

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring by Self Help Group Cutting & Tailoring SHG Fawla



SHG/CIG Name	::	SHG Fawla
VFDS Name	::	Fawla
Range	::	Tharoch
Division	::	CHOPAL

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.	SWOT Analysis	5
10.	Business Plan – Different stages	6
11.	Some Initiatives / steps to attract customers	6
12.	Marketing analysis of cutting & tailoring business	6
13.	Business targets	6
14.	Financial forecast/ projections	6
15.	Description of Economics:	7
16.	Income projections:	7
17.	Analysis of Income and Expenditure (Monthly):	8
18.	Fund flow in the group:	8
19.	Sources of funds and procurement:	9
20.	Trainings/capacity building/skill up-gradation	9
21.	Loan Repayment Schedule	9
22.	Monitoring Method	9
23.	Photo-SHG Members	10

1. Background

Tailoring and Cutting by Self Help Group Phavala-III is located in Village Phavala Post Office Ida Tehsil Nerwa District Shimla. There are total 55 families in Ward Phavala-III and 3 villages in Gram Van Vikas Samiti Phavala-III whose requirement will be fulfilled by this tailoring and cutting centre. This centre will provide excellent service and guide the customers on what is best to provide them the product which marks the highest level of satisfaction and comfort for them.

2. Description of SHG/CIG

2.1	SHG/CIG Name	::	SHG Cutting & Tailoring Fawla
2.2	VFDS	::	Fawla
2.3	Range	::	Tharoch
2.4	Division	::	Chopal
2.5	Village	::	Fawla
2.6	Block	::	Neaol
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	08- females
2.9	Date of formation	::	22-09-2017
2.10	Bank a/c No.	::	89551300000127
2.11	Bank Details	::	UCO Bank Nerwa
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		6500 /-
2.14	Total inter-lending		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

3. Beneficiaries Detail:

Sr.No	Name	Father/Husband Name	Age	Education	Category	Income Source	Address	Contact No.
1.	Sangita (President)	W/o Yashpal	35	10+2	General	Agriculture	Fawla	9805351910
2.	Kalpana (Vice President)	W/o Seeta Ram	31	10+2	General	Agriculture	Fawla	9418310681
3.	Santoshi (Secretary)	W/o Shyam Lal	34	10+2	General	Agriculture	Fawla	7807579779
4.	Deepika	W/o kamlesh	34	10+2	General	Agriculture	Fawla	9459225124
5.	Gita	W/o Jagat Radhe	35	--	General	Agriculture	Fawla	-----
6.	Sarala Devi	W/o Lt. moti singh	55	Litrare	General	Agriculture	Fawla	9816819464
7.	Ritika	W/o	-	Litrare	General	Agriculture	Fawla	-----
8.	Seela Devi	W/o Ajay	29	10+2	General	Agriculture	Fawla	98053-04403

4. Geographical details of the Village:

3.1	Distance from the District HQ	::	147
3.2	Distance from Main Road	::	1Km
3.3	Name of local market & distance	::	Nerwa, 22 km
3.4	Name of main market & distance	::	Nerwa, Chopal , 22km and 47Km
3.5	Name of main cities & distance	::	Shimla 147km
3.6	Name of places/locations where product will be sold/ marketed	::	Nerwa , Chopal

5. Management

Cutting and tailoring centre by SHG Fawla have 08 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 Ghichna . 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 Fawla village in particular and all other residents of nearby villages.

This centre aims 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 Fawla will hire a spacious room to house the 13 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 Fawla 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 projecte

15 Description of Economics:

A.	CAPITAL COST			
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Sewing machine with tool pedal	06	7200	43200
2	Sewing machine simple/ordinary	02	4000	8000
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	02set	300	600
9	Counter table alongwith wardrobe inbuilt	01	7500	7500
10	Stools	08	300	2400
11	Iron	02	700	1400
12	Almirah	01	5000	5000
13	Chairs	04	500	2000
	Total Capital Cost (A) =			83600/-
B.	RECURRING COST			
Sr.No	Particulars	Quantity	Price	Total Amount (Rs)
1	Room rent	1	1500	1500
2	Marking material chalk etc.	L/S	L/S	200
3	Sewing thread of different colours	03	300	900
4	Oiling pippet	06	50	300
5.	Buttons different types	1 box	1000	2000
6.	Bukerem	20m	50	1000
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1000
	Total Recurring Cost (B)			5900/-

16. Income projections:

At the beginning of IGA , 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 08 members of group may stitch 150 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 $300 \times 150 = \text{Rs}45000/-$ 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. $83600/12 \times 10 = 697$ or say 697 Rs.	697	
2.	Total Recurring Cost	5900	
3.	Total	6597	45000
4.	Net Profit (45000 - 6555)	38403	
5.	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 	

18. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	83600	62700	20900
2	Total Recurring Cost	5900	0	5900
3	Trainings	30000	30000	
	Total outlay	119500	92700	26800

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

19. Sources of funds and procurement:

Project 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.	Procurement of machines will be done 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	

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:

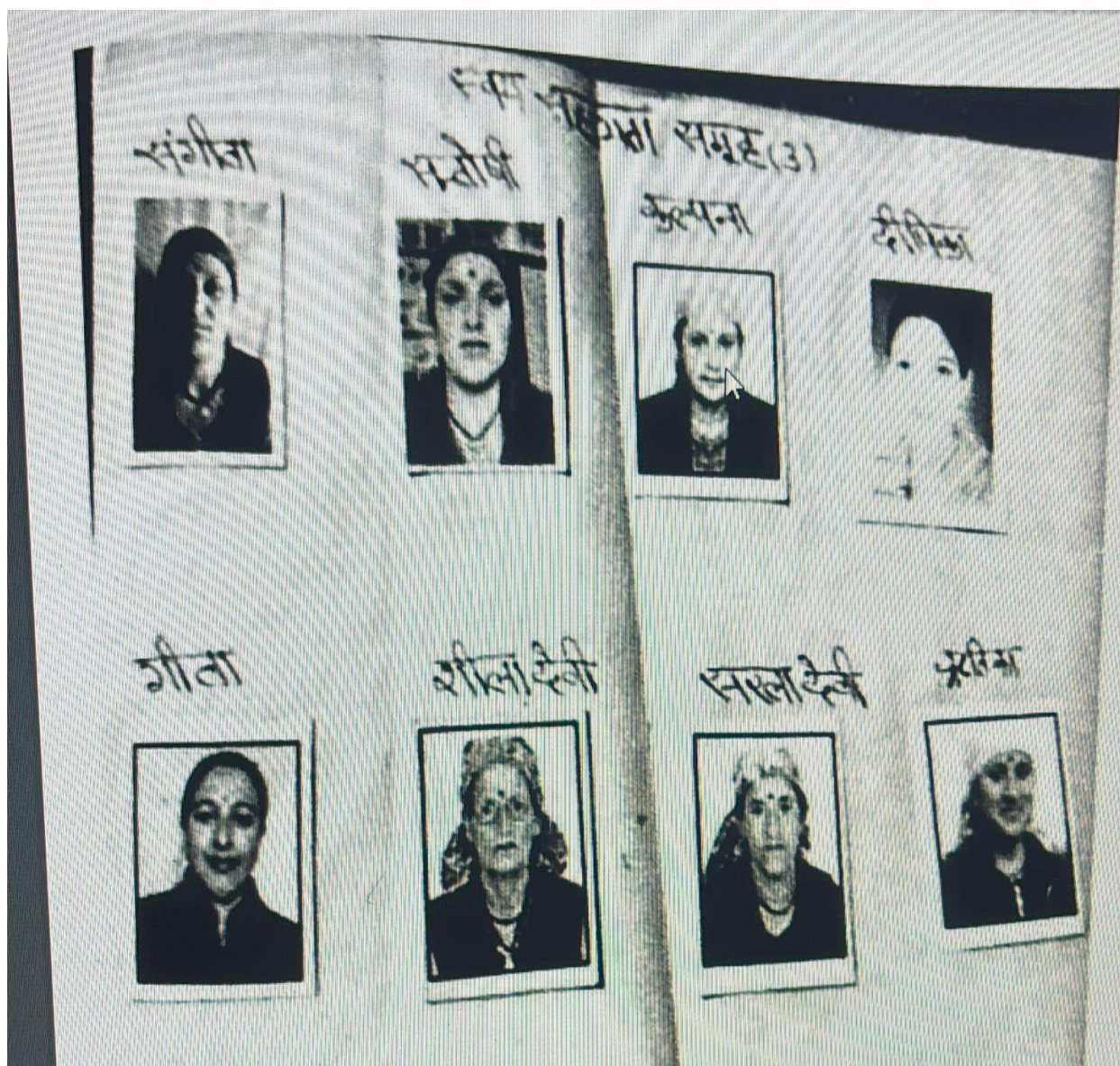
- Team work
- Quality control
- Packaging and Marketing
- Financial Management

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-



प्रमाण पत्र

सिलाई व कटाई आय सृजन गतिविधि के लिए स्वयं सहायता समूह फावला- III की व्यवसाय योजना ग्रामीण वन विकास समिति VFDS फावला के सामान्य सदन के समक्ष सिलाई व कटाई को अनुमोदन हेतु प्राप्त विभिन्न सदस्यों द्वारा लम्बी चर्चा और विचार विमर्श के बाद व्यवसाय योजना को स्वयं सहायता समूह में अपनाने और स्वयं सहायता समूह के सदस्यों द्वारा आगे कार्यान्वयन के ये अनुमोदित किया गया

दिनांक :- _____

स्थान :- फावला

संग्रहकर्ता
स्वयं सहायता समूह फावला
जिला शिक्षा अधिकारी
अध्यक्ष

प्रधान
ग्रामीण विकास समिति
स्वयं सहायता समूह फावला
(ग्राम वन विकास समिति)

Block Forest Officer
.....
.....
.....
कोषाध्यक्ष
(ग्राम वन विकास समिति)

Range Forest Officer
.....
.....
.....
थरोच

अनुमोदित
डी० एम० यु० अधिकारी
वन मंडल चौपाल