



Business Plan

On

Income Generation Activity

Cutting and tailoring

For

Self Help Group – Jai Durga Maa



SHG/CIG name	Jai Durga Maa
VFDS name	Sari
Range	Kamlah
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 for all age groups, household products such as table cover, curtains, bags 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 10 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 Jai Durga Maa SHG group has collectively decided of cutting and tailoring as their Income Generation Activity(IGA). Jai Durga Maa SHG was formed in the year 2015 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which falls under VFDS Sari. This SHG consists of 10 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	Jai Durga Maa
2.	VFDS	Sari
3.	Range	Kamlah
4.	Division	Joginder Nagar
5.	Village	Sari
6.	Block	Dharampur
7.	District	Mandi
8.	Total no. of members in SHG	10
9.	Date of formation	10-08-2015
10.	Bank a/c No.	33410103344
11.	Bank details	Himachal State Co-operative Bank Longani
12.	SHG/CIG monthly savings	1000 (100 per person)
13.	Total saving	87,000
14.	Total inter loaning	--
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

S.no.	Name	M/ F	Father/ Husband name	Category	Designation	Contact no.
1	Jimmy Thakur	F	Sunil Kumar	General	President	9805263755
2	Anjana Devi	F	Harish Gulerai	General	Secretary	8219932012
3	Kamla Devi	F	Surat Singh	General	Member	7807721724
4	Pushpa Devi	F	Ram Lal	General	Member	9418152674
5	Parveen Kumari	F	Ranjeet Guleria	General	Member	8627045453
6	Rajni	F	Rakesh Guleria	General	Member	8988434168
7	Nisha	F	Raj Kumar	General	Member	8628043285
8	Kanchna	F	Pawan Kumar	General	Member	9459882496
9	Pramila Devi	F	Achchar Singh	General	Member	9459882296
10	Sunita Devi	F	Ashok Guleria	General	Member	8091702137

4. Geographical details of the Village

1	Distance from the District HQ	110 Km
2	Distance from Main Road	2 Km
3	Name of local market & distance	Longani- 4 Km
4	Name of main market & distance	Dharampur -15 Km
5	Name of main cities & distance	Mandi 115 km Sarkaghat 25 Km Dharampur 15 Km Sandhol 15 Km
6	Name of main cities where product will be sold/ marketed	Sarkaghat, Dharampur, Sandhol, Awah Devi

5. Market Potential-

After learning the skill of cutting and tailoring, this Jai Durga Maa 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 - Sari
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 on 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 member 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	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	10	7000	70000
2	Interlock machine	1	5000	5000
3	Tailor scissor	10	500	5000
4	Tailoring ruler set	10	600	6000
5	Sewing tailor tape	10	50	500
6	Iron press	4	1200	4800
7	Almirah	2	LS	10000
8	Hanger	4 set	LS	800
9	Chairs, table	Approx	LS	3000
Total Capital Cost (A) =Rs 1,05,100				

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Sewing threads, button, zip, suit lining etc	Reels	LS	LS	4000
2	Room rent	Month	1	2000	2000
3	Packaging material	Month	LS	LS	2000
4	Other (Transportation, stationary, electricity bill, machine repair)	Month	LS	LS	3000
Total Recurring Cost (B) = 11,000					

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.

C. Cost of production (Monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	11,000
2	10% depreciation annually on capital cost	10,510
Total = 21,510		

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	10,510
2	Total Recurring Cost	11,000
3	Total Stitched Suit per month	300 (approx quantity)
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	90,000
6	Net profit (Income generation - Recurring cost)	79,000
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

12. Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,05,100	78,825	26,275
2	Total Recurring Cost	11,000	0	11,000
3	Training/capacity building/skill up-gradation.	60,000	60,000	0
Total		1,76,100	1,38,825	37,275

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"> ✧ 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. ✧ 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. 	

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 -

$$= 1,05,100/(250-180)$$
$$= 1,05,100/70$$

In this process break-even will be achieved after stitching 1501 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 belongs to low income group and they can contribute 25% and project has to bear remaining 75%.

19. Group member's Individual photos



Jimmy Thakur

Anjana devi

Rajni Devi

Parveen Kumari



Kamla devi

Pushpa devi

Pramila devi

Sunita Devi



Nisha devi

Kanchna Devi


20. Group photo:



21. Resolution-cum-Group-consensus Form:

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Jai Durga Maa held on 05-07-2022 at Sari 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).


प्रधान
जय दुर्गा माँ स्वयं सहायता समूह
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खण्ड धर्मपुर, जिला मण्डली

Signature Of group President


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Signature Of group secretary


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खण्ड धर्मपुर, जिला मण्डली

Signature of President VFDS

22. Business Plan Approval by VFDS and DMU:

Business Plan Approval by VFDS and DMU.

Jai Durga Maa 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. 1,76,100 has been submitted by the group on 05-07-2022 and the Business Plan has been approved by VFDS Sari.

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

Jimmy
ब्रह्म
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Signature Of group President

Jimmy Arjun
ब्रह्म
ग्राम संगी विकास समिति सरी
ग्राम पंचायत सरी, तह० धर्मपुर
जिला मण्डी (हि० प्र०)

Signature of President VFDS

Thank You.

Signature Of group secretary

Approved
[Signature]
DMU cum DFO Joginder Nagar
D.M.U.-Cum-
Divisional Forest Officer
Joginder Nagar

