

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



|              |                 |
|--------------|-----------------|
| SHG/CIG name | Vaishnavi       |
| VFDS name    | Chopati Mahadev |
| 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 Vaishnavi SHG group has collectively decided of cutting and tailoring as their Income Generation Activity(IGA).Vaishnavi SHG was formed in the year 2021 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Chopati Mahadev. 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                | Vaishnavi                  |
| 2.  | VFDS                        | Chopati Mahadev            |
| 3.  | Range                       | Daroh                      |
| 4.  | Division                    | Palampur                   |
| 5.  | Village                     | Sai                        |
| 6.  | Block                       | Bhedu Mahadev              |
| 7.  | District                    | Kangra                     |
| 8.  | Total no. of members in SHG | 10                         |
| 9.  | Date of formation           | 10-11-2021                 |
| 10. | Bank a/c No.                | 50073949280                |
| 11. | Bank details                | KCC Daroh                  |
| 12. | SHG/CIG monthly savings     | Rs.50 per member (Rs. 500) |
| 13. | Total saving                | 2153                       |
| 14. | Total inter loaning         | -                          |
| 15. | Cash Credit Limit           | -                          |
| 16. | Repayment status            | -                          |

### 3. Beneficiaries Detail

| S.no. | Name             | M/<br>F | Father/<br>Husband name | Category | Designation | Contact no. |
|-------|------------------|---------|-------------------------|----------|-------------|-------------|
| 1     | Deepika<br>Bala  | F       | Rajeev Kumar            | SC       | President   | 8679423602  |
| 2     | Neha Devi        | F       | Gurdeep singh           | SC       | Secretary   | 6530575316  |
| 3     | Pooja<br>Devi    | F       | Anil Kumar              | SC       | Member      | 9816933314  |
| 4     | Kamla<br>Devi    | F       | Jagat Ram               | SC       | Member      | 8894015617  |
| 5     | Rekha<br>Devi    | F       | Jyoti Parkash           | SC       | Member      | 8894672747  |
| 6     | Sunita<br>Devi   | F       | Gyan Chand              | SC       | Member      | 8894430452  |
| 7     | Gaytri<br>Devi   | F       | Late Nathu Ram          | SC       | Member      | 8894327229  |
| 8     | Sunita<br>Kumari | F       | Sanjeev Kumar           | SC       | Member      | 6230061946  |
| 9     | Nimbo<br>Devi    | F       | Late Lekhani<br>Ram     | SC       | Member      | 8679618243  |
| 10    | Sarla Devi       | F       | Ramesh Kumar            | SC       | Member      | 9816221494  |

### 4. Geographical details of the Village

|   |  |                                   |
|---|--|-----------------------------------|
| 1 | Distance from the district HQ                            | Kangra - 57 Km                    |
| 2 | Distance from Main Road                                  | 8 Km                              |
| 3 | Name of local market & distance                          | Bhawarna & 16 Km<br>Daroh & 10 Km |
| 4 | Name of main market & distance                           | Bhawarna & 16 Km                  |
| 5 | Name of main cities & distance                           | Palampur - 28 Km                  |
| 6 | Name of main cities where product will be sold/ marketed | Palampur - 28 Km                  |

## 5. Market Potential-

After learning the skill of cutting and tailoring, this Vaishnavi 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   | 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          |
| <b>Total Capital Cost (A) =</b> |                             |          |            | <b>136800</b> |

| 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             |
| <b>Total Recurring Cost (B)</b> |   |       |          |            | <b>6,500</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                      | 6,500  |
| 2                                | 10% depreciation annually on capital cost | 13680  |
| <b>Total = 18,686</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        | 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"><li>✧ 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.</li><li>✧ Up to Rs 1 lakh 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 -**

= 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%.

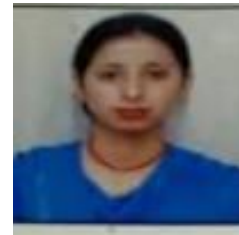
**19. Individual photos**



Deepika Bala



Neha Devi



Pooja Devi



Kamla Devi



Rekha Devi



Sunita Devi



Gaytri Devi



Sunita Devi



Nimbo Devi



Sarla Devi


20. Group photo

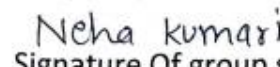


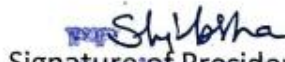
## 21. Resolution-cum Group consensus form

### Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Vaishnavi held on 19.12.2022 at Bhoda 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  
Signature of Group President  
ग्राम पंचायत भोडा, गाव साई  
डि.डि. सुलह मेडू म्हादेव (कागडा) हि.प्र

  
Neha Kumari  
Signature Of group secretary  
प्रधान  
वैष्णवी स्वयं सहायता समूह  
ग्राम पंचायत भोडा, गाव साई  
डि.डि. सुलह मेडू म्हादेव (कागडा) हि.प्र

  
Signature of President VFDS  
ग्राम पंचायत भोडा, गाव साई  
डि.डि. सुलह मेडू म्हादेव (कागडा) हि.प्र



## 22. Business approval by VFDS and DMU

Business Plan Approval by VFDS and DMU.

Vaishnavi 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 19.12.2022 and the Business Plan has been approved by VFDS Chopati Mahadev (Bhodar)

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

Thank You.



Signature Of group President

बेष्णवी स्वयं सहायता समूह  
ग्राम पंचायत भौडा, गाव साई  
डि.स. सुलह मेडू महादेव (कागडा) हि.प्र

Shilpa


Signature of President VFDS

ग्राम पंचायत भौडा, गाव साई  
तहसील पालम्पुर  
जिला कागडा हि. प्र.

Neha kumari  
Signature Of group secretary

बेष्णवी स्वयं सहायता समूह  
ग्राम पंचायत भौडा, गाव साई  
डि.स. सुलह मेडू महादेव (कागडा) हि.प्र

Approved

  
DMU, G.M. DFO, Palampur  
Palampur (H.P.)

