



Business Plan

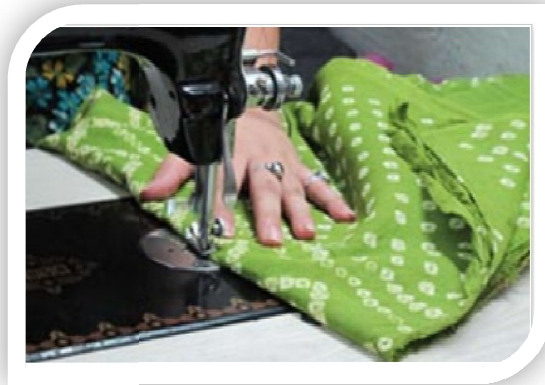
On

Income Generation Activity

Cutting and tailoring

For

Self Help Group – Simsa Mata



SHG/CIG name

Simsa Mata

VFDS name

Kolang

Range

Lad Bharol

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 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. 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 for the difficult times. A group of 9 women of different age groups already existing as a SHG came together to be a part of JICA project and decided to craft a business plan which can help them to take this IGA in a 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 Simsa Mata SHG group has collectively decided of cutting and tailoring as their Income Generation Activity (IGA). Simsa mata SHG was formed in the year 2014 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which falls under VFDS Kolang. 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. 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	Simsa Mata
2.	VFDS	Kolang
3.	Range	Lad Bharol
4.	Division	Joginder Nagar
5.	Village	Kolang
6.	Block	Chauntra
7.	District	Mandi
8.	Total no. of members in SHG	9
9.	Date of formation	03-07-2014
10.	Bank a/c No.	31510110591
11.	Bank details	HPSCB Lad Bharol
12.	SHG/CIG monthly savings	50 per member (450 total group)
13.	Total saving	6801
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	Milapa Devi	F	Achhar Singh	General	President	7018712371
2	Sunita Devi	F	Sant Ram	General	Secretary	8988622887
3	Rita Devi	F	Nek Chand	General	Member	8580706094
4	Rumla Devi	F	Subhash Chander	General	Member	8580694865
5	Himti Devi	F	Krishan Kumar	General	Member	7827968581
6	Meera Devi	F	Achhar Singh	General	Member	9625555230
7	Bindra Devi	F	Tek Chand	General	Member	7018636670
8	Kushma Devi	F	Sanjay Kumar	General	Member	8219412085
9	Seema Devi	F	Vicky Kumar	General	Member	8580694865

4. Geographical details of the Village

1	Distance from the District HQ	Mandi 90 Km
2	Distance from Main Road	Lad Bharol 8 km
3	Name of local market & distance	Lad Bharol 8 km
4	Name of main market & distance	Bajjnath 20 Km
5	Name of main cities & distance	<ul style="list-style-type: none"> ✧ Mandi – 90 Km ✧ Jogindernagar – 34Km ✧ Palampur -40 Km ✧ Bajjnath – 20 Km
6	Name of main cities where product will be sold/ marketed	<ul style="list-style-type: none"> ✧ Mandi ✧ Jogindernagar ✧ Palampur ✧ Bajjnath

5. Market Potential-

After learning the skill of cutting and tailoring, this Simsa Mata 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 - Kolang
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 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 member contributes towards strengthening the IGA and resulting in 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 others will be in 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	7000	63000
2	Interlock machine	1	6500	6500
3	Tailor scissor	9	500	4500
4	Tailoring ruler set	9	600	5400
5	Sewing tailor tape	9	100	900
6	Iron press	4	1200	4800
7	Aluminium racks	3	3000	9000
8	Hanger	5 set	240	1200
9	Chairs	9	800	6300
10	Counter/cloth cutting table	1	3500	3500
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, Marker etc	Reels	LS	LS	3,000
2	Room rent	Month	1	2,000	2,000
3	Packaging material	Month	LS	LS	2,000
4	Other (Transportation, stationary, electricity bill, machine repair)	Month	LS	LS	4,000
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.

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 (300×300)	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 SC/ST/Poor women. If the members belong to general then 50% capital cost is will be borne by project. ✧ Up to Rs 1 lakh 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 :

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

= 1,05,100/(300-180)

= 1,05,100/120

In this process, break-even will be achieved after stitching 876 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

All the members are females and belong to low income group and they can contribute 25% and project has to bear remaining 75%.

19. Individual photos



Milapa devi



Sunita Devi



Reeta Devi



Himati Devi



Rumla Devi



Meera Devi



Kushma Devi



Bhindra Devi



Seema Devi

20. Group photograph



Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Simsa Mata held on 16-09-2022 at Kolang 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 Milapa Devi सचिव सुनीता देवी
Signature of Group President
पञ्च मण्डल संस्कार डब कोला तहल जोग नगर
जिला मण्डली (हि.प्र.)

प्रधान Milapa Devi सचिव सुनीता देवी
Signature of Group Secretary
पञ्च मण्डल संस्कार डब कोला तहल जोग नगर
जिला मण्डली (हि.प्र.)

President
Village Forest Officer
Signature of President VFDS
P.O. Kolang, Teh. Joginder Nagar
Distt. Mandi (H.P.)


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

Business Plan Approval by VFDS and DMU.

Simsa Mata 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 16-09-2022 and the Business Plan has been approved by VFDS Kolang.

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

Thank You.

प्रधान Milapa Devi सचिव सुनीता देवी
Signature Of group President
सिमसा माता स्वयं सहायता समूह
गांव फरगाई सहस्रगं डा० कोलांग, तह० जो० नगर
जिला मण्डी (हि०प्र०)

President
Village Forest Development Society
Signature of President VFDS
P.O. Kolang, Teh. Joginder Nagar
Distt. Mandi (H.P.)

प्रधान Milapa Devi सचिव सुनीता देवी
Signature Of group secretary
सिमसा माता स्वयं सहायता समूह
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जिला मण्डी (हि०प्र०)

Approved


DMU cum DEO Joginder Nagar
Divisional Forest Officer
Joginder Nagar

