



Business Plan
On
Income Generation Activity
Cutting and tailoring
For
Self Help Group -Baba Kamlaahiya



SHG/CIG name	Baba Kamlaahiya
VFDS name	Nalyana
Range	Kamlaah
Division	Jogindernagar

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 08 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 Baba Kamlahiya SHG group has collectively decided of cutting and tailoring as their Income Generation Activity (IGA). Baba Kamlahiya SHG was formed on 05-08-2021 under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which fall under VFDS Nalyana. This SHG consists of 08 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	Baba Kamlahiya
2.	VFDS	Nalyana
3.	Range	kamlah
4.	Division	Joginder Nagar
5.	Village	Nalyana
6.	Block	Dharampur
7.	District	Mandi
8.	Total no. of members in SHG	08
9.	Date of formation	05-08-2021
10.	Bank a/c No.	33210107460
11.	Bank details	HPSCB Tihra
12.	SHG/CIG monthly savings	400(50 per person)
13.	Total saving	9800
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail -

Sr. No.	Name	M /F	Father/ Husband name	Category	Designation	Contact no.
1	Anju Devi	F	Sukh Ram	General	President	7807515164
2	Prita Devi	F	Sanjay Kumar	General	Secretary	7807725088
3	Anjana Kumari	F	Anku	General	Member	9805701992
4	Anita Devi	F	Sukh Dev	General	Member	9418426385
5	Kirna Devi	F	Ramesh Chand	General	Member	7876241424
6	Kirna Kumari	F	Vijay Kumar	General	Member	9816722802
7	Vandana Devi	F	Hakam Chand	General	Member	8580973687
8	Vimla Devi	F	Raj Kumar	General	Member	9816722802

4. Geographical details of the Village -

1	Distance from the District HQ	120 Km
2	Distance from Main Road	1 Km
3	Name of local market & distance	Gadhidhar -4 km
4	Name of main market & distance	Tihra - 6 Km
5	Name of main cities & distance	Mandi - 120 km Sarkaghat - 35 Km Dharampur- 25 Km Sandhol -25 Km
6	Name of main cities where product will be sold/ marketed	Sarkaghat, Dharampur, Sandhol, Awah Devi

5. Market Potential -

After learning the skill of cutting and tailoring, this Baba Kamlaahiya 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 - Nalyana
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 units 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				
Sr. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Umrella Sewing Machine with Motor	2	12500	25000
2	Sewing Machine Without Motor	6	7500	45000
3	Interlock machine	1	8500	8500
4	Tailor scissor	8	450	3600
5	Tailoring ruler set	8	450	3600
6	Sewing tailor tape	8	60	480
7	Iron press Havells	2	1500	3000
9	Hanger	2set	200	400
10	Chairs	8	800	6400
11	Cloth cutting table	1	3500	3500
Total Capital Cost (A) =Rs 99,480				

B. Recurring Cost					
Sr. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Sewing threads	Reels	LS	LS	7000
2	Room rent	Month	1	1000	1000
3	Packaging material	Month	LS	LS	2500
4	Transportation	Month	LS	LS	1000
Total Recurring Cost (B) = 11,500					

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)		
Sr. No.	Particulars	Amount
1	Total recurring cost	11,500
2	10% depreciation annually on capital cost	99,48
Total = 21448		

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)		
Sr. No.	Particulars	Amount
1	10% depreciation annually on capital cost	9948
2	Total Recurring Cost	11,500
3	Total Stitched Suit per month	300
4	Selling Price of Stitched Suit (per suit)	300
5	Income generation	81,000
6	Net profit (Income generation - Recurring cost)	69,500
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 -

Sr. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	99,480	74,610	24,870
2	Total Recurring Cost	11,500	0	11,500
3	Training/capacity building/skill up-gradation.	1,00,000	1,00,000	0
Total		2,10,980	174,610	36,370

Note:

- i) Capital cost- 50% capital cost will be borne by the project and 50% 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 lakh 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 coral 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. ✧ 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 -

$$\begin{aligned} &= \text{Capital Expenditure}/(\text{selling price (per suit)-cost of production (per suit)}) \\ &= 99480 / (300-100) \\ &= 497 \end{aligned}$$

In this process break-even will be achieved after stitching 994 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 -

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

19. Group member's Individual photos -



Preeta devi

Aju Devi

Anita Kumari



Kirana Kumari

Anjana Kumari

Bimla Devi



Vandana Kumari



Kiran Kumari

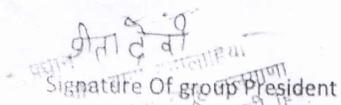
20. Group photo

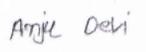


20. Resolution-cum Group consensus form -

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Baba Kamlahiya held on 16-12-2024 at Nalyana 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).


Signature Of group President


Signature Of group secretary


Signature of President VFDS
डाकघर नल्याणा सहसील धर्मपुर
जिला मण्डी (हि० प्र०)

21. Business approval by VFDS and DMU -

