



Business Plan
On
Income Generation Activity
Cutting and tailoring
For
Self Help Group – Jai Chal Mata



SHG/CIG name	Jai Chal Mata
VFDS name	Chol Kuferbag
Range	Kotkhai
Division	Theog

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, bags, bedsheets 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 Chal MataSHG group has collectively decided of cutting and tailoring as their Income Generation Activity (IGA). Jai Chal MataSHG 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 Chol Kuferbag. 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 Chal Mata
2.	VFDS	Chol Kuferbag
3.	Range	Kotkhai
4.	Division	Theog
5.	Village	Chol Kuferbag
6.	Block	Kalala
7.	District	Shimla
8.	Total no. of members in SHG	09
9.	Date of formation	02/06/2021
10.	Bank a/c No.	44910104538
11.	Bank details	H.P. State Co-operative Bank
12.	SHG/CIG monthly savings	Rs 100 per member
13.	Total saving	Rs. 16738/-
14.	Total inter loaning	--
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

S.n o.	Name	M / F	Father/ Husband Name	Category	Designation	Age	Qualification
1	Urmila Beakta	F	PinkuBeakta	General	President	45	10 th
2	Samiksha Beakta	F	Sunil Beakta	General	Secretary	36	12 th
3	RamishreeBeakta	F	Satya Prakash Beakta	General	Member	53	8 th
4	Asha Beakta	F	SumeshwarBeakta	General	Member	43	10 th
5	Priya Beakta	F	Rajesh Beakta	General	Member	35	12 th
6	PayalBeakta	F	TanupBeakta	General	Member	29	MA
7	Anjali Beakta	F	Nishant Beakta	General	Member	28	Graduate
8	Rekha Beakta	F	Money Beakta	General	Member	36	Graduate
9	AbhishitaBeakta	F	Pawan Beakta	General	Member	28	MA

4. Geographical details of the Village

1	Distance from the District HQ	80 Km
2	Distance from Main Road	5 Km
3	Name of local market & distance	Khaneti (5Km)
4	Name of main market & distance	Kotkhai (25 km)
5	Name of main cities & distance	Kotkhai (25 km)
6	Name of main cities where product will be sold/ marketed	Theog, Shimla

5. Market Potential-

After learning the skill of cutting and tailoring, this Jai Chal 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	Khaneti, Kotkhai, Theog, Shimla
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(dresses) 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, Bags, Bedsheets, etc
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	8000	80000
2	Interlock machine	2	8000	16000
3	Tailor scissor	10	500	5000
4	Tailoring ruler set	10	600	6000
5	Sewing tailor tape	10	100	1000
6	Iron press	5	1200	6000
7	Almirah	2	5000	10000
8	Hanger	4 set	300	1200
9	Chairs	10	1500	15000
10.	Cloth cutting table	2	4000	8000
Total Capital Cost (A) =Rs 1,48,200				

B. Recurring Cost

S. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Sewing threads, button, zip, suit lining etc	Reels	LS	LS	5000
2	Room rent	Month	1	1000	1000
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	11000
2	10% depreciation annually on capital cost	14820
Total = 25,820		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount
1	Simple suit	1	300-350
2	Other (Plazo, lining etc)	1	450-500

12. Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	14,820
2	Total Recurring Cost	11,000
3	Total Stitched Suit per month	100(approx quantity)
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	30,000
6	Net profit(Income generation - Recurring cost)	19,000
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

Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,48,200	1,11,150	37,050
2	Total Recurring Cost	11,000	0	11,000
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
Total		2,09,200	1,61,150	48,050

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. 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. 	

	<ul style="list-style-type: none"> ✧ 25% of capital cost to be borne by project if the group is women group. ✧ Recurring cost to be borne by SHG. 	
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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))

$$= 1,48,200 / (300 - 100)$$

$$= 741$$

In this process break-even will be achieved after stitching 741 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:





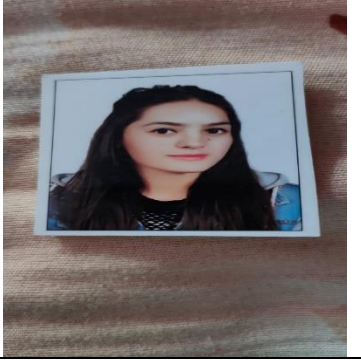
- ❖ Size of the group
- ❖ Fund management
- ❖ Investment
- ❖ Income generation
- ❖ Quality of product




18. Remarks

Members belong to low income group and they can contribute 25% and project has to bear remaining 75%.

Group member's Individual photos

Sr. No.	Group Members Name	Photos
1.	Urmila Beakta	

2.	Kamlesh Beakta	
3.	Rameshwari Beakta	
4.	Asha Beakta	
5.	Priyanka Beakta	
6.	Payal Beakta	

7.	Anjali Beakta	
8.	Rekha Beakta	
9.	Abhishita Beakta	

Prepared by: SHG members in consultation with DMU Theog, FTU Kotkhai Forest Range and JICA staff.

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group, Jai Chal Mata..... as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

Sr.No.	Name (Phone number)	Father/Husb and Name	Age	Education	Category	Income Source	Sign. Address
1	Urmila	Pinku	46	10 th	gen.	Agriculture	Urmila
2	Samiksha	Sunil	36	12 th	gen.	"	Samiksha
3	Angali	Nishant	28	B.A	gen.	"	Angali
4	Biya	Rajesh	35	12 th	gen.	"	Biya
5	Asha	Sudeshwar	43	10 th	gen.	"	Asha
6	रमेशवरी	रमेश वरी	53	8 th	gen.	"	रमेशवरी
7	Rekha	Mony	36	M.A.	gen.	"	Rekha
8	Jaya	Jayap	29	M.A.	gen.	"	Jaya
9	Abhishta	Lawan.	28	M.A.	gen.	"	Abhishta
10							
11							
12							

Business Plan Approval by VFDS

Jai Chal Mata Group will undertake the Cutting and kilnong

As Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted) In this regard Business Plan of amount Rs. has been submitted by this group on Dated 23.12.2022 and the Business Plan has been approved by VFDS Chol-Kufsbay

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank You

जय चाल माता (JICA)
स्वयं सहाय समूह (जिला-कुफरबाग)
ग्राम Urnida
ब्लॉक कोटखाई, जिला शिमला (हि.प्र.)
Signature of Group President

जय चाल माता (JICA)
स्वयं सहाय समूह (जिला-कुफरबाग)
ग्राम Urnida
ब्लॉक कोटखाई, जिला शिमला (हि.प्र.)
Signature of Group Secretary

Resolution-cum -Group-Consensus Form

It is decided in the General House Meeting of the group ... Jai Chal Mata

Held on 23/12/2022 at ... Chalthat our group will undertake
the Cutting & Skimming as Livelihood Income Generation Activity under the Project for
Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods
(JICA Assisted)

जय चाल माता (JICA)
स्थल सहायता समूह (चोल-कुफरवाग)
ग्राम पंचायत Usmala
मार्ग, मोरखंड, जिला शिमला (हि.प्र.)
Signature of Group President

जय चाल माता (JICA)
स्थल सहायता समूह (चोल-कुफरवाग)
ग्राम पंचायत Usmala
मार्ग, मोरखंड, जिला शिमला (हि.प्र.)
Signature of Group Secretary

<p>1. Sanjay..... VFDS</p> <p>President</p> <p><i>[Signature]</i></p> <p>President..... VFDS Chh. Khatola</p>	<p>2. Urmila..... SHG</p> <p>President</p> <p><i>[Signature]</i></p> <p>President..... SHG</p>
<p>3. Sunil..... VFDS</p> <p>Secretary</p> <p><i>[Signature]</i></p>	<p>4. Samiksha..... SHG</p> <p>Secretary</p> <p><i>[Signature]</i></p>

Submitted to DMU through FTU

[Signature]
Name and Signature of FTU officer
RANJEET KANWAR

<p>जि.स. घात (JICA)</p> <p>Signature of Secretary</p>	<p>जि.स. घात (JICA)</p> <p>Signature of SHG President</p>
<p>Signature of VFDS Secretary</p>	<p>Signature of VFDS President</p>
<p>Signature of Forest Guard</p>	<p>Signature of Block Officer</p>
<p>Signature of RFO</p>	

Approved by DMU