

Business Plan
On
Income Generation Activity
– Cutting and tailoring
For
Self Help Group –Shivay



SHG/CIG name	Shivay
VFDS name	Triambika Devi
Range	Daroh
Division	Palampur

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 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 Shivay SHG group has collectively decided of cutting and tailoring as their Income Generation Activity(IGA). Shivay SHG was formed in the year 2020 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Triambika Devi. 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 here under:

2. Description of SHG/CIG

1.	SHG/CIG Name	Shivay
2.	VFDS	Triambika Devi
3.	Range	Daroh
4.	Division	Palampur
5.	Village	Fasta
6.	Block	Bhedu Mahadev
7.	District	Kangra
8.	Total no. of members in SHG	10
9.	Date of formation	25-09-2020
10.	Bank a/c No.	154100010208955
11.	Bank details	PNB Daroh
12.	SHG/CIG monthly savings	Rs.100 per member (Rs. 1000)
13.	Total saving	13579
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	Saroj Kumari	F	Parveen Kumar	General	President	98161-96426
2	Kanchana Devi	F	Narotam Chand	OBC	Secretary	82619-05758
3	Kamla Devi	F	Mast Ram	OBC	Member	98167-21813
4	Kanta Devi	F	Hem raj	OBC	Member	85804-83367
5	Anita Devi	F	Parveen Kumar	OBC	Member	85808-80170
6	Rajani Devi	F	Bhadur Singh	General	Member	98167-31847
7	Sunita Devi	F	Desh raj	OBC	Member	78078-39340
8	Raksha Devi	F	Kuldeep Chand	OBC	Member	88940-71027
9	Lata Devi	F	Rajinder Singh	OBC	Member	98054-97392
10	Bashu Prabha	F	Surinder Kumar	OBC	Member	98165-33561

4. Geographical details of the Village

1	Distance from the district HQ	85 Km
2	Distance from Main Road	1 Km
3	Name of local market & distance	5 Km
4	Name of main market & distance	Thural , Bhawarna 10 Km
5	Name of main cities & distance	Palampur 21 Km
6	Name of main cities where product will be sold/ marketed	Palampur

5. Market Potential-

After learning the skill of cutting and tailoring, this Shivay 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	Bhawarna, Daroh & Palampur
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	10 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	8000	80000
2	Interlock machine	1	8000	8000
3	Tailor scissor	10	500	5000
4	Tailoring ruler set	10	600	6000
5	Sewing tailor tape	10	100	1000
6	Iron press	3	1200	3600
7	Aluminium racks	3	3000	9000
8	Hanger (sets)	5	240	1200
9	Chairs	10	1500	15000
10	Counter/cloth cutting table	2	4000	8000
Total Capital Cost (A) =				136800

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	1000	1,000
3	Packaging material	Month	LS	LS	1,500
4	Other (Transportation, stationary, electricity bill, machine repair)	Month	LS	LS	1,000
Total Recurring Cost (B)					6,500

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	6,500
2	10% depreciation annually on capital cost	13680
Total = 18,686		

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	13680
2	Total Recurring Cost	6,500
3	Total Stitched Suit per month (approx quantity)	220
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	66,000
6	Net profit	59,500
7	Distribution of net profit	<p>✓ Profit will be distributed equally among members monthly/yearly basis.</p> <p>✓ Profit will be used for further investment in IGA</p>

12.Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	136800	102600	34200
2	Total Recurring Cost	6,500	0	6,500
3	Training/capacity building/skill up-gradation.	50000	50000	0
Total		193,300	152,600	40,700

Note:

i) Capital cost- 75% capital cost will be borne by the project and 25% 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.✧ 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))

= 136800/ (300-100)

= 684

In this process break-even will be achieved after stitching 684 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 belongs to low income group and they can contribute 25% and project has to bear remaining 75%.

19. Individual photos



Saroj Kumari



Kanchna Devi



Kamla Devi



Kanta Devi



Anita Devi



Rajni Devi



Sunita Devi



Raksha Devi



Lata Devi



Bashu Prabha

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 Shivay held on 20.12.22 at GPOfficeDev that our group will undertake the Cutting and Tailoring as Livelihood Income Generation Activity under the Project for implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Saroj Kumari
Signature Of group President
शिवाय स्वयं सहायता समूह
गांव फास्टा डा. मरुहूँ (तह. पालमपुर)

Kanchon
Signature Of group secretary साचिव
शिवाय स्वयं सहायता समूह
गांव फास्टा डा. मरुहूँ (तह. पालमपुर)

QMS
Signature of President VFDS
प्रम पंचायत देवी
तहसील धीरा
जिला काँगड़ा हि. प्र.

22. Business approval by VFDS and DMU

Business Plan Approval by VFDS and DMU.

Shivay 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. 193300 has been submitted by the group on 27.12.22 and the Business Plan has been approved by VFDS Triambika Devi

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

Thank You.

Saroj Kumari

Signature Of group President

शिवाय स्वयं सहायता समूह
गाँव पोस्टा-डा. मकहूँ (तह. पालम्पुर)

Kanchonee

Signature Of group secretary

शिवाय स्वयं सहायता
गाँव पोस्टा डा. मकहूँ (तह. पालम्पुर)

Triambika Devi
Signature of President VFDS

समूह वन अधिकार समिति त्र्याम्बिका देवी
ग्राम पंचायत देवी
सहस्रील धीरा
जिला कांगड़ा हि. प्र.

Approved

8
DMU Palampur
Palampur (H.P.)

