



## **Business Plan**

On

## **Income Generation Activity**

## **Bag-making**

By

**Self Help Group–Maa Baglamukhi**



SHG/CIGname /VFDS name      Maa Baglamukhi/ Ghathutar

Range      Nagrota Surian

Division      Dehra Divison

**PreparedUnder-**

**Project for Improvement of Himachal Pradesh Forest  
EcosystemsManagement &Livelihoods (JICAAssisted)**

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## 1. Introduction-

Bagmaking is the income generation activity that has been decided by Maa Baglamukhi SHG which falls under VFDS Ghatthar of Range Nagrota surian and Division Dehra. There are different types of bags such as school bags, travel bags, carry bags, sling bags, laptop bags and many more. All these bags are made with different material by stitching. Bags have their demand all over the year and it is used by all age groups.

A group of 16 women of different age groups came together to form a SHG on 15/9/2022 under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods and decided to craft a business plan which can help them to take Bag Making as their IGA in a 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 Maa Baglamukhi SHG group has collectively decided on bag making as their Income Generation Activity (IGA). This SHG consists of 16 females. The group will start making good quality bags after getting the help from the project. The project will support them by providing funding, training and assistance that they need to develop this skill and become professional. They will be able to make different types of bags and will become self-independent and generate income. The detailed business plan of this SHG has 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	Maa Baglamukhi
2.	VFDS	Ghathutar
3.	Range	Nagrotasurian
4.	Division	Dehra
5.	Village	Ghathutar
6.	Block	Haripur
7.	District	Kangra
8.	Total no. of members in SHG	16
9.	Date of formation	08-09-2022
10.	Bank a/c No. & IFSC code	50100577784610
11.	Bank details	HDFC
12.	SHG/CIG monthly savings	50Rs
13.	Total saving	800rs
14.	Total interloaning	2000rs
15.	Cash Credit Limit	1%
16.	Repayment status	-

**3. Beneficiaries Details**

Sr.no.	Name	M/F	Father/Husbandname	AGE	Designation	Contactno.
1	SHAKUNTLA DEVI	F	W/O OM PARKASH	63	Pradhan	8894984142
2	SUDESH KUMARI	F	W/O ASHOK KUMAR	42	Secretary	8894098173
3	RAJ KUMARI	F	W/O TILAK RAJ	44	Treasurer	8894152655
4	SEEMA DEVI	F	W/O SURESH KUMAR	44	Member	9805451269
5	ASHA DEVI	F	W/ONARESH KUMAR	37	Member	8894208368
6	SUDHA DEVI	F	W/O SUKHDEV	45	Member	8894984142
7	SUMAN LATA	F	W/O VIPAN KUMAR	39	Member	8219649523
8	RAJ KUMARI	F	W/O AJIT KUMAR	43	Member	7018540903
9	REKHA DEVI	F	W/O PIRTHI PAL	41	Member	7807382278
10	ANITA DEVI	F	W/O RAJESH KUMAR	40	Member	8679490329
11	MANJU BALA	F	W/O AJAY KUMAR	33	Member	6230175482
12	MANJEET BALA	F	W/O KARAM SINGH	41	Member	8894024792
13	YASHODA DEVI	F	W/O ASHOK KUMAR	51	Member	9805205536
14	PRIYANKA DEVI	F	W/O RAKESH KUMAR	40	Member	9816844419
15	SUMAN DEVI	F	W/O GIRDHARILAL	42	Member	7876765122
16	KAMLESH KUMARI	F	W/O DEVRAJ	46	Member	9805231767

#### 4. Geographical details of the Village

1	Distance from the District HQ	65 Km
2	Distance from Main Road	3km
3	Name of local market & distance	Haripur & 5km
4	Name of main market & distance	Nagrot Surian & 11 km
5	Name of main cities & distance	Nagrot Surian-11km, Jawali-35km
6	Name of main cities where product will be sold/marketed	Nagrot surian, Haripur, Jawali

#### 5. Market Potential-

After learning the skill of bag making, this Sidh Mahadev 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 as a rapid face the demand of latest design bag will be there all around the year.

1	Potential market places/locations	Village covered - Nagrot surian
2	Demand of the product	Throughout the year high demand in re and march school opens. when
3	Process of identification of market	Group members will contact nearby villagers/households/institutions.
4	Marketing Strategy	SHG members will directly take orders (group level) from nearby villagers/households/shopkeepers/institutions.
5	Product branding	Maa Baglamukhi Bags
6	Product "Slogan"	"Maa Baglamukhi" bags - best in quality

## 6. Executive Summary-

Bagmaking 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. In the nearby market, there is a substantial demand for school bags, handbags, travel bags, and carry bags. After numerous meetings, the group has finally determined that this activity will unquestionably be a means of generating cash for the group, keeping in mind the demand for bags in the surrounding market places. The division of labour between the members have been planned carefully so that each and every member 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	School bags, handbags, travel bags, and carry bags
2	Method of product identification	Has been decided by group members after numerous meetings.
3	Consent of SHG/CIG/cluster members	Yes

## 8. Description of Production Processes-

- Total number of members in the group is 16. Almost all the members in the group will only work for 4 hours daily as they have other agriculture and domestic work. They will work for 6 days per week. So, we can say, members of the group will be working for 1600 hours monthly.
- The group will make 20 to 30 bags per day initially later with experience they can increase the number. In a month, the group will make approx of 800 bags.
- Based on assumption/experience each bag will be manufactured by using material i.e. Mattie cloth, zip, locks, sticker, wire covering, niwar etc.; cost of which will depend on the type and size of bag. We can consider the range of price of using raw material to lie between Rs 80 to Rs 400.
- The total working hours of 1 member in a month (total working days in a month will be 25 and 4 hours per day) will be 100 hours (25 days × 4 hours) and Total working hours of 16 member of SHG in a month will be 1600 hours (25 days). Total labour days in a month for the whole group will be 200 days (1600 ÷ 8). The labour cost comes out to be Rs 70,000 (200 × 350).

## 9. Description of Production planning-

1	Production per cycle (month)	1 month=800 bags
2	Number of ladies involved	All ladies (on rotation bases per month as decided by SHG Members)
3	Source of raw material	Local market/Main market
4	Source of other resources	Local market/Main market
5	Expected bag production per day	20-30 bags per day

## 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 group members will involve in pre-production process (i.e. procuring of raw material)
- Some group members will involve in production process.
- Some group members will involve in packaging and marketing.

## 11. SWOT Analysis-

### ❖ Strength-

- ❖ Raw material easily available.
- ❖ Manufacturing process is simple.
- ❖ Proper packing and easy to transport.
- ❖ Product shelf life is long.

### ❖ Weakness-

- ❖ Shortage of reserve fund with the group to invest on the raw material and to wait for the sale of the product.
- ❖ Lack of confidence in the group members regarding the success of business.
- ❖ High competition with the factory made bags presently being imported by the local traders.

### ❖ Opportunity-

- ❖ There are good opportunities of profits as product cost is lower than others same categories of products.
- ❖ There are opportunities of expansion with production at a larger scale.
- ❖ Demand all around the year.



❖ Threats/Risks–

- ❖ Riskofconflictinthegroupmembers.
- ❖ Suddenincreaseinpriceofrawmaterial.
- ❖ Competitivemarket.

## 12. Description of Economics-

A. Capital Cost				
S.No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Maa Baglamukhi Bag Making Machine (95T10) with Motor & stand	10	10000	100000
2	Maa Baglamukhi Bag Making Machine (95T10) with stand	6	8500	51,000
3	Wooden counter Table	2	5000	10,000
4	Mat	2(8×10)	3000	6000
5	Steel Racks	2	4000	8000
6	Tool Kit	8	1000	8000
7	Chair & stool	15	1000	15000
<b>Total Capital Cost (A) = Rs 1,98,000</b>				

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Metty cloth	Mtr	340mtr	140	47600
2	Parachute fabric cloth	Mtr	160mtr	130	20800
3	Jute Fabric	Mtr	140mtr	120	16800
4	Bag Sticker		1600	4	6400
5	Kunde/Lock/Button	Kg	2	1800	3600

6	Hallrent,&stationer yexpenses	LS	1	3000	3000
7	Foam&Plane printedliningfabric	Mtr.	320	110	35200
8	ThreadReel6,8,10	Nos	200	60	12000
9	MachineNeedle21, 23No's	-	200	10	2000
10	Marker& MeasurementTape	-	-	-	1000
11	Runner5&8No's	Dozen	80	45	3600
12	TaniBag	KG	500	8	4000
13	TaniBag	KG	500	6	3000
14	Chain5No.	Mtr	400mtr	6	2400
15	Chain8No.	Mtr	360	10	3600
16	LabourworkwillbedonebySHGmembers				-
<b>TotalRecurringCost(B)=165000</b>					

C.Costofproduction(Monthly)		
S.No.	Particulars	Amount
1	Totalrecurringcost	165000
2	10%depreciationannuallyoncapita lc ost	19800
<b>Total= 184800</b>		

D.Sellingpricecalculation			
S.No.	Particulars	Unit	Amount
1	Costofproduction(carryBags)	1	Approx Rs.20,60,100,130,400
2	Expectedsellingprice (School/GirlssideCollegeBag)	1	Approx40-80-120-300- 400
3	Currentmarketprice(Travelling Bag)	1	100-150-250-400-500

### 13. Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	19800
2	Total Recurring Cost	165000
3	Total production of bag per month	800 (approx all sizes 100,80,60)
4	Selling Price of per bag	40 to 400
5	Income generation	272000
6	Net profit (Income generation - Recurring cost)	107000
7	Gross profit (Net profit - Labour Cost)	37000/-
8	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 IG A</li> </ul>

### 14. Fund flow arrangement in SHG -

S.No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	198000	148500	49,500
2	Total Recurring Cost	165000	0	165000
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
<b>Total</b>		<b>413000</b>	<b>198500</b>	<b>214500</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 upgradation to be borne by the project.

### 15. 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.</li> <li>If the members belong to general then 50% capital cost will be</li> </ul>	Procurement of machines/eq uipment will be done by
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	<p>bornebyproject.</p> <ul style="list-style-type: none"> <li>✧ Upto Rs1 lakhs willbeparkedintheSHGbankaccou nt.</li> <li>✧ Training/capacitybuilding/skillup- gradation cost.</li> <li>✧ Thesubsidyof5% interestrategewillbe depositeddirectlytotheBank/Financ ialInstitutionbyDMUandthisfacilit ywillbeonly for three years. SHG have topaytheinstallmentsofthePrincipal amountonregularbasis.</li> </ul>	<p>respectiveDMU/FC CU afterfollowin gallcodalform alities.</p>
SHG Contribution	<ul style="list-style-type: none"> <li>✧ 50% or 25% of capital cost to bebornebySHGforgeneralcategory andothercategoriesrespectively.</li> <li>✧ 25%ofcapitalcostto beborneby project if the group is womengroup.</li> <li>✧ RecurringcosttobebornebySHG.</li> </ul>	

## 16. Training/capacitybuilding/skillup-gradation-

Training/capacity building/skill up-gradation cost will bebornebyproject.Followingaresometraining/capacitybuilding/skillup- gradationproposed/needed:

- ✧ Cost effective procurement of raw material
- ✧ Quality control
- ✧ Packaging and Marketing
- ✧ Financial Management

## 17. Computationofbreak-evenpoint-

$$= \text{Capital Expenditure} / [\text{selling price (per bag)} - \text{cost of production (per bag)}]$$

$$= 1,98,000 / (340 - 231) = 1816$$

Inthisprocessbreak-evenwillbeachievedaftermaking1816 bags.

## 18. BankLoanRepayment-

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.

## 19. MonitoringMethod-

- ❖ 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

## 20. Remarks

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

## 21. Group member's Individual photos



## 22) Group Photograph's:-



### **Prepared by:**

Mr. Madan Lal Sharma (Retd. HPFS)

Ms. Deeksha (SMS)

Ms. Shivani (FTU Co-ordinator)

**Resolution-cum-Group Consensus Form**

It is decided in the General House meeting of the group Maa Baglamushi Held on 08/09/2022 at Graathutte  
that our group will undertake the Bagmatex ..... as livelihood Income Generation Activity  
under the Project for Improvement of Himachal Pradesh Forest Ecosystems management &  
Livelihoods (JICA Assisted).

श्रीशुभम

Signature of Group Pradhan

Sudesh Kumari

Signature of Group Secretary



### Business Plan Approval by VFDS & DMU

...Maa Baglamukhi... Group will undertaken the Bagmatex...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. 413000/- has been submitted by group on 16-12-2020... And the business plan has been approved by the VFDS...Grahhuta.....

Business Plan is submitted through FTU for further action please.

Thank you

शशिदत्त

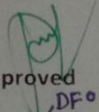
Signature of Group President

Sueesh Kumari  
Signature of Group Secretary

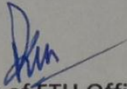
Mkumar

Signature of President VFDS

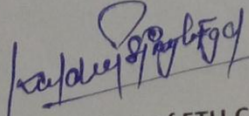
Manjeet Kumar

  
Approved  
DFO  
DMU-CUM-Dehra

Submitted to DMU through FTU

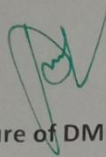


Name & Signature of FTU Officer  
Range Forest Officer  
Nagrota Surian (H.P.)



Name & Signature of FTU Coordinator  
Kuldeep Singh Forest Guard  
I/c Bilaspur Beat

Approved



Name & Signature of DMU Officer