



BUSINESS PLAN

INCOME GENERATING ACTIVITY – (Cutting & Tailoring)

By

Lakhdatta Ropi- Self Help Group



SHG Name	Lakhdatta Ropi
VFDS Name	Mulsu
Range	Urla
Division	Joginder Nagar

Prepared Under –

**Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods
(JICA Assisted)**

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1. Introduction-







Cutting and tailoring also known as stitching of clothes. This skill of cutting and tailoring is used for making suits, handkerchief and different clothing wears of different styles of all age groups, household products such as table cover, curtains, Baby fancy dresses etc. It is a common household activity mainly among the women in rural India. Most of the women are well conversant with this IGA and they do it happily in their free time and as well while doing other household works. One reason of them doing it by themselves is to save money. The women in this SHG are already in activity to meet the need of their family members. Now the members have chosen this activity as IGA so that they can earn extra money to meet their expenses and rise some saving also for the difficult times. A group of 9 women of different age group already existing as a SHG came together to also be a part of JICA project and decided to craft a business plan which can help them to take this IGA in collective manner and raise their additional income.




After discussing about the market potential and different aspects very carefully before getting into this IGA (Income Generation Activity). The Lakhdatta Ropi SHG group has collectively decided of cutting and tailoring as their Income Generation Activity (IGA). Lakhdatta Ropi SHG was formed in the year February, 2022 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Mulsu. This SHG consists of 9 females. These females already had little experience of cutting and tailoring and now with the help of this project funding, training and assistance they will develop this skill and become professional. They will be able to stitch clothes and will become self independent and generate income. The detailed business plan of this SHG have been crafted according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed hereunder:

2. Description of SHG/CIG

1.	SHG/CIG Name	Lakhdatta Ropi
2.	VFDS	Mulsu
3.	Range	Urla
4.	Division	Joginder Nagar
5.	Village	Mulsu
6.	Block	Padhar
7.	District	Mandi
8.	Total no. of members in SHG	9 (Female)
9.	Date of formation	Feburary-2022
10.	Bank a/c No.	31113905978
11.	Bank details	SBI Padhar
12.	SHG monthly savings	450 (50 per Member)
13.	Total saving	2000
14.	Total inter loaning	--
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

<u>Sr. No.</u>	<u>Name & address of the members</u>	<u>Designation</u>	<u>Age</u>	<u>Educational</u>	<u>Gender</u>	<u>Category/occupation</u>	<u>Photograph</u>
1.	Mrs. Lata Devi W/o Sh. Sevak Ram Vill. Ropi P.O. Gwali Teh. Padhar Distt Mandi (H.P.) 82193-85443	President	35	10 th	Female	ST Agriculture	
2.	Mrs. Lata Devi W/o Sh. Ram Lal Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 78761-09264	Secretary	34	10 th	Female	ST Agriculture	
3.	Smt. Kushma Devi W/o Sh. Dahlu Ram Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 86791-11934	Member	28	10+2	Female	ST Agriculture	
4.	Mrs. Sarla Devi W/o Sh. Sunil Kumar Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 98059-34858	Member	27	10 th	Female	ST Agriculture	
5.	Mrs. Chanchla Devi W/o Ramesh Chand Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 85809-11245	Member	34	10 th	Female	ST Agriculture	
6.	Mrs. Bhama Devi W/o Sh. Jeevan Lal Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 80914-71725	Member	38	BA	Female	OBC Agriculture	

7.	Mrs. Balo Devi W/o Sh. Kanshi Ram Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 86797-82140	Member	53	---	Female	ST Agriculture	
8.	Mrs. Judhya Devi W/o Sh. Kali Dass Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 78075-53855	Member	34	10 th	Female	ST	
9.	Mrs. Leela Devi W/o Sh. Biri Singh Vill. Ropi P.O. Gwali Teh. Padhar Distt. Mandi (H.P.) 62308-02247	Member	50	8 th	Female	ST	

4. Geographical details of the Village

1	Distance from the District HQ	35 Km
2	Distance from Main Road	4 Km
3	Name of local market & distance	4 Km
4	Name of main market & distance	Padhar 4 Km
5.	Name of Main Cities & distance	Mandi 35 Km, Joginder Nagar 37 Km
6	Name of main cities where product will be sold/ marketed	Padhar

5. Market Potential

After learning the skill of cutting and tailoring, this Lakhdatt Ropi SHG will target the local population of their area and nearby villages. There is a huge market potential with the increase and change of fashion at a rapid pace the demand of stitching clothes will be there all around the year. There are different seasons and that require different types of clothes that also ensures in a way that the business will be sustainable as there will be demand all year around. During the festive season or wedding season this SHG will see jump in their customers.

1	Potential market places/locations	Village covered - Ropi & Local
2	Stitching work demand	Throughout the year and high demand at the time of festive and marriage occasions.
3	Process of identification of market	Group members will contact nearby villagers/households/institutions.
4	Marketing Strategy	SHG members will directly take orders(individual levels/ group level) from nearby villagers/households/institutions.

6. Executive Summary

Cutting and tailoring income generation activity has been selected by this Self Help Group. This IGA will be carried out by all nine ladies of this SHG. This business activity will be carried out yearly by group members. The members are doing this activity in isolation but now they have joined hands to venture into to this activity at a bit larger scale and in a planned manner after getting the proper training to enhance their skill. Different types of suits will be stitched by this group initially. Suits will be stitched as per demand of customers. The division of labour between the members have been planned carefully so that each and contributes towards strengthening the IGA and resulting the additional money into their pockets.

7. Description of product related to Income Generating Activity

1	Name of the Product	Stitched suit, Baby Fancy Dresses
2	Method of product identification	Has been decided by group members
3	Consent of SHG/ cluster members	Yes

8. Description of Production Processes

1	Time taken	1 suit takes around 3-4 hours to complete.
2	Number of ladies involved	All ladies
3	Source of raw material	Local market/ Main market
4	Source of other resources	Local market/ Main market
5	Expected stitched suits per day	5 suits initially

9. Risk Analysis

Skill based

Demand driven

Highly competitive market

10. Description of Management among members

By mutual consent SHG group members will decide their role and responsibility to carry out the work. Work will be divided among members according to their mental and physical capabilities.

Some will be involve in cutting other will be engaged in stitching Some will be engaged in doing the final finishing of the stitched suits. And other will be in proper ironing and packing of the final product.

11. Description of Economics –

A. Capital Cost				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1.	Sewing Machine	9	8000	72000
2.	Interlock machine	1	8000	8000
3.	Tailor scissor	9	500	4500
4.	Tailoring ruler set	9	600	5400
5.	Sewing tailor tape	9	100	900
6.	Iron press	3	1200	3600
7.	Ceiling Fan	1	2000	2000
8.	Aluminium Racks	3	3000	9000
9.	Hanger	4 set	240	960
10.	Chairs	9	1500	13500
11.	Counter/Cloth cutting Table	1	4000	4000
<u>Total Capita Cost:-</u>				<u>1,23,860</u>

<u>B. Recurring Cost</u>					
<u>S. No.</u>	<u>Particulars</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total Amount (Rs)</u>
1.	Sewing threads, button, zip, Marker etc	Reels	LS	LS	3,000
2.	Room rent	Month	1	1000	1,000
3.	Packaging material	Month	LS	LS	1,500
4.	Other (Transportation, stationary, electricity bill, machine repair)	Month	LS	LS	1,000
<u>Total Recurring Cost (B) = 6,500</u>					

Note – The group members will do the work themselves and therefore labour cost has not been included and the members will manage between them the working schedule to be followed.

Every women will work 4-5 hours daily.

<u>C. Cost of production (Monthly)</u>		
<u>S. No.</u>	<u>Particulars</u>	<u>Amount</u>
1.	Total recurring cost	6,500
2.	10% depreciation annually on capital cost	12,386
Total =		18,886

<u>D. Selling price calculation</u>			
<u>S. No.</u>	<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
1	Simple suit	1	250-300
2	Other (Plazo, Baby Fancy Dresses etc)	1	350-400

12. Cost Benefit Analysis (Monthly)

<u>Cost benefit analysis (monthly)</u>		
<u>S. No.</u>	<u>Particulars</u>	<u>Amount</u>
1	10% depreciation annually on capital cost	12,386
2	Total Recurring Cost	6,500
3	Total Stitched Suit per month	270 (approx quantity)
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	81,000
6	Net profit (Income generation - Recurring cost)	74,500
7	Distribution of net profit	<ul style="list-style-type: none"> ✓ Profit will be distributed equally among members monthly/yearly basis. ✓ Profit will be used for further investment in IGA

13. Fund flow arrangement in SHG

S. No.	Particulars	Total Amount (Rs)	Project Contribution 75%	SHG contribution
1	Total capital cost	1,23,860	92,895	30,965
2	Total Recurring Cost	6,500	0	6500
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		180360	142895	37465

Note:

i) Capital cost- 75% capital cost will be borne by the project and 25% by the SHG. (All group members have been belong from special target group i.e. ST)

ii) Recurring cost- to be borne by the SHG.

iii) Training and capacity building/ skill up gradation to be borne by the project

14. Sources of Fund

Project support	<ul style="list-style-type: none"> ✧ 75% of capital cost will be provided by project if members belong to SC/ST/Poor women. If the members belong to general then 50% capital cost is will be borne by project. ✧ Up to Rs 1 lakhs will be parked in the SHG bank account. ✧ Training/capacity building/ skill up- gradation cost. ✧ The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG have to pay the installments of the Principal amount on regular basis. 	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> ✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively. ✧ 25% of capital cost to be borne by project if the group is women group. ✧ Recurring cost to be borne by SHG. 	

15. Training/capacity building/skill up-gradation

Training/capacity building/ skill up-gradation cost will be borne by project.

Following are some training/capacity building/ skill up-gradation proposed/needed:

- ✧ Cost effective procurement of raw material
- ✧ Quality control
- ✧ Packaging and Marketing
- ✧ Financial Management

16. Computation of break-even point

= Capital Expenditure/(selling price (per suit)-cost of production (per suit))

=1,23,860/ (300-100)

= 620

In this process break-even will be achieved after stitching 620 suits.

17. Bank Loan Repayment

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is not 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.
- ✧ Project support - The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG/CIG has to pay the installments of the Principal amount on regular basis.

18. Monitoring Method

- ❖ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if needed 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 needed to ensure operation of the unit as per projection.

Some key indicators for the monitoring are as:

- ✧ Size of the group
- ✧ Fund management
- ✧ Investment
- ✧ Income generation
- ✧ Quality of product
- ✧

19. Remarks

Members belongs to low income group and they can contribute 25% and project has to bear remaining 75%.

Photographs of SGH Lakhdatta Ropi Under VFDS Mulsu



u/loni

Resolution-cum-Group-consent Form

It is decided in the General house meeting of the group Lakhdatta Ropi held on 29-04-22 at Mulsu that our group will undertake the Cutting & tailoring as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Signature Of group President

Lata Devi

secretary

Lata Devi

प्रधान
सचिव
लता देवी
मूलसू
ग्राम पंचायत गवाली सह. पधर
जिला मुण्डी (हि.प्र.)

Signature Of group

Lata Devi

Lata Devi
Jalhya Devi

नीला देवी

Kumari Devi

Sarda Devi

Bhama Devi

Chanchla Devi

Signature of President VFDS

Bhupendra Kumar

ग्राम पंच विकास समिति मूलसू
ग्राम पंचायत गवाली सह. पधर
जिला मुण्डी (हि.प्र.)

Business Plan Approved by FTU and

Lakhdatta Ropi Group will undertake the Cutting & tailoring income generating activity under the Project for implementation of Himachal Pradesh Forest Ecosystem management and livelihood (JICA assisted) in this regard business Plan of Amount Rs. 1,80,360 has been submitted by the group on 29-04-22 and the Business Plan has been approved by VFDS Mulsu.

Business Plan is submitted to DMU through FTU for further action please

Thank You.

Signature Of group President

Secretary

Lakta Devi

Lakta Devi

पदाध्यक्ष
सदस्य
श्री 0 बाली ठो पथर किंग जन्म 010200

Signature Of group

Lakta Devi
Lakta Devi

Jyoti Devi
लीला देवी

Kusma Devi

Sarda Devi



Bhama Devi
Chanchla Devi

Signature of President VFDS

Rhepke Rams

पधान

ग्राम वन विकास समिति मूलसू
ग्राम पंचायत गवाली तह. पथर
किरा मपडी (दिप्र)

Approved

DMU cum DFO Joginder Nagar

D.M.U.-Cum-
Divisional Forest Officer
Joginder Nagar

