

**Business Plan**  
On  
**Income Generation Activity**  
**Cutting and tailoring**  
For  
**Self Help Group – Nav Shakti**



SHG/CIG name	Nav Shakti Mahila Mandal
VFDS name	Jimjima
Range	Jogindernagar
Division	Jogindernagar

**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 etc. 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 16 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 Nav Shakti mahila mandal SHG group has collectively decided of cutting and tailoring as their Income Generation Activity(IGA). Nav Shakti SHG was formed on 13-05-2022 under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Jimjima. This SHG consists of 16 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 here under:

## 2. Description of SHG/CIG

1.	SHG/CIG Name	Nav Shakti Mahila Mandal
2.	VFDS	Jimjima
3.	Range	Jogindernagar
4.	Division	Jogindernagar
5.	Village	Jimjima
6.	Block	Drang
7.	District	Mandi
8.	Total no. of members in SHG	16
9.	Date of formation	13-05-2022
10.	Bank a/c No.	31210128988
11.	Bank details	H.P.S.C.B
12.	SHG/CIG monthly savings	800(50 per person)
13.	Total saving	2500
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

### 3. Beneficiaries Detail

S.no.	Name	M/ F	Father/ Husband name	Category	Designatio n	Contact no.
1	Sakina Devi	F	Ami Chand	OBC	President	8580456621
2	Sunita Devi	F	Shyama lal	OBC	Vice- president	8894004519
3	Mukesh Kumari	F	Inder	OBC	Secretary	8219976613
4	Lata Devi	F	Bhagwan Singh	OBC	Member	9857369173
5	Nitu	F	Manoj Kumar	OBC	Member	8544721930
6	Beena Devi	F	Surender Kumar	OBC	Member	6230216734
7	Kosalya Devi	F	Bitu Ram	OBC	Member	8580822511
8	Sumna Devi	F	late. Prakash Chand	OBC	Member	8988965787
9	Ramdeyi	F	late. Sonu	OBC	Member	9805753431
10	Bhumi Devi	F	Harnath Singh	OBC	Member	9015096018
11	Sunita Devi	F	Shamsher Singh	OBC	Member	9015149813
12	Godha Devi	F	Munshi Ram	OBC	Member	9857171887
13	Sheela Devi	F	Devender Singh	OBC	Member	7650083989
14	Meena Devi	F	Prakash Chand	OBC	Member	8988359737
15	Krishna Devi	F	Om Prakash	OBC	Member	8219529856
16	Bhumi Devi	F	Harnath Singh	OBC	Member	9015096018

#### 4. Geographical details of the Village

1	Distance from the District HQ	55 Km
2	Distance from Main Road	2 Km
3	Name of local market & distance	Joginder nagar & 5 km
4	Name of main market & distance	Joginder nagar & 5 km
5	Name of main cities & distance	<ul style="list-style-type: none"> <li>✧ Mandi - 55Km</li> <li>✧ Jogindernagar - 2 Km</li> <li>✧ Palampur - 42 Km</li> <li>✧ Baijnath - 25 Km</li> </ul>
6	Name of main cities where product will be sold/ marketed	<ul style="list-style-type: none"> <li>✧ Mandi</li> <li>✧ Jogindernagar</li> <li>✧ Palampur</li> <li>✧ Baijnath</li> </ul>

#### 5. Market Potential-

After learning the skill of cutting and tailoring, this Nav Shakti 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 face 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 - Jimjima
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 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
2	Method of product identification	Has been decided by group members
3	Consent of SHG/ CIG / 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	16 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	16	8000	128000
2	Interlock machine	1	8000	8000
3	Tailor scissor	16	500	8000
4	Tailoring ruler set	16	600	9600
5	Sewing tailor tape	16	100	1600
6	Iron press	8	1200	9600
7	Almirah	4	3000	12000
8	Hanger	8set	240	1920
9	Chairs	16	1500	24000
10	Cloth cutting table	2	4000	8000
<b>Total Capital Cost (A) = Rs 2,10,720</b>				

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Sewing threads	Reels	LS	LS	7000
2	Room rent	Month	1	1000	1000
3	Packaging material	Month	LS	LS	2500
4	Transportation	Month	LS	LS	1000
<b>Total Recurring Cost (B) = 11,500</b>					



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.

C. Cost of production ( Monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	11,500
2	10% depreciation annually on capital cost	21,072
<b>Total = 32,572</b>		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount
1	Simple suit	1	250-300
2	Other ( Plazo, lining etc)	1	350-400

### Cost Benefit Analysis ( Monthly)

Cost benefit analysis ( monthly)		
S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	21,072
2	Total Recurring Cost	11,500
3	Total Stitched Suit per month	480
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	1,44,000
6	Net profit ( Income generation - Recurring cost)	1,32,500
7	Distribution of net profit	<ul style="list-style-type: none"> <li>✓ Profit will be distributed equally among members monthly/yearly basis.</li> <li>✓ Profit will be used for further investment in IGA</li> </ul>

## 12. Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	2,10,720	158040	52680
2	Total Recurring Cost	11,500	0	11,500
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
<b>Total</b>		<b>2,72,220</b>	<b>2,08,040</b>	<b>64,180</b>

Note:

- i) Capital cost- 50% capital cost will be borne by the project and 50% by the SHG.
- ii) Recurring cost- to be borne by the SHG.
- iii) Training and capacity building/ skill up gradation to be borne by the project.

## 13. Sources of Fund -

Project support	<ul style="list-style-type: none"> <li>✧ 75% of capital cost will be provided by project if members belong to other than general category. If the members belong to general then 50% capital cost is will be borne by project.</li> <li>✧ Up to Rs 1 lakhs will be parked in the SHG bank account.</li> <li>✧ Training/capacity building/ skill up- gradation cost.</li> <li>✧ 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.</li> </ul>	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> <li>✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively.</li> <li>✧ Recurring cost to be borne by SHG.</li> </ul>	

#### **14. 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

#### **15. Computation of break-even point -**

$$\begin{aligned} &= \text{Capital Expenditure}/(\text{selling price (per suit)}-\text{cost of production (per suit)}) \\ &= 2,10,720/(300-100) \\ &= 1054 \end{aligned}$$

In this process break-even will be achieved after stitching 1054 suits.

#### **16. 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.

#### **17. 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

## 18. Remarks

Members belong to OBC category and they can contribute 25% and project has to bear remaining 75%.

## Group member's Individual photos



Sakina



Sunita



Mukesh Kumari



Nitu



Sapna Devi



Kaushalya Devi



Sheela Devi



Sumna



Bhumi Devi



Beena Devi



Ramdeyi



Sunita Devi



Lata Devi



Godha Devi



Meena Devi



Krishna Devi

## Group photo



Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Nav Shakti Mahila Mandal held on 01-07-2022 at Jimjima 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).

Sushma  
नव शक्ति महिला मण्डल  
गांव जिमजिमा डाक. दुल  
Signature Of Group President

Sushma  
नव शक्ति महिला मण्डल  
गांव जिमजिमा डाक. दुल  
Signature Of Group Secretary

Signature of President VFDS

Sharma  
नव शक्ति महिला मण्डल  
गांव जिमजिमा डाक. दुल  
Signature of President VFDS

Business Plan Approval by VFDS and DMU.

Nav Shakti Mahila Mandal 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). In this regard business Plan of Amount Rs. 9,72,220 has been submitted by the group on 01-07-2022 and the Business Plan has been approved by VFDS Jimjima.

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

Sakina  
प्रधान  
नव शक्ति महिला मण्डल  
गांव जिमजिमा डाक. दुल  
तह. जो. नगर जिला मण्डली (हि.प्र.)  
Signature Of group President

Thank You  
Sakina  
प्रधान  
नव शक्ति महिला मण्डल  
गांव जिमजिमा डाक. दुल  
तह. जो. नगर जिला मण्डली (हि.प्र.)  
Signature Of group secretary

Signature of President VFDS  
श्रीमती सतीश कौर  
मुख्य विकास अधिकारी  
श्रीमती सतीश कौर  
तह. जो. नगर, जिला मण्डली (हि.प्र.)

Approved

DMU cum DFO Joginder Nagar

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



