Sonam Chukit | Member | S.T | agriculture | 9418740110 | |

4. Geographical details of the Village:

| | | | |
|-----|---|----|------------------------------|
| 3.1 | Distance from the District HQ | :: | 210 Km |
| 3.2 | Distance from Main Road | :: | 100 nmtr |
| 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 Karuna have 10 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 Sharsha will hire a spacious room to house the 10 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 with foot pedal= 10@ 11000= 110000
3. Room carpet 1 @ =1500
4. Cutting scissors = 10 @ 500 =5000
5. Tailors Kit = 10 @350 =3500
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. Interlocking Machine 1 No. @ 8000 =8000

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 I/C Motot | 10 | 11000 | 110000 |
| 2 | Room carpet | 01 | 1500 | 1500 |
| 3 | Cutting scissors | 10 | 500 | 5000 |
| 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 | Interlocking Machine | 1 | 8000 | 8000 |
| Total Capital Cost (A) = | | | | 136500 |
| 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 10 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 | 13650 | |
| 2. | Total Recurring Cost | 10600 | |
| 3. | SHG contribution | 34125 | |
| 4. | Total | 58375 | |
| 5. | Net Profit (150000-58375) | 91625 | 91625 |
| 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 | 136500 | 102375 | 34125 |
| 2 | Total Recurring Cost | 10600 | 0 | 10600 |
| 3 | Trainings | 60000 | 60000 | 0 |
| | Total outlay | 207100 | 162375 | 44725 |

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 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.

Sahmati Patra

समूह के बिजनेस प्लान का सहमति पत्र

आज दिनांक 28/12/2023 को BMC Sub Committee - Sagnam -2 में करुणा स्वयं 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 कर्टींग ट्रेलरिंग 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

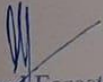
Dolma

टशी डोलमा

सचिव

दिचेन यांगजोम

दिचेन यांगजोम


Divisional Forest Officer
Spiti Wildlife Division
Kaza L&S (H. S.)

Group members Photos-



Kunga Chhodon



Yeshe Chhonzom



Chhering Zagmo



Dichen Yangzom



Tashi Dolma



Chhering Dolker



Kalzang Chhukit



Chhering Ankit



Sonam Chhukit



Tanzin Dolma