



## **Business Plan**

On

### **Income Generation Activity**

### **Cutting and tailoring**

For

### **Self Help Group – Koteshwari Maa**



SHG/CIG name

Koteshwari Maa

VFDS name

Dhar/ Khashdhar

Range

Theog

Division

Theog

**Prepared Under-**

**Project for Improvement of Himachal Pradesh Forest Ecosystems  
Management & Livelihoods (JICA Assisted)**

## TABLE OF CONTENTS

S.no	Particulars	Page No.
1.	Introduction	3
2.	Description of SHG/CIG	4
3.	Beneficiaries Detail	5
4.	Geographical details of the Village	6
5.	Market Potential	6
6.	Executive Summary	7
7.	Description of product related to income generating Activity	7
8.	Description of Production Process	7
9.	Risk analysis	7
10.	Description of management among members	7
11.	Description of Economics	8
12.	Cost benefit analysis	9
13.	Fund flow arrangement in SHG	10
14.	Sources of fund	10
15.	Training/capacity building/ skill up-gradation	11
16.	Computation of break-even point	11
17.	Bank Loan Repayment	11
18.	Monitoring Method	12
19.	Remarks	12

### **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 11 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 Koteshwari MaaSHG group has collectively decided of cutting and tailoring as their Income Generation Activity (IGA). Koteshwari Maa SHG was formed in the year 2022 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Dhar/ Khashdhar. This SHG consists of 11 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	Koteshwari Maa
2.	VFDS	Dhar/ Khashdhar
3.	Range	Theog
4.	Division	Theog
5.	Village	Dhar/ Khashdhar
6.	Block	Matiyana
7.	District	Shimla
8.	Total no. of members in SHG	11
9.	Date of formation	06/07/2022
10.	Bank a/c No.	2125000100053526
11.	Bank details	PNB Mahori
12.	SHG/CIG monthly savings	(100 per person)
13.	Total saving	Rs. 6600/-
14.	Total inter loaning	--
15.	Cash Credit Limit	-
16.	Repayment status	-

### 3. Beneficiaries Detail

S.no.	Name	M/ F	Father/ Husband Name	Category	Designation	Age	Qualification
1	Priyanka	F	Kapil	General	President	33	12 <sup>th</sup>
2	Shakuntla	F	Jagdeesh	General	Secretary	41	8 <sup>th</sup>
3	Beena	F	Subhash	General	Member	39	12 <sup>th</sup>
4	Reena	F	Sunder	General	Member	42	8 <sup>th</sup>
5	Ranju	F	Naresh	General	Member	38	8 <sup>th</sup>
6	Anita	F	Suresh	General	Member	43	5 <sup>th</sup>
7	Ankita	F	Ankush	General	Member	29	12 <sup>th</sup>
8	Roshni	F	Bhag Chand	General	Member	40	5 <sup>th</sup>
9	Kanta	F	Ram Krishan	General	Member	52	5 <sup>th</sup>
10	Nisha	F	Hem chand	General	Member	40	8 <sup>th</sup>
11	Kamla	F	Het Ram	General	Member	50	----

#### 4. Geographical details of the Village

1	Distance from the District HQ	80 Km
2	Distance from Main Road	Km
3	Name of local market & distance	Chaila(Km)
4	Name of main market & distance	Theog(
5	Name of main cities & distance	Theog and Shimla
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 Koteshwari 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	Chhaila, 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.
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## 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 -

<b>A. Capital Cost</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Amount (Rs)</b>
1	Sewing Machine	11	8000	88000
2	Interlock machine	3	8000	24000
3	Tailor scissor	11	500	5500
4	Tailoring ruler set	11	600	6600
5	Sewing tailor tape	11	100	1100
6	Iron press	5	1200	6000
7	Almirah	2	5000	10000
8	Hanger	4 set	300	1200
9	Chairs	11	1500	16500
10.	Cloth cutting table	3	4000	12000
<b>Total Capital Cost (A) =Rs 1,70,900</b>				

<b>B. Recurring Cost</b>					
<b>S. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Amount (Rs)</b>
1	Sewing threads, button, zip, suit lining etc	Reels	LS	LS	5000
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
<b>Total Recurring Cost (B) = 12,000</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.

Every women will work 4-5 hours daily.

<b>C. Cost of production( Monthly)</b>		
S. No.	Particulars	Amount
1	Total recurring cost	12000
2	10% depreciation annually on capital cost	17090
<b>Total = 29,090</b>		

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

## 12. Cost Benefit Analysis ( Monthly)

<b>Cost benefit analysis ( monthly)</b>		
S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	17,090
2	Total Recurring Cost	12,000
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"> <li>✓ Profit will be distributed equally among members monthly/yearly basis.</li> <li>✓ Profit will be used for further investment in IGA</li> </ul>

13.

### Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,70,900	1,28,175	42,725
2	Total Recurring Cost	12,000	0	12,000
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
<b>Total</b>		<b>2,32,900</b>	<b>1,78,175</b>	<b>54,725</b>

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.

### 14. 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. Up to Rs 1 lakhs 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</li> </ul>	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
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	DMU and this facility will be only for three years. SHG have to pay the installments of the Principal amount on regular basis.	
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>✧ 25% of capital cost to be borne by project if the group is women group.</li> <li>✧ Recurring cost to be borne by SHG.</li> </ul>	

### 15. 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

### 16. Computation of break-even point -

$$\begin{aligned}
 &= \text{Capital Expenditure}/(\text{selling price (per suit)}-\text{cost of production (per suit)}) \\
 &= 1,70,900 / (300-100) \\
 &= 855
 \end{aligned}$$

In this process break-even will be achieved after stitching 855 suits.

### 17. 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.

## 18. 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:

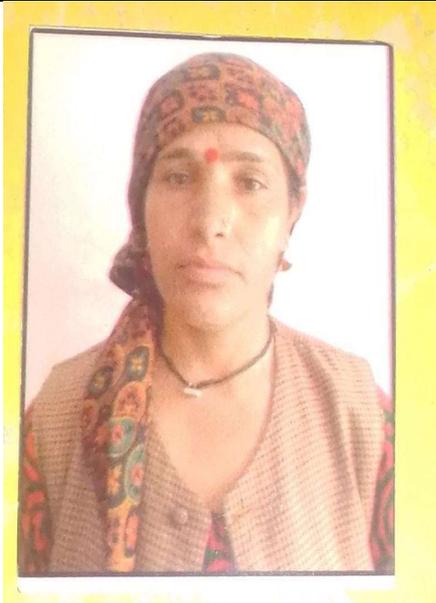
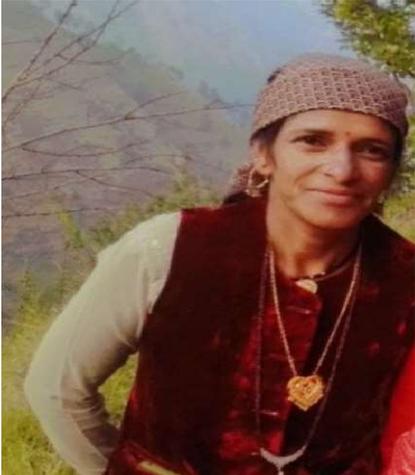
- ❖ Size of the group
- ❖ Fund management
- ❖ Investment
- ❖ Income generation
- ❖ Quality of product

## 19. Remarks

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

### Group member's Individual photos

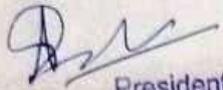
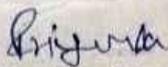
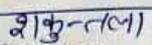
Sr. No.	Group Members Name	Photos
1.	Priyanka	
2.	Ranju	

3.	Nisha	
4.	Shankuntla	
5.	Ankita	
6.	Kanta	

7.	Roshni	
8.	Kamla	
9.	Runa	
10.	Beena	

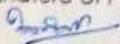
11.	Anita	 A portrait of a woman, Anita, wearing a pink and blue patterned sari and a pink headscarf. She is looking directly at the camera with a neutral expression. The background is a plain, light-colored wall.
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**Prepared by:** SHG members in consultation with DMU Theog, FTU Theog Forest Range and JICA staff.

<p>1 Ankur Thakur VFDS</p>  <p>President.....</p> <p>President VFDS Dhar</p>	<p>2. Parvanta.....SHG</p>  <p>President</p> <p>प्रधान कोटेश्वरी मां स्वयं सहाय घार(खराघार)ग्राम पं. क... तह. ठियांग,जिला शिमला(हि.प्र.)</p>
<p>3. Sachin.....VFDS</p>  <p>Secretary Member Secretary.....</p> <p>VFDS Dhar</p>	<p>4. Shakuntla.....SHG</p>  <p>Secretary</p> <p>प्रधान सचिव कोटेश्वरी मां स्वयं सहायत. घार(खराघार)ग्राम पं. क... तह. ठियांग,जिला शिमला(हि.प्र.)</p>

Submitted to DMU through FTU

Name and Signature of FTU officer



Yoginder Singh  
Range Forest Officer  
Theog Forest Range  
Theog

**Resolution-cum -Group-Consensus Form**

It is decided in the General House Meeting of the group ...*Koteshwari, Man...*

Held on *19/11/2022*.....at .....*Dabana*.....that our group will undertake the  
*Outgoing Tasking*.....as Livelihood Income Generation Activity under the Project for  
Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods  
(JICA Assisted)

*Priganka*

Signature of Group President

प्रधान सचिव  
कोटरवरी मां स्वयं सहायता समूह  
धार(खराधार)ग्राम पं. कलीन्ड  
तह. ठियांग,जिला शिमला(हि.प्र.)

*शकुल*

Signature of Group Secretary

प्रधान सचिव  
कोटरवरी मां स्वयं सहायता समूह  
धार(खराधार)ग्राम पं. कलीन्ड  
तह. ठियांग,जिला शिमला(हि.प्र.)

**Business Plan Approval by VFDS**

Koteswari Group will undertake the Cutting & Tailoring.....

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. 2,22,900/- has been submitted by this group on Dated 19/12/2021 and the Business Plan has been approved by VFDS Dhanraj Chahal.

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

Thank You

[Signature]  
Signature of Group President  
प्रधान  
कोटेश्वरी मां स्वयं सहायता समूह  
धार (खराधार) ग्राम प. कलौन्ड  
सह. तियांग, जिला शिमला (हि.प्र.)

[Signature]  
Signature of Group Secretary  
प्रधान  
कोटेश्वरी मां स्वयं सहायता समूह  
धार (खराधार) ग्राम प. कलौन्ड  
सह. तियांग, जिला शिमला (हि.प्र.)



<p>21/07/2014</p> <p>प्रधान कोटेश्वरी मा स्वयं सहायता समूह धार(खराघार)ग्राम पं. कलीन्ड तह. डियांग, जिला शिमला (हि.प्र.)</p> <p>Signature of Secretary</p>	<p>Signature of SHG President</p> <p>प्रधान सचिव कोटेश्वरी मा स्वयं सहायता समूह धार(खराघार)ग्राम पं. कलीन्ड तह. डियांग, जिला शिमला (हि.प्र.)</p>
<p>Signature of VFDs Secretary</p> <p>VFDs Dhar</p>	<p>Signature of VFDs Dhar President</p>
<p>Signature of Forest Guard</p>	<p>Signature of Block Officer</p> <p>Treasurer..... VFDs Dhar</p>
<p>Signature of Range Forest Officer</p> <p>Range Forest Officer Theog Forest Range Theog</p>	

  
 Divisional Management Officer  
 Theog, Forest Division, Theog  
 Approved by DMU