



**Business Plan**  
**On**  
**Income Generation Activity**  
**– Cutting and tailoring**  
**For**  
**Self Help Group -Durga Mata**



SHG/CIG name	Durga Mata
VFDS name	Garli
Range	Kamlah
Division	Joginder Nagar

**Prepared Under-**

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

## **TABLES OF CONTENTS**

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

## **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 14 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 Durga Mata SHG group has collectively decided of cutting and tailoring as their Income Generation Activity(IGA). Durga Mata SHG was formed on 10-10-2018 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Garli. This SHG consists of 14 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	Durga Mata
2.	VFDS	Garli
3.	Range	kamlah
4.	Division	Joginder Nagar
5.	Village	Garli
6.	Block	Dharampur
7.	District	Mandi
8.	Total no. of members in SHG	14
9.	Date of formation	10-10-2018
10.	Bank a/c No.	33610106036
11.	Bank details	Himachal State Co-oprative Bank Sajao Pipplu
12.	SHG/CIG monthly savings	1500( 100 per person)
13.	Total saving	60000
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

## 3. Beneficiaries Detail

S.no	Name	M /F	Father/ Husband name	Age	Category	Designation	Contact no.
1	Sarla Devi	F	Basant Singh	59	General	President	9816559895
2	Sheela Devi	F	Bhag singh	47	SC	Secretary	8894832450
3	Reema Devi	F	Arun Guleria	28	General	Member	6230741610
4	Krishni Devi	F	Suresh Kumar	47	General	Member	9459871637
5	Swati Devi	F	Amit Kumar	23	General	Member	8091197644
6	Sanju Devi	F	Sunil Kumar	37	General	Member	7018903824
7	Meera Devi	F	Sohan Singh	58	SC	Member	9805310852

8	Jyoti	F	Satish	24	Sc	Member	9736677180
9	Reenu Kumari	F	Pankaj Kumar	31	General	Member	7018888051
10	Mamta Devi	F	Rimpu	26	SC	Member	8629823852
11	Babli Devi	F	Pratap Singh	41	SC	Member	8629812718
12	Sunita Devi	F	Vaneet Kumar	42	General	Member	8219093968
13	Varsha Devi	F	Sunil Kumar	30	SC	Member	8091745476
14	Kiran mala	F	Sushil Kumar	50	General	Member	8908601474

#### 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	Dharampur Sarkaghat Mandi 10,25,85
5	Name of main cities & distance	Dharampur Sarkaghat Mandi 10,25,85
6	Name of main cities where product will be sold/ marketed	Palampur

#### 5. Market Potential-

After learning the skill of cutting and tailoring, this. Durga 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 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 near by 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-

1. Skill based. ☐
2. Demand driven. ☐
3. 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	13	8500	110500
2	Interlock machine	1	7000	7000
3	Tailor scissor	14	500	7000
4	Tailoring ruler set	14	600	8400
5	Sewing tailor tape	14	100	1400
6	Iron press	4	1500	6000
7	Aluminium racks	2	5000	10000
8	Hanger ( sets)	7	240	1680
9	Chairs	14	800	11200
10	Counter/cloth cutting table	2	4000	8000
Total Capital Cost (A) =				171180

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 (10% of 171180) /12= 706	706
Total = 7206		

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	706
2	Total Recurring Cost	6,500
3	Total Stitched Suit per month ( approx quantity)	310
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	93,000
6	Net profit	85,794
7	Distribution of net profit	I. Profit will be distributed equally among members monthly/yearly basis. ü Some amount of 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	171180	128385	42795
2	Total Recurring Cost	6,500	0	6,500
3	Training/capacity building/skill up-gradation.	100000	100000	0
<b>Total</b>		<b>2,77,680</b>	<b>2,28,385</b>	<b>49,295</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.

### 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/equipm ent 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))

= 171180/ (300-100)

= 856

In this process break-even will be achieved after stitching 856 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.Group Member Individual Photos:**



**Sanju Devi**



**Sarla Devi**



**Krishani Devi**



**Sunita Devi**



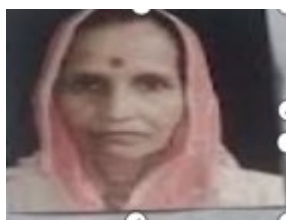
**Varsa Devi**



**Babli Devi**



**Sheela Devi**



**Meera Devi**



**Kirna Devi**



**Reema Devi**



**Swati Devi**

**Renu Kumari**



**Mamta Devi**



**Jyoti**

**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 Durga Mata held on 22-08-2023 at Garli that one 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).

<p><i>Garli, Guleria</i></p> <p><b>प्रधान</b>                      <b>सचिव</b> दुर्गा माता स्वयं सहायता समूह गल्ली, डा० घरवासडा तह० धर्मपुर, जिला मण्डली</p> <p>Signature of group President</p>	<p><i>Garli</i>                      <i>Sheela Devi</i></p> <p><b>प्रधान</b>                      <b>सचिव</b> दुर्गा माता स्वयं सहायता समूह गल्ली, डा० घरवासडा तह० धर्मपुर, जिला मण्डली</p> <p>Signature of group Secretary</p>
--	---

*Sheela Devi*

**प्रधान**                      **सचिव**  
श्रीमती विद्याम ललिता गल्ली,  
डा० घरवासडा, तह० धर्मपुर,  
जिला मण्डली (पि० ड०)

Signature of President, VFDS



## 22. Business approval by VFDS and DMU

**Business Plan Approval by VFDS and DMU**

Purga Mata 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). In this regard business Plan of amount Rs. 2,77,680 has been submitted by the group on 22-08-2023 and the Business Plan has been approved by VFDS Garli.

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

Thank You.

<p><i>Scarla Guleria</i> <b>प्रधान</b> <b>दुर्गा</b> <b>समिति</b> <b>गर्ली</b></p> <p>Signature of group President</p> <p><i>[Signature]</i> <b>ग्राम वन विकास समिति गर्ली,</b> <b>ग्राम पंचायत दरवाड़, तहसील धर्मपुर,</b></p> <p>Signature of VFDS President</p>	<p><b>सचिव</b> <i>Sheela Devi</i> <b>समिति</b> <b>गर्ली</b></p> <p>Signature of group secretary</p> <p style="text-align: center;">Approved</p> <p><i>[Signature]</i> <b>DMU-cum-DCO Joginder Nagar</b> <b>Divisional Forest Officer</b> <b>Joginder Nagar</b></p>
---	--