

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Cutting and Tailoring

By

Self Help Group Cutting & Tailoring - Self Help Group Dhar- II



SHG/CIG Name	::	Self Help Group Dhar- II
VFDS Name	::	Dhar Churiyan
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 income generation activity has been selected by Dhar-II Self Help Group. Cutting and tailoring center by SHG Self Help Group Dhar-II will be located at village Dhar PO Charoli Tehsil Kupvi Distt. Shimla HP. The total households in ward Dhar Churiyan are 58 and there are 2 villages in VFDS Dhar Churiyan, 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 Dhar-II
2.2	VFDS	::	Dhar Churiyan
2.3	Range	::	Kanda
2.4	Division	::	Chopal
2.5	Village	::	Dhar
2.6	Block	::	Kanda
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	6 Females
2.9	Date of formation	::	03/04/2019
2.10	Bank a/c No.	::	17280110061619
2.11	Bank Details	::	UCO Bank Kupvi IFSC Code UCBA001728 PO & Tehsil Kupvi District Shimla HP
2.12	SHG/CIG Monthly Saving	::	50/-
2.13	Total saving	::	8100/-
2.14	Total inter-loaning	::	-
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.	Usha Devi(President)	W/o Dinesh chouhan	31	10th	General	Agriculture	Village Dhar	9318829337
2.	Lalita (Secretary)	W/o Kapil Dev	27	10+2	General	Agriculture	Village Dhar	9805230068
3.	Kiran (Vice President)	W/o Lal singh	27	8th	General	Agriculture	Village Dhar	7807186501
4.	Chanderkala(Treasurer)	W/o Rajender	29	10+2	General	Agriculture	Village Dhar	7018169384
5.	Archna (Member)	W/o Lokeder	25	10+2	General	Agriculture	Village Dhar	7807034135
6.	Rinki (Member)	w/o Sh. Brij Mohan	21	8th	General/BP L	Agriculture	Village Dhar	9015334407

4. Geographical details of the Village:

3.1	Distance from the District HQ	::	180 Km
3.2	Distance from Main Road	::	100Meter
3.3	Name of local market & distance	::	Kupvi, 6 km
3.4	Name of main market & distance	::	Nerwa, Kupvi & Haripurdhar, 50km, 6 Km and 22 Km
3.5	Name of main cities & distance	::	Shimla 180Km
3.6	Name of places/locations where product will be sold/ marketed	::	Nerwa, Kupvi & Haripurdhar

5. Management

Cutting and tailoring centre by SHG Dhar- II have 6 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 Dhar and Churiyan. 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 Dhar and Churiyan 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.

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 up-gradation 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 Dhar - II will hire a spacious room to house the 6 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 Dhar- II 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	5	7500	37500
2	Sewing machine simple/ordinary	01	4000	4000
3	Room carpet	01	1500	1500
4	Cutting scissors	06	500	3000
5	Tailor's scale	06	200	1200
6	Measuring tape	06	50	300
7	Interlocking machine	01	6500	6500
8	Hangers	02 set	300	600
9	Counter table along with wardrobe inbuilt	01	7500	7500
10	Stools	06	300	1800
11	Iron	02	700	1400
12	Almirah	01	4500	4500
13	Chairs	04	500	2000
	Total Capital Cost (A) =			71800/-
B. RECURRING COST				
Sr.No	Particulars	Quantity	Price	Total Amount (Rs)
1	Room rent	1	1000	1000
2	Marking material chalk etc.	L/S	L/S	200
3	Sewing thread of different colors	04 pkt	300	1200
4	Oiling pippet	6	50	300
5.	Buttons different types	1 box	1000	1000

6.	Buckram	20m	50	1000
7.	Misc. expenditure (i.e. electric bills, repair of machines, etc.)	L/S	L/S	1000
Total Recurring Cost (B)				5700/-

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 6 members of group may stitch 130 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 $300 \times 130 = \text{Rs } 39000/-$ 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. $71800/12 \times 10 = 598$ or say 598 Rs.	598	
2.	Total Recurring Cost	5700	
3.	Total	6298	39000
4.	Net Profit (39000 - 6298)	32702	
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	71800	35900	35900
2	Total Recurring Cost	5700	0	5700
3	Trainings	30000	30000	
	Total outlay	107500	65900	41600

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

23. Group members Photos-



Usha Devi President



Lalita Secretary



Kiran Vice-president



Chanderkala Treasurer



Rinki Member




Archana Member

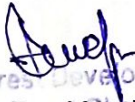
Certificate

The Business plan of Self Help Group **Dhar-II** for the IGA of Cutiing and Tailoring was Presented before the General House of **VFDS Dhar Churiyan** 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 07-12-2021
Place: Dhar Churiyan

प्रधान
उषा
विकास समिति अध्यक्ष :
President SHG


Block Forest Officer
KANDA
Treasurer VFDS


President
Village Forest Development Society
Gram Panchayat, Chauriyan,
Teh. Kupvi, Dist. Shimla (H.P.)


Range Forest Officer
Forest Range Kanda
FTU Officer Kanda

Approved

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