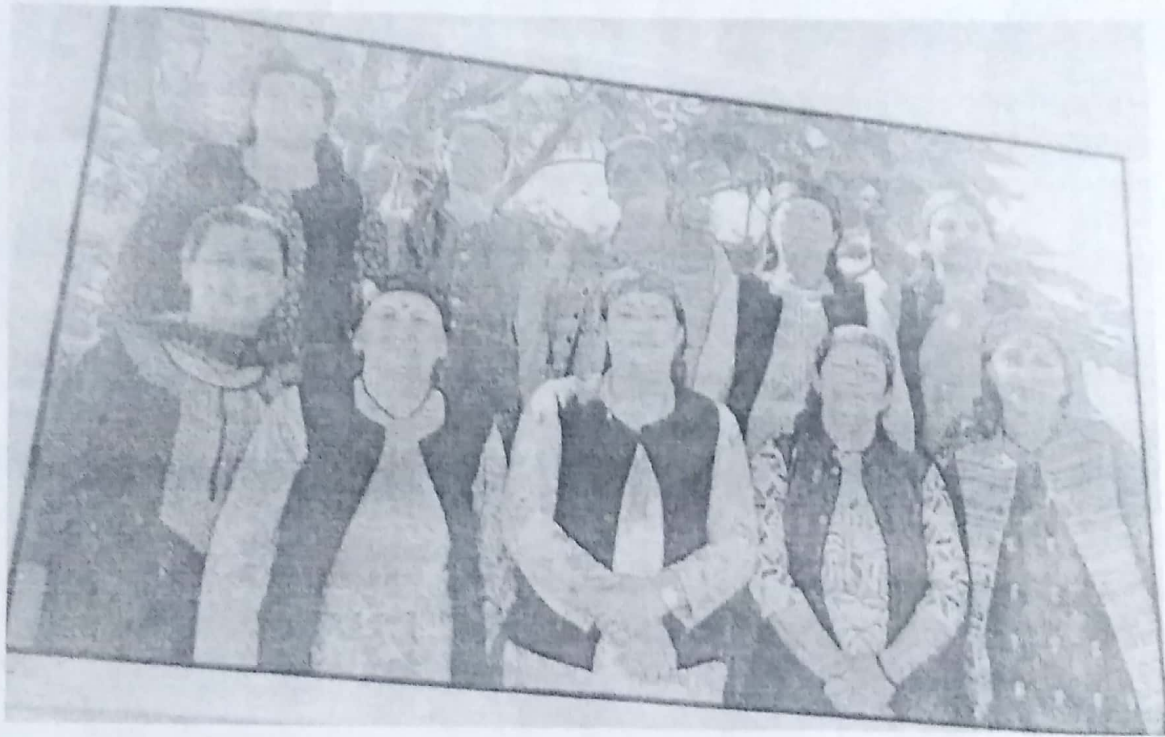


## BUSINESS PLAN

### INCOME GENERATION ACTIVITY – Cutting and Tailoring by Self Help Group Cutting & Tailoring - SHG Udaan-2



SHG/CIG Name	:: SHG Udaan -2
VFDS Name	:: Rinjat
Range	:: NERWA
Division	:: CHOPAL

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 Udaan -2 will be located at village Rinjat P.O. & The Nerwa Distt. Shimla HP. The total households in ward Hanal are 46 and there are 2 villages in VFDS Rinjat , for which this cutting and tailoring center will cater for. This center 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	SHGName	::	SHG Cutting & Tailoring Udaan -2
2.2	VFDS	::	Rinjat
2.3	Range	::	Nerwa
2.4	Division	::	Chopal
2.5	Village	::	Rinjat
2.6	Block	::	Nerwa
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10 - females
2.9	Date of formation	::	07.09.2021
2.10	Bank a/c No.	::	89551300000539
2.11	Bank Details	::	HP Gramin Bank Nerwa
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		5000 /-
2.14	Total inter-loaning		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--



### 3. Beneficiaries Detail:

Sr. No	Name	Father/Husb and Name	Education	Category	Income Source	Address	Contact No.
1.	Veena Devi ( President)	W/o Sunil Singh	10+2	General	Agriculture	Village Rinjat	8894410854
2.	Poonam Devi ( vice President)	W/o Balbir	10+2	General	Agriculture	Rinjat	9816252575
3.	Pushpa Devi ( Secretary)	W/o Mohan Lal	BA	General	Agriculture	Rinjat	9816201604
4.	Pargu Sharma (Treasurer)	W/o Ram Lal	10 <sup>th</sup>	General	Agriculture	Rinjat	9805198362
5.	Vidya Devi	W/o Ram lal	5 <sup>th</sup>	General	Agriculture	Rinjat	9805409721
6.	Krishna Devi	W/o Bhagmal	BA	General	Agriculture	Rinjat	7816661045
7.	Prinkya Sharma	W/o Sandeep	10+2	General	Agriculture	Rinjat	9816195349
8.	Pingla Devi	W/o Amar Singh	5 <sup>th</sup>	General	Agriculture	Rinjat	-
9.	Chandra Devi	W/o Sohan Singh	5 <sup>th</sup>	General	Agriculture	Rinjat	9805362527
10.	Parbha Devi	W/o Kewal Ram	5 <sup>th</sup>	General	Agriculture	Rinjat	8894195158

### 4. Geographical details of the Village:

3.1	Distance from the District HQ	::	142 Km
3.2	Distance from Main Road	::	On the road
3.3	Name of local market & distance	::	Nerwa, 18 km
3.4	Name of main market & distance	::	Nerwa, Chopal , 18 km and 42 Km
3.5	Name of main cities & distance	::	Shimla 142 km
3.6	Name of places/locations where product will be sold/ marketed	::	Nerwa , Chopal

### 5. Management

Cutting and tailoring center by SHG Uddan 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 center 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 center will mostly be ladies and some cloth merchants around village Rinjat and Chayama. But later on this business can be scaled up by catering to nearby small townships.

## 7. Target of the centre

The center primarily aims at providing unique modern and high-class stitching services to the residents of Rinjat and Chiyama village in particular and all other residents of nearby villages.

This center aims to become the most renowned stitching center, 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 Uddan 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 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 Uddan will broadly aim at becoming the best stitching center 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 projected



## 15 Description of Economics:

<b>A. CAPITAL COST</b>				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Sewing machine with tool pedal	10	7500	75000
2	Sewing machine simple/ordinary	-	-	-
3	Room carpet	01	2000	2000
4	Cutting scissors	09	500	4500
5	Tailor's scale	08	200	1600
6	Measuring tape	10	50	500
7	Interlocking machine	01	6200	6200
8	Hangers	02 set	300	600
9	Counter table alongwith wardrobe inbuilt	01	7500	7500
10	Stools	10	300	3000
11	Iron	02	700	1400
12	Almirah	01	5000	5000
13	Chairs	06	500	3000
<b>Total Capital Cost (A) =</b>				<b>110300/-</b>
<b>B. RECURRING COST</b>				
Sr.No	Particulars	Quantity	Price	Total Amount (Rs)
1	Room rent	1	2000	2000
2	Marking material chalk etc.	L/S	L/S	300
3	Sewing thread of different colours	04 pkt	300	1200
4	Oiling pippet	8	50	400
5.	Buttons different types	2 box	1000	2000
6.	Bukerem	30m	50	1500
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1200
<b>Total Recurring Cost (B)</b>				<b>8600/-</b>

## 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 10 members of group may stitch 200 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  $320 \times 200 = \text{Rs}64000/-$  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. $110300/12 \times 10 = 919$ Rs.	919	
2.	Total Recurring Cost	8600	
3.	Total	9519	64000
4.	Net Profit (64000 - 9519)	54481	
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>	

### 18. Fund flow in the group:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	110300	55150	55150
2	Total Recurring Cost	8600	0	8600
3	Trainings	35000	35000	0
	<b>Total outlay</b>	<b>153900</b>	<b>90150</b>	<b>63750</b>

Note-

- Capital Cost - 50% 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"><li>• 50% of capital cost will be utilized for purchase of machines.</li><li>• Upto Rs. 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>• 50% of capital cost to be borne by SHG.</li><li>• Recurring cost to be borne by SHG</li></ul>	

## 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



Group members Photos-



वीणा देवी  
(प्रधान)



पुष्पा देवी  
(सचिव)



प्रागु देवी  
(कोषाध्यक्ष)



विद्या देवी  
(सदस्य)



कृष्णा देवी  
(सदस्य)



मिना देवी  
(सदस्य)



यशो देवी  
(सदस्य)



पुष्पा देवी  
(सदस्य)



प्रियंका देवी  
(सदस्य)



पुष्पा देवी  
(सदस्य)

The business plan of Self Help Group Cutting & Tailoring Udaan-2 for the IGA of Cutting and Tailoring was presented before the general house of VFDS RINJAT for approval. After long discussion and thoughtful deliberation by the different members, the business plan was approved for adoption in the SHG and further implementation by the members of the SHG.

Dated: 07/11/2021

Place: Rinjat

President of SHG

*[Handwritten signature]*

**उदाण स्वयं सहायता  
ग्रुप रिजट-2 तौ मेरवा,  
जिला सिमला हि० प्र०**

Treasurer  
Vill. Forest Development Society

*[Handwritten signature]*

President  
Village Forest Development  
Society & C D & L I  
President VFDS  
Unit Rinjat

*[Handwritten signature]*  
Range Forest Officer  
Merwa Forest Range

Approved

*[Handwritten signature]*

DMU - Cum - Divisional Forest Officer  
Chopal Forest Division, Chopal