



BUSINESS PLAN

INCOME GENERATION ACTIVITIES – BAG MAKING

SELF HELP GROUP – NARI - SHAKTI



INFORMATION OF THE GROUP

NAME OF THE SELF-HELP GROUP	NARI - SHAKTI
NAME OF THE VFDS	KOHARPUR
NAME OF THE RANGE	JAWALAMUKHI
NAME OF THE DIVISION	DEHRA FOREST DIVISION
NAME OF THE CIRCLE	HAMIRPUR

Prepared Under-

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

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1. INTRODUCTION

Bag making is the income generation activity that has been decided by Nari - Shakti SHG which falls under VFDS – Koharpur, Range – Jawalamukhi 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 issued all age groups.

Group of 20 women of different age group came together to form a SHG on 03/09/2022 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 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 Nari – Shakti SHG group has collectively decided of bag making as their Income Generation Activity (IGA). This consists of 20 females. The group will start making good quality bags after getting the help from the project. 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 has been crafted according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed here under:

2. DISCRIPTION OF THE SELF-HELP GROUP

1.	SHG/CIG Name	Nari Shakti
2.	VFDS	Koharpur
3.	Range	Jawalamukhi
4.	Division	Dehra
5.	Village	Gagruhi
6.	Block	Bharoli
7.	District	Kangra
8.	Total No. of members in SHG	20 Women
9.	Date of formation	03/09/22
10.	Banka/c No.& IFSC code	HDFC Bank
11.	Bank details	IFSC Code – HDFC0002878 A/C No. - 50100530476897
12.	SHG/CIG monthly savings	Rs. 50/-
13.	Total saving in a month	Rs. 1000/-
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. BENEFICIARY DETAIL'S

Sr. No	NAME	HUSBAND NAME/FATHER NAME	AGE	EDUCATION	CATAGORY	INCOME SOURCE	ADDRESS
1	Anita Devi (President)	W/O Gurbachan Singh	43	10 th	SC	Agriculture	Koharpur
2	Sushma Devi (Secretary)	W/O Mehar Chand	49	8 th	OBC	Agriculture	Koharpur
3	Nirmala Devi (Treasurer)	W/O Parveen Kumar	40	8 th	OBC	Agriculture	Koharpur
4	Monika Devi	W/O Shashi Kumar	32	12 th	OBC	Agriculture	Koharpur
5	Seema Devi	W/O Ramu Kumar	32	12 th	OBC	Agriculture	Koharpur
6	Sushma Kumari	W/O Vipin Kumar	33	10 th	OBC	Agriculture	Koharpur
7	Rajni Bala	W/O Ashwani Kumar	43	8 th	OBC	Agriculture	Koharpur
8	Seema Devi	W/O Ranveer Singh	50	8 th	OBC	Agriculture	Koharpur
9	Anita Devi	W/O Devraj	34	8 th	OBC	Agriculture	Koharpur
10	Sudesh Kumari	W/O Raj Kumar	43	8 th	OBC	Agriculture	Koharpur
11	Saroj Kumari	W/O Sushil Kumar	48	8 th	OBC	Agriculture	Koharpur
12	Pawana Devi	W/O Rajinder Kumar	50	5 th	OBC	Agriculture	Koharpur
13	Santosh Kumari	W/O Sudarshan Kumar	33	12 th	OBC	Agriculture	Koharpur
14	Suresha Devi	W/O Punjab Singh	38	10 th	OBC	Agriculture	Koharpur
15	Renu Bala	W/O Ashok Kumar	34	10 th	OBC	Agriculture	Koharpur
16	Sunita Devi	W/O Ashwani Kumar	50	10 th	OBC	Agriculture	Koharpur
17	Neelam	W/O Ranjit Singh	33	10 th	OBC	Agriculture	Koharpur
18	Veena Devi	W/O Ramesh Chand	47	5 th	OBC	Agriculture	Koharpur
19	Suman Lata	W/O Rajkumar	31	12 th	OBC	Agriculture	Koharpur
20	Sudesh Kumari	W/O Anil Kumar	53	8 th	OBC	Agriculture	Koharpur

4. GEOGRAPHICAL DETAIL OF VILLAGE

Sr. No	Name of place/Distance/Market	Distance/km	Remarks
1	Distance from the District HQ	65 Km	-
2	Distance from the main road	5 Km	
3	Name of local market & distance	Gagruhi, 3Km	
4	Name of main market & distance	Jawalamukhi, 8 Km	
5	Name of main cities & distance	Jawalamukhi 8 Km & Naduan 10 Km	
6	Name of the place/location where product will be sold	Kangra, Naduan, Dehra, Jawalamukhi	

5. MARKET POTENTIAL

After learning the skill of bag making, this **Nari – Shakti** 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 latest design bag will be there all around the year.

1	Potential market places/locations	Village covered-Koharpur
2	Demand of the product	The demand of the Bags remains the same throughout the year.
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	Nari Shakti Swyam Sahayata Samuh
6	Product "Slogan"	"Nari Shakti Bag best in quality"

6. Executive Summary

Bag Making income generation activity has been selected by this Self-help Group **Nari Shakti**. This IGA will be carried out by all 20 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 or basin the surrounding market places. The division over 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	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 process

- Total number of members in the group is 20. 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 weeks can say, members of the group will be working for 1800 hours monthly.
- The group will make 30 to 35 bags per day initially later with experience they can increase the number. In a month, the group will make approx. of 640 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 300.

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 20 out of total numbers of SHG members working hours in a month will be 2000 hours (25 days). Total Labour days in a month for the whole group will be 250 days (2000÷8). The Labour cost comes out to be Rs 87500 (250×350).

9. Description of Production planning

1	Production per cycle(month)	1 month= 640 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 consents group members will decide their role and responsibility to carry out the work.

Work will be dividing Damon 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 other same categories of products.
- ❖ There are opportunities of expansion with production at a larger scale & Demand all around the year.

❖ **Threats/Risks–**

- ❖ Risk of conflict in the group members.
- ❖ Sudden increase in price of raw material & Competitive market

12. Description of Economics

A. Capital Cost				
Sr.No.	Particulars	Quantity	Unit Price	Amount (Rs)
1.	Bag Making Machine(95T10) with Motor & stand	1	8500	8500
2	Simple Machine	10	3500	35000
3	Table machine with stand only	9	6000	54000
4	Scissor	8	300	2400
5	Transport	LS	LS	1500
Total Capital Cost (A) = Rs. 101400/-				

B. Recurring Cost					
Sr. No.	Particulars	Unit	Quantity	Unit Price	Total Amount (Rs)
1	Metty cloth	Mtr	204 mtr	140	28560
2	Parachute fabric cloth	Mtr	96 mtr	130	12480
3	Jute Fabric	Mtr	84 mtr	120	10080
4	Bag Sticker		1000	4	4000
5	Kunde/Lock/Button	Kg	2	1800	3600
6	Hall rent, & stationery expenses	LS	1	1500	1500
8	Thread Reel6,8,10	Nos	120	60	7200
9	Machine Needle 21, 23No's	-	120	10	1200
10	Runner5&8No's	Dozen	48	45	2160
11	Tani Bag	KG	300	6	1800
13	Chain8No.	Mtr	216	10	2160
14	Labour work will be done by SHG members				-
Total					Rs. 74740/-

13. Cost of production

C. Cost of production		
Sr.No.	Particulars	Amount
1	Total recurring cost	74740/-
2	10% depreciation Annually on capital cost	10140/-
TOTAL -		84880/- rs.

D. Selling price calculation			
Sr.No.	Particulars	Unit	Amount
1	Cost of production (carry Bags)	1	Approx Rs.20,60,100,130,400
2	Expected selling price (School/Girls side College Bag)	1	Approx40-80-120-300- 400
3	Current market price (Travelling Bag)	1	100-150-250-400-500

Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
Sr. No.	Particulars	Amount
1	10% depreciation annually on capital cost	10140/-
2	Total Recurring Cost	74740/-
3	Total production of bag per month	640 (approx. all sizes 100,80,60)
4	Selling Price of per bag	40 to 450
5	Income generation	224000/-
6	Net profit (Income generation- Recurring cost)	149260/-
7	Gross profit (Net profit-Labour Cost)	61760/-
8	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

Fund flow arrangement in SHG

Sr.No.	Particulars	Total Amount (Rs)	Project Contribution 75%	SHG Contribution 25%
1	Total capital cost	101400/-	76050/-	25350/-
2	Recurring Cost	74740/-	-	74740/-
3	Training	45000/-	45000/-	-
Total		221140/-	121050/-	100090/-

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.

Sources of Fund

Project support	<ul style="list-style-type: none"> ✧ 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 	Procurement Of machines/equipment will be done by
	<p>Borne by project.</p> <ul style="list-style-type: none"> ✧ Upto Rs1 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. 	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 	

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-gradations proposed/needed:

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

Computation of break-even point

$$\begin{aligned} & \text{Capital Expenditure/ [selling price (per bag)-cost of production (per bag)]} \\ & = 101400/ (350-133) = 467 \text{ Bags} \end{aligned}$$

In this process break-even will be achieved after making 467 bags.

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 bank 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.

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 them on it areas:

- ✧ Size of the group
- ✧ Fund management

- ◇ Investment
- ◇ Income generation
- ◇ Quality of product

Remarks: -

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

Group Members Photographs: -



Resolution -Cum-Group consensus Form

It is decided in the General House meeting of the group Nani Shakti..... Held on 8/3/2024 at Kahalpur..... that our group will undertake the Bag Making as livelihood Income Generation activity under the Project for improvement of Himachal Pradesh Forest ecosystem Management & Livelihood (JICA Assisted)

Anita Devi

Signature of Group President

[Signature]

Signature of Group Secretary

Business Plan Approval by VFDS & DMU

Nari Shakti SHG Group will undertake the By Making as livelihood income Generation Activity under the project for implementation of Himachal Pradesh Forest Ecosystem Management and Livelihood (JICA Assisted). In this regards business plan of amount ₹ 22,140/- has been submitted by group on 3-2-24 and the business plan has been approved by the VFDS Kaharpur

Business Plan is submitted through FTU for further action please.

Thankyou

Anita Devi
Signature of Group President

Prakash Singh
signature of Group Secretary

Hari Chand
Signature of President
VFDS Kaharpur

[Signature]
DMU-CUM-DFO

Submitted to DMU through FTU


Name & Signature of FTU Officer

Amukhi Forest Range
Mara (H.P.)-176031

SAVITA DEVI Savita Devi
Name & Signature of FTU Coordinator

Approved


Name & Signature of DMU Officer

Prepared By:-

Sh. Madan Lal Sharma (Retd. HPFS)
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