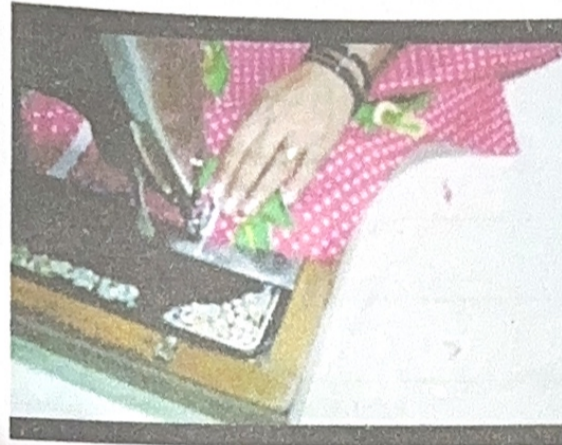


# BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

by

Ashapuri Self Help Group



SHG/CIG Name	::	Ashapuri CUTTING & TAILORING
VFDS Name	::	Bhallan-II
Range	::	Sainj
Division	::	Seraj

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 Ashapuri will be located at village Ghat P.O. Bhallan II Tehsil Sainj Distt. Kullu HP. The total households in village Bhallan-II are 52 and 4 to 5 small villages surrounding Ashapuri 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	::	Ashapuri Cutting & Tailoring
2.2	VFDS	::	Bhallan-II
2.3	Range	::	Sainj
2.4	Division	::	Kullu
2.5	Village	::	Bhallan-II
2.6	Block	::	Banjar
2.7	District	::	Kullu
2.8	Total No. of Members in SHG	::	12 - females
2.9	Date of formation	::	04.09.23
2.10	Bank a/c No.	::	50076328689.
2.11	Bank Details	::	KCC Sainj .
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		2554.
2.14	Total inter-loaning		1800
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

### 3. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source
1.	Banita Thakur	BhojPrakash	22	General	agriculture
2.	Lata Devi	Tedi Singh	33	General	agriculture
3.	DanvantiDevi	Beli Ram	34	General	agriculture
4.	Shilpadevi	Lal Chand	23	S.C	agriculture
5.	Nirmala Devi	Yash Pal	34	General	agriculture
6.	Dimpa Devi	Niratsingh	33	General	agriculture
7.	savitra Devi	Jog Raj	45	General	agriculture
8.	Hira Devi	Mahindersingh	35	General	agriculture
9.	Rava Devi	Hiru Ram	32	S.C	agriculture
10.	kamla Devi	Meene Ram	33	S.C	agriculture
11.	Reshma Devi	Lotam Ram	20	General	agriculture
12.	Promila Devi	Hem Raj	45	General	agriculture

### 4. Geographical details of the Village:

3.1	Distance from the District HQ	::	50 Km
3.2	Distance from Main Road	::	1 $\frac{1}{2}$ Km
3.3	Name of local market & distance	::	Sainj 15km
3.4	Name of main market & distance	::	Kullu 50Km
3.5	Name of main cities & distance	::	50Km
3.6	Name of places/locations where product will be sold/ marketed	::	Sainj

### 5. Management

Cutting and tailoring centre by SHG Ashapuri have 12 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 Asahapuri 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 Bhallan-II 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 Ashapuri will hire a spacious room to house the 12 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 = 2000 / month
2. Sewing machine with foot pedal = 12 @ 10000 = 120000
3. Sewing machine simple / ordinary = 1 @ 3000 = 3000
4. Room carpet 1 @ = 1500
5. Cutting scissors = 12 @ 250 = 3000
6. Tailors scale = 12 @ 200 = 2400
7. Measuring tape = 12 @ 50 = 600
8. Marking material Chalk = 100
9. Iron = 6 no's. 700 = 4200
10. Sewing thread different colours = 4 pkt @ 500 = 2000
11. Oiling pippet = 12 no's. 50 = 600

### **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 Ashapuri 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:

<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 machinewith tool pedal	12	12000	120000
2	Sewing machine simple/ordinary	01	6000	6000
3	Room carpet	01	1500	1500
4	Cutting scissors	12	450	5400
5	Tailor's scale	12	200	2400
6	Measuring tape	12	50	600
7	Interlocking machine	01	6000	6000
8	Hangers	12	100	1200
9	Counter table alongwith wardrobe inbuilt	01	8000	8000
10	Stools	12	500	6000
11	Iron	12	700	8400
<b>Total Capital Cost (A) =</b>				<b>149300</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	2000	2000
2	Marking material chalk etc.	L/S	L/S	100
3	Sewing thread of different colours	04 m	500	2000
4	Oiling pippct	12	50	600
5.	Buttons different types	1 box	1000	1000
6.	Bukerem	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>7700</b>

### 15. Income projections:

To start with 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 250 per suit. On an average the 12 members of group may 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  $300 \times 250 = \text{Rs } 75000/-$  only.

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

Sr.No.	Particulars	Expenditure / month (Rs)	Income per month(Rs)
1.	10% Depreciation on capital cost i.e. $149300/12 \times 10 = 823.33$ or say 823 Rs.	124	
2.	Total Recurring Cost	7700	
3.	Total	7824	75000
4.	Net Profit (75000 - 7824)	67176	
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>	

### 17. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	149300	111975	37325
2	Total Recurring Cost	7700	0	7700
3	Trainings	40000		0
	<b>Total outlay</b>	<b>197000</b>	<b>111975</b>	<b>45025</b>

#### 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"><li>• 75% of capital cost will be utilized for purchase of machines.</li><li>• UptoRs. 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>• 75% of capital cost to be borne by SHG.</li><li>• Recurring cost to be borne by SHG</li></ul>	

## 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.

Sr.No	Name	Designation	Category	Signature
1	Banita Thakur	Pradhan	Genreal	बनीता ठाकुर
2	Lata Devi	Secratory	Genreal	Lata Devi
3	Danvanti Devi	Treasurer	Genreal	दन्वन्ती देवी
4	Shilpa devi	Vice-President	S.C	Shilpa Devi
5	Nirmala Devi	Member	Genreal	Nirmala Devi
6	Dimpa Devi	Member	Genreal	डिम्पा देवी
7	savitra Devi	Member	Genreal	सवित्री देवी
8	Hira Devi	Member	Genreal	H
9	Rava Devi	Member	S.C	Rava Devi
10	kamla Devi	Member	S.c	कमला देवी
11	Reshma Devi	Member	Genreal	Reshma Devi
12	Promila Devi	Member	Genreal	प्रमीला देवी

*[Handwritten signature]*  
प्रधान वन विभाग सचिव

Signature of VFDS Pradhan

*[Handwritten signature]*  
प्रधान वन विभाग सचिव

Signature of VFDS UP Pradhan

प्रधान कनिता ठाकुर  
आशापुरी ग्राम सहायता समूह  
ग्राम पंचायत भलाण-11  
सिलाई कढ़ाई प्रशिक्षण

Signature of SHG Pradhan

सौच्य लक्ष्मी देवी  
आशापुरी ग्राम सहायता समूह  
ग्राम पंचायत भलाण-11  
सिलाई कढ़ाई प्रशिक्षण

Signature of SHG Vice President

*[Handwritten signature]*

Signature of Forest Guard

*[Handwritten signature]*  
Block Forest Officer  
Larji Block

Signature of Block Officer

*[Handwritten signature]*  
Range Officer

Signature of Range Officer

*[Handwritten signature]*  
DMU Seaj  
JNTA

DMU-Seaj