



Business Plan

On

Income Generation Activity

Cutting and tailoring

For

Self Help Group – Keshav



SHG/CIG name	Keshav
VFDS name	Kudnu Darkoti
Range	Jogindernagar
Division	Jogindernagar

Prepared Under-

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

TABLESOFCONTENTS

S.no	Particulars	Page no.
1.	Introduction	3
2.	Description of SHG/CIG	4
3.	Beneficiaries Detail	5
4.	Geographical details of the Village	5
5.	Market Potential	6
6.	Executive Summary	6
7.	Description of product related to income generating Activity	7
8.	Description of ProductionProcess	7
9.	Risk analysis	7
10.	Description of management among members	7
11.	Description of Economics	8-9
12.	Fund flow arrangement in SHG	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
18.	Remarks	11
19.	Group member photos	12
20.	Group photo	12
21.	Resolution-cum Group consensus form	13
22.	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 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 Keshav SHG group has collectively decided of cutting and tailoring as their Income Generation Activity(IGA). Keshav SHG was formed on 08-11-2023 under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Kudnu Darkoti . 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	Keshav
2.	VFDS	Kudnu Darkoti
3.	Range	Jogindernagar
4.	Division	Jogindernagar
5.	Village	Darkoti
6.	Block	Chauntra
7.	District	Mandi
8.	Total no. of members in SHG	10
9.	Date of formation	08-11-2023
10.	Bank a/c No.	31610107304 HPSC0000316
11.	Bank details	H.P.S.C.B Makriri
12.	SHG/CIG monthly savings	500(50 per person)
13.	Total saving	5000
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

SR.	Name Of The Shg Members	Designation	Gender	Category	Income Source	Photograph
1.	NEETU DEVI, W/O. SANJAY KUMAR, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph No. 8091025135	PRESIDENT	FEMALE	GEN	Agri.	
2.	ASHA DEVI, W/O. SANDEEP CHAND,VILLAGE DARKOTI,PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph. No. 9015067811	SECRETARY	FEMALE	GEN	Agri.	
3.	JULMA DEVI, W/O. SUSHIL KUMAR, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph. No. 7807416573	MEMBER	FEMALE	GEN	Agri.	
4.	SUMNA DEVI, W/O. NAG PAL SINGH, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph.No. 9418511495	MEMBER	FEMALE	GEN	Agri.	
5.	POONAM DEVI, W/O. RAJ MAL, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph.No. 9418753365	MEMBER	FEMALE	GEN	Agri.	
6.	SAPNA DEVI, W/O. SURJEET SINGH, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph. No. 9418930721	MEMBER	FEMALE	GEN	Agri.	
7.	REENU DEVI, W/O. GOPAL SINGH, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph.No. 8628055269	MEMBER	FEMALE	GEN	Agri.	

8.	MEENA DEVI,W/O. SUNIL KUMAR, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph.No. 7973742892	MEMBER	FEMALE	GEN	Agri.	
9.	SARITA DEVI,W/O. JAI SINGH, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph.No. 9418276508	MEMBER	FEMALE	GEN	Agri.	
10.	POOJA ,W/O. NAVEEN PARMAR, VILLAGE DARKOTI , PO.DRAHAL, TEHSIL JOGINDER NAGAR,DISTT. MANDI Ph.No. 8988512124	MEMBER	FEMALE	GEN	Agri.	

4. Geographical details of the Village

5.	1	Distance from the District HQ	30 Km
	2	Distance from Main Road	4 Km
	3	Name of local market & distance	Joginder nagar & 30 km
	4	Name of main market & distance	Joginder nagar & 30 km
	5	Name of main cities & distance	<ul style="list-style-type: none"> ✧ Mandi – 70 Km ✧ Jogindernagar – 30 Km ✧ Palampur - 72 Km ✧ Baijnath – 52 Km
	6	Name of main cities where product will be sold/ marketed	<ul style="list-style-type: none"> ✧ Mandi ✧ Jogindernagar ✧ Palampur ✧ Baijnath

5. Market Potential-

After learning the skill of cutting and tailoring, this Keshav 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	Village covered - Kudnu Darkoti
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	16 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	8500	85000
2	Interlock machine	1	6000	6000
3	Tailor scissor	10	500	5000
4	Tailoring ruler set	10	600	6000
5	Sewing tailor tape	10	50	500
6	Iron press	4	1200	4800
7	Almirah	2	LS	10000

8	Hanger	4 set	LS	800
9	Chairs, table	Approx	LS	3000
Total Capital Cost (A) =Rs 1,21,000				

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Sewing threads, button, zip, suit lining etc	Reels	LS	LS	4000
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
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	11,000
2	10% depreciation annually on capital cost	12,100
Total = 23,100		

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	12,100
2	Total Recurring Cost	11,000
3	Total Stitched Suit per month	300 (approx quantity)
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	90,000
6	Net profit (Income generation - Recurring cost)	79,000
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

12.Fund flow arrangement in SHG -

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,21,000	90,750	30,250
2	Total Recurring Cost	11,000	0	11,000
3	Training/capacity building/skill up-gradation.	1,00,000	1,00,000	0
Total		2,32,000	1,90,750	41,250

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 other than general category. If the members belong to general then 50% capital cost is will be borne by project. ✧ 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. ✧ 25% of capital cost to be borne by project if the group is women group. ✧ 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 -

$$\begin{aligned} &= 1,21,000/(250-180) \\ &= 1,21,000/70 \end{aligned}$$

In this process break-even will be achieved after stitching 1728.5 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 OBC category and they can contribute 25% and project has to bear remaining 75%

19. Group photo



19. Resolution-cum Group consensus form

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Keshav held on 24/01/2024 at Kudnu Darkoti 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).

Neetu Devi
Signature Of group President
केशव स्वयं सहायता समूह
गांव दरकोटी, डा. ब्रा.
तह. जो. नगर, जिला मण्डो

Ashu Devi
Signature Of group secretary
केशव स्वयं सहायता समूह
गांव दरकोटी, डा. ब्रा.
तह. जो. नगर, जिला मण्डो

Pushpal Kumar
Signature of President VFDS
प्रधान
ग्राम वन विकास समिति कुडनु-दरकोटी
ग्राम पंचायत द्राहल, तह. जो. नगर,
जिला मण्डो (हि.प्र.)

20. Business approval by VFDS and DMU

Business Plan Approval by VFDS and DMU.

Reshav 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. 232000 has been submitted by the group on 24/6/2024 and the Business Plan has been approved by VFDS Kudru Daskoti

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

Thank You.

Neetu Deri
Signature Of group President
ग्राम वन विकास समिति कुडरु-दरकोट
गांव दरकोटी, डा. ब्राह्म
तह. जोग, जिला, मध्य हि.

Asma Ravi
Signature Of group secretary
ग्राम वन विकास समिति कुडरु-दरकोट
गांव दरकोटी, डा. ब्राह्म
तह. जोग, जिला, मध्य हि.

Shubh Kumar
Signature of President VFDS
ग्राम वन विकास समिति कुडरु-दरकोट
ग्राम पंचायत ब्राह्म, तह. जोग, जिला, मध्य हि.

Approved
[Signature]
D.M.U. cum
Divisional Forest Officer
DMU cum DFO Joginder Nagar