

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

By

Self Help Group Cutting & Tailoring – Nari Shakti Uchagarh



SHG/CIG Name	::	Self Help Group Nari Shakti Uchagarh
VFDS Name	::	Noura
Range	::	Kanda
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 Self Help Group Nari Shakti Uchagarh will be located at village Uchagarh PO kulag Tehsil Kupvi Distt. Shimla HP. The total households in ward Noura-1 58 and there are 2 villages in VFDS Noura-1, 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	::	SHG Cutting & Tailoring Nari Shakti Uchagarh
2.2	VFDS	::	Noura-1
2.3	Range	::	Kanda
2.4	Division	::	Chopal
2.5	Village	::	Uchagarh
2.6	Block	::	Kupvi
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	18 Females
2.9	Date of formation	::	04/08/2020
2.10	Bank a/c No.	::	46210104152
2.11	Bank Details	::	THE HP STATE COOPERATIVE BANK LTD IFSC HPSC0000462 PO & Tehsil Kupvi District Shimla HP
2.12	SHG/CIG Monthly Saving	::	100/-
2.13	Total saving	::	23612/-
2.14	Total inter-loaning	::	36000
2.15	Cash Credit Limit	::	-
2.16	Repayment Status	::	-



3. Beneficiaries Detail:

Sr. No	Name	Father/Husb and Name	Age	Education	Category	Income Source	Address	Contact No.
1.	Vandna(President)	W/o kuldeep	26	10th	General	Agriculture	Village uchagarh	9805342143
2.	Sushila (Secretary)	W/o Subhash chand	33	10+2	General	Agriculture	Village uchagarh	809173806
3.	Saroj (Vice President)	W/o Rakesh	25	10th	General	Agriculture	Village uchagarh	8894743972
4.	Hero Devi(Treasurer)	W/o Basti Ram	60	8th	General	Agriculture	Village uchagarh	8278796002
5.	Kanta (Member)	W/o Pardeep	26	10+2	General	Agriculture	Village uchagarh	9816744683
6.	Sajo(member)	W/O Ramesh	36	8th	Genral	Agriculture	Village uchagarh	8628099968
7.	Babli	W/o Naresh	29	12th	Genaral	Agriculture	Village uchagarh	7807141675
8.	Sushma	W/o Virender	38	12th	General	Agricultural	Village uchagarh	8894612539
9.	Lakshmi	W/o Bhagat ram	71	-	General	Agricultural	Village uchagarh	9805110400
10.	Dharma	W/o Partap	33	10th	General	Agricultural	Village uchagarh	7876032339
11.	kalpna	W/oRavinder	21	10th	General	Agricultural	Village uchagarh	9306446619
12.	Nirmla	W/oBhim singh	51	5 th	General	Agricultural	Village uchagarh	7876360255
13.	Aditi	W/oRajat	19	10 th	General	Agricultural	Village uchagarh	8627078716
14.	Shayma	W/oRoshan	40	5 th	General	Agricultural	Village uchagarh	7807792392
15.	Durgi	W/oNita Ram	55	5 th	General	Agricultural	Village uchagarh	9816744063
16.	Piriynka	W/oRavidutt	28	B.A.	General	Agricultural	Village uchagarh	9816584394
17.	Nira	W/oSomdutt	32	12 th	General	Agricultural	Village uchagarh	7807701083
18.	Savitri	W/o Mohan Lal	52	5 th	General	Agricultural	Village uchagarh	7807141675

4. Geographical details of the Village:

3.1	Distance from the District HQ	::	212 Km
3.2	Distance from Main Road	::	3km
3.3	Name of local market & distance	::	Kupvi, 12 km
3.4	Name of main market & distance	::	Nerwa, Kupvi & Haripurdhar, 62 km, 12 Km and 12 Km



3.5	Name of main cities & distance	::	Shimla 212Km
3.6	Name of places/locations where product will be sold/ marketed	::	Nerwa, Kupvi & Haripurdhar

3. Management

Cutting and tailoring centre by SHG Nari Shakti Uchagarh have 18 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.

4. Customers

The primary customers of the centre will mostly be ladies and some cloth merchants around village Noura and uchagarh. But later on this business can be scaled up by catering to nearby small townships.

5. Target of the centre

The centre primarily aims at providing unique modern and high-class stitching services to the residents of Noura and uchagarh villages in particular and all other residents of nearby villages.

This center aims is to become the most renowned stitching centre, with quality work, in its area of operation, in coming years.

6. 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.

7. 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.

The SHG Cutting & Tailoring Nari shakti uchagarh will hire a spacious room to house the 18 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:

5. 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 Nari Shakti Uchagarh 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 projected

15 Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Sewing machine with tool pedal	14	7200	100800
2	Sewing machine simple/ordinary	4	4000	16000
3	Room carpet	01	2000	2000
4	Cutting scissors	18	500	9000
5	Tailor's scale	18	200	3600
6	Measuring tape	18	50	900
7	Interlocking machine	01	6000	6000
8	Hangers	05 set	300	1500
9	Counter table alongwith wardrobe inbuilt	01	7500	7500
10	Stools	18	300	5400
11	Iron	5	700	3500
12	Almirah	2	5000	10000
13	Chairs	05	500	2500
Total Capital Cost (A) =				168700/-
B. RECURRING COST				
Sr.No	Particulars	Quantity	Price	Total Amount (Rs)
1	Room rent	1	2500	2500
2	Marking material chalk etc.	L/S	L/S	800
3	Sewing thread of different colours	06	300	1800
4	Oiling pippet	18	50	900
5.	Buttons different types	3 box	1000	3000
6.	Bukerem	60 m	50	3000
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	3000
Total Recurring Cost (B)				15000/-

16. Income projections:

At the beginning of IGA, 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 300 per suit. On an average the 18 members of group may stitch 350 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 $300 \times 350 = \text{Rs } 105000/-$ 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. $168700/12 \times 10 = 1406$ or say 1406 Rs.	1406	
2.	Total Recurring Cost	15000	
3.	Total	16406	105000
4.	Net Profit $105000 - 16406$	88594	
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	168700	84350	84350/-
2	Total Recurring Cost	15000	0	15000/-
3	Trainings	60000/-	60000/-	-
	Total outlay	243700/-	144350/-	99350/-

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">• 50% 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">• 50% 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





Certificate

The Business plan of Self Help Group **Nari Shakti Uchagar** for the IGA of Cutiing and Tailoring was Presented before the General House of **VFDS Naura** 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 21/09/2021.
Place: Nohra.

अधान
Vandaa
स्वयं सहायता समूह
President SHG


Block Forest Office
Forest Block
Treasurer VFDS

President @ Chauhan
Village Force, Development
Society Naura-1
President VFDS


FTU Range Officer
Forest Range Kanda

Approved

DMU-cum-Divisional Forest Officer
Chopal Forest Division Chopal.