



Income generating activity
business plan
Cutting & Stitching & Bag Making
2022



Village Forest Development Committee Jagriti of Lakhduta Self Help Group

SHG/Name	-	Jai Lakhduta Self Help Group
VFDS Name	-	Jagriti
FTU/Range	-	Jhanduta
DMU/Division	-	Bilaspur
FCCU/Circle	-	Bilaspur

sponsored by
PIHPFEm and L

prepared by:-
DMU Bilaspur , FTU Jhanduta and Jai
Lakhduta SHG

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Introduction

Himachal Pradesh is a majestic , mythical land and is famous for its beauty and serenity , rich culture and religious heritage. The state has diverse ecosystems , rivers and valleys , and has a population of 7.5 million and covers an area of 55,673 sq km ranging from the foothills of the Shivalik mountains to the middle hills (300 - 6816 m above MSL) , high hills and the cool arid regions of the upper Himalayas . It is spread over valleys in which several perennial rivers flow. About 90% of the state's population lives in rural areas. Agriculture , horticulture , hydropower and tourism are important components of the state's economy. There are 12 districts in the state and its population density is quite high .

The district is situated along the border of Punjab and is the gateway for its tourist destinations and Himalayan tours , the routes for Himalayan tours from Bilaspur district connects Mandi, Kullu , Shimla, Solan , Hamirpur and Kangra districts .

This district is famous for its ancient settlements and traditional agriculture, with the Sutlej river as its main lifeline. And after the construction of Bhakra Dam , most of the fertile land area of this district has become submerged .

Forests and forest ecosystems are repositories of rich biodiversity , and play a vital role in preserving fragile sloping lands and were the primary sources of livelihood for the rural population. Rural people are directly dependent on forest resources for their livelihood and socio-economic development. The harsh reality is that these resources are continuously depleting due to overexploitation such as for fodder , fuel , NTFP extraction, grazing , fire and drought etc.

self help groups have been formed to implement livelihood improvement activities under Jagriti Van Gramin Vikas Samiti . One of them , "Jai Lakhdatta" self- help group, is engaged in cutting , stitching and making of sweaters and bags . The group members belong to the weaker sections of the society and have small land holdings. To enhance her socio-economic status , she decided to take up cutting , tailoring and manufacturing of sweaters and bags. Technical support for preparing the business plan was provided by Dr. Pankaj Sood , Principal Scientist , Dr. Kavita Sharma and DS Yadav , Krishi Vigyan Kendra, Sunder Nagar , Mandi . The team which included Vijay Kumar , subject expert, Office of Forest Division, Suket, Ratan Lal Sharma , retired Forest Range Officer , Anita Sharma, Field Technical Unit Coordinator, Jhanduta Range, Narendra Kumar, Forest Guard , Gochar Beat and Gyan , Block Forest Officer, Forest Division, Gochar, contributed in preparing the business plan under the constant supervision and guidance of Ved Prakash Pathania , retired H.P.V.S.

executive Summary

Jagriti Village forest Development Committee: –

Jagriti Van Gramin Vikas Samiti is organized in Malagan Revenue Area . This Van Gramin Vikas Samiti has been formed in Gram Panchayat Malagan . It is located in Jhanduta block of Bilaspur district in Himachal Pradesh Jagriti Van Rural Development Committee Bilaspur Forest Division Management Unit (DMU) It falls under the Gochar Beat of Samoh van block under Jhanduta Forest Range ,

Important feature of VFDS:–

This Forest Village Development Committee village is famous for maize crop .

Number of families	269
BPL Families	59 = 21.93 %
total population	1104
Total Cattle	484

Details of Self Help Group

The informal Jai Lakhduta Self Help Group was formed in March 2021 under Jagriti Van Grameen Vikas Samiti to provide livelihood improvement support by upgrading skills and capacities. The group comprises of poor and marginal farmers. Jai Lakhduta Self Help Group is a women's group (10 women) consisting of marginal and financially weak sections of the society with less land resources. Though all the members of the group grow seasonal vegetables etc. but since the land holdings of these members are very small and irrigation facilities are less and the production level has reached near saturation , to meet their financial requirements they decided to move towards cutting , stitching and bag manufacturing which can increase their income. There are 10 members in this group and their monthly contribution is Rs 50/- per month. The details of the group members are as follows:-

Details of SHG members with photos

Sr.	Name	post	grade	Age	Educational Qualifications	Mobile Number
1.	Kanchan Devi	Pradhan	General	40	8 th	70182- 83272
2.	Sunila Devi	Secretary	General	31	+2	82190-95945
3.	Sushma Kumari	Up pradhan	General	42	+2	82193-05330
4.	Rekha Devi	Treasurer	General	47	+2	78074-69787
5.	Meera Devi	Advisor	General	50	10th	98055-91534
6.	Rita Devi	Member	General	37	10 th	78075-89936
7.	Mira Devi	Members	General	49	8 th	98059-83206
8.	Sushma Devi	Members	General	28	+2	78075-19191
9.	Shilpa Thakur	Members	General	25	BCA	-
10	Priyanka Kumari	Members	General	25	BBA	78766-62378



Kanchan Devi (Pradhan)



Sunita Devi (Secretary)



Sushma Kumari (up - Pradhan)



Rekha Devi (Treasurer)



Mira Devi (Consultant)



Rita Devi (Member)



Meera Devi (Member)



Sumana Devi (Member)



Shilpa Thakur (Member)



Priyanka Kumari (Member)

Jai Lakhduta Self Help Group

Name of the SHG	-	Jai Lakhduta
SHG/CIG MIS Code Number	-	-
VFDS	-	Jagriti
Enclave	-	Jhanduta
Forest Division	-	Bilaspur
Village	-	Malagan
Section	-	Samoah
District	-	Bilaspur
Total number of members in the SHG	-	10
Date of formation	-	03/ 2021
Name and details of the bank	-	Himachal Pradesh Co Operating Bank B Barhi
Bank account number	-	104101 20081
SHG/Monthly Savings	-	Rs. 5,000/- per month
Total savings	-	16300/-
Total Inter-Loan	-	Yes
cash credit limit	-	
Repayment Status	-	quarterly basis

Geographical description of the village

away from district headquarter	-	35 Km
away from the main road	-	0 Km (but 100 to 200 mts from main road) approx
Local market and distant name	-	Jhanduta 20 Km , Barhi 07 Km , Bilaspur 35 Km approximately.
Names and distances of major cities	-	Jhanduta 20 Km , Barhi 07 Km , Bilaspur 35 Km approximately.
Names of major cities where The products will be sold/marketed	-	Jhanduta , Barhin , Bilaspur
Backward and Forward Linkage status	-	The back link lies in training (Agricultural Science Centres) and the front link lies in market suppliers etc.

Description of the product related to the income generating activity

Product Name	-	Stitched Suit
Method of product identification	-	However the entire group members grow seasonal vegetables and traditional crops. Since their land holding is small , saturation point of production has been reached , they are not able to meet their financial needs , hence it was decided by the group member that cutting , stitching and bag making will increase their income.
Consent of SHG/CIG/ Group	-	The consent is attached as annexure.

Description of the production plan

It takes time	-	1 suit takes approximately 3-4 hours to complete
The number of women involved	-	all women.
Source of raw materials	-	Local Market / Main Market / Local People
Source of other resources	-	Local Market / Main Market
Required stitched suits per day	-	5 suits in the beginning

Marketing /Sales Details

Potential Market Place / Location	-	Built-in Village - Malagan
	-	Nearby Institutions - Schools , Colleges etc
demand for sewing work	-	High demand throughout the year and during festive and wedding occasions.
market identification process	-	Group members will contact nearby villagers/households/institutions.

marketing strategy	-	SHG members will take orders (individual level/group level) directly from nearby villagers/households/institutions.
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risk analysis

- skill based
- as per need
- Highly competitive market

Management details among members

By mutual consent the members of the SHG group will decide their roles and responsibilities for carrying out the work. Work will be divided among the members according to their mental and physical capabilities.

- Some group members will be involved in the pre-production process (i.e. procurement of raw materials, etc.)
- Some group members will be involved in the production process.
- Some members of the group will be involved in packaging and marketing.

Economics details of:

Capital Cost			
Description	amount	Unit Price	Total Amount (Rs.)
Sewing Machine	05	8000	40000
Interlock Machine	1	6000	6000
Tailor scissors	10	400	4000
Sewing Ruler (Lace) Set	10	600	6000
Sewing Tailor Tap	10	100	1000
Iron Press	2	500	1000
wardrobe	3-4	About	5000
Fork	2 sets	400	800
chairs , tables etc	About	About	5000
Total capital cost (A) =			68800

B.	recurring cost				
Serial Number	Description	Unit	amount	price	Total Amount (Rs.)
1	sewing threads	Reels/Suits/Month	180	10	1800
2	Other finishing materials (bookram , collars , etc.)	Suit/Month	About	About	4000
3	Rent	month			1000

4	Others (stationary , electricity bill , transport , machine repair)	month			1000
Total Recurring Cost (B)					7800

Cost of Production (Monthly)	
Description	Amount (Rs.)
Total recurring cost	7800
Depreciation at 10% per annum on capital cost	600
Total	8400

Stitched Suit Cost (Per Suit)				
Description	Unit	amount	Amount (Rs.)	
Ordinary suit	1	1	250-300	
Others(Plazo , Lining etc)	1	1	300-350	

income and expenditure Of Analysis (Monthly):

Description	Amount (Rs.)
Depreciation at 10% per annum on capital cost	600
Total recurring cost	7800
Total suits stitched per month	150 (approx. qty)
tailored suits Selling Price (per suit)	250
Income Generation (150*250)	37,500
Net Profit (37,500 – 8700)	28,800
distribution of net profit	<ul style="list-style-type: none"> The profit will be distributed equally among the members on monthly/yearly basis. Profits will be used for further investments in IGA

Finance requirement:

Description	Total Amount (Rs.)	Project contributions	SHG Contribution
total capital cost	68800	34,400	34,400
Total recurring cost	7800	0	7800
Training	50000	50000	0

Total	126600	84400	42200
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Pay attention–

- **Capital Cost** – 50% of the capital cost to be covered under the project
- **recurring cost** – To be borne by SHG/CIG.
- **Training/Capacity Building/Skill Upgradation** – will be borne by the project

Finance Source:

Project Support :	<ul style="list-style-type: none"> • 50% of the capital cost will be used for purchasing machines. • 1 lakh will be deposited in the SHG bank account. • Training/Capacity Building/Skill Upgradation costs. 	The machines will be purchased by the respective DMU/FCCU after following all the codal formalities.
Self Help Group Contribution	<p>50% of the capital cost will be borne by the SHG.</p> <p>Recurring costs to be borne by the Self Help Group</p>	

Training/Capacity Building/Skill Upgradation

Training/capacity building/skill upgradation cost will be borne by the project.

Following are some of the training/capacity building/skill upgradation proposed/required:

- Teamwork
- Quality Control
- Packaging and marketing
- financial management

Loan Repayment Schedule– If the loan is taken from a bank it will be in the form of cash credit limit and there is no repayment schedule for CCL ; however , monthly savings and repayment receipts from the members should be sent through CCL.

- In CCL , the outstanding principal of the SHGs should be paid in full to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans , the repayment should be done as per the repayment schedule in banks.

Monitoring method –

- The Social Audit Committee of VFDS will monitor the progress and performance of the IGA and suggest corrective actions, if necessary, to ensure the operation of the unit as per projections.

- The SHG should review the progress and performance of each member's IGA and suggest corrective actions, if necessary, to ensure the operation of the unit as per projections.

Comment:

Keeping in view the future income of the group the second proposed activity by the group is Sweater and Bag manufacturing . As it was decided in principle during the review mission that more than one activity should be included in a business plan, hence the second proposed activity is enclosed below.

BusSiness plan

Making bags

By

Jai Lakhdata Self Help Group

executive Summary :-

Bag production is a method through which people will get economic benefits and villagers can increase their livelihood by producing bags at low cost. Through this, poor families can increase their income substantially . Training and advanced machines will be provided to the group on subsidy to produce good quality products at low cost. Due to which the members of the group can prepare good quality products in less time and earn income.

Income Creation action From Connected product Of Description :-

Product Name	-	Bag
product identification method	-	Although the entire group members grow seasonal vegetables and traditional crops, since their land holding is small and the production has reached saturation point , they are not able to meet their financial needs , hence it was decided by the group members to start bag making with the help of JICA project , which will increase their income.
SHG / CIG / Group	-	The consent is attached as annexure.

Description of the production plan

time taken	-	1-2 hours to complete 1 bag depending on the type and size of the bag
Number of women involved	-	all women.
Source of raw materials	:: ::	LocalMarket / MainMarket
Sources of other resources	::	LocalMarket / MainMarket
EverydayExpectedSewingBags	:: ::	Initially 4 bags

Marketing / SalesDetails

Potentialmarketplace / location	:: ::	Achchaditgaon – Malangan Nearby Institutions - Schools , Colleges etc
demand for bags	-	Carry bags are in high demand throughout the year (bags for lunch boxes and water bottles and for travelling on festive , wedding occasions etc.)
Market Identification Process	-	Group members will contact nearby villagers / households / institutions.
Marketing strategy	-	SHG members will take orders (individual level / group level) directly from nearby villagers / households / institutions .

RiskAnalysis

- Skillbased
- as required
- highly competitive market

Management details among members

By mutual consent the members of the SHG group will decide their roles and responsibilities for carrying out the work. The work will be divided among the members as per their mental and physical capabilities.

- Some members of the group will be involved in the pre - production process (i.e. procurement of raw materials etc.) .
- Some group members will be involved in the production process.
- Some group members will be involved in packaging and marketing.

Description of Economics :

recurring cost					
Serial Number	Description	Unit	amount	price	Total Amount (Rs .)
1	fabric for making bags (jute and coarse cotton)		30mt	150/ mt.	4500
2	Meti		30mt	120	3600
3	sewing threads	reels/bag/month	180	10	1800
4	Other finishing materials (zips, buttons, lace, tapes and chains and other items)	Bags/Month	About	About	8000
5	Sponge		30mt	3600	3600
6	Rent	month			1000
7	Others (stationery , electricity bill, transportation, machine repair)	month			1000
Total recurring cost					23500

C.	Cost of Production (Monthly)	
Serial Number	Description	Amount (Rs .)
1	Total recurring cost	23500
	Total	23500

Bag Price (per bag)					
Serial Number	Description	Unit	amount	Amount (Rs .)	
1	Travel Bag	1	1	300-400	
2	carry bag for lunch box	1	1	100-150	
3	carry bag for water bottle	1	1	100-150	
4	Mini Utility Kit	1	1	75	
5	Kiln Bag	1	1	250	
6	Mobile Cover	1	1	75	
7	hand band	1	1	250-300	

Analysis of income and expenses (Monthly):

Serial Number	Description	Amount (Rs .)
1.	Total recurring cost	23500
2.	Total bags stitched per month	120 (approx .)
3.	Selling price of the bag (per bag)	75-400
4.	Income Generation (120*240)	28800
5.	Net Profit (28800 - 23500)	5300
6.	distribution of net profit	<ul style="list-style-type: none"> The benefit will be distributed equally among the members on a monthly/yearly basis. This benefit is based on working one hour per day Profits will be used for further investments in IGA

Funds Requirement :

Serial Number	Description	Total Amount (Rs .)	Project contributions	SHG Contribution
1	Total recurring cost	23500	0	23500
2	Training	50000	50000	0
	Total	73500	50000	235 00

The total cost of the project is

Capital cost = 68800/-

Recurring cost = 7800/-

Total for cutting , stitching = 76600/-

Making the bag is the project cost

Capital cost = 0/- (Capital cost of machine etc. is shown in Part - I of the project itself)

Recurring cost = 23500/-

Total for Bag Making Project = 23500/-

The total sum of the business plan is Rs. Only **Rs 100100/-**

Serial Number	business plan	capital cost	recurring cost	Part of the project	Beneficiary Contribution	Total Cost
1.	cutting , sewing	68800/-	7800/-	34400/-	42200/-	76600/-
2.	Making bags	0	23500/-	0	23500/-	23500/-
	Total	68800	31300	34400	68700	100100/-

Annexation

We all group members have agreed to actively participate in the IGA activity selected by the group (Cutting & Sewing & Bag Making) as per the guideline of JICA project for HP Ecosystem Management and Livelihood Improvement and coordination with VFDs.

The details of the members are as follows

Sr.	Name	post	grade	Age	Educational Qualifications	Mobile Number
2.	Kanchan Devi	Pradhan	General	40	8 th	70182- 83272
3.	Sunila Devi	Secretary	General	31	+2	82190-95945

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9.	Shilpa Thakur	Members	General	25	BCA	-
10	Priyanka Kumari	Members	General	25	BBA	78766-62378

Signature
Secretary Self Help Group

Signature
Pradhan Self Help Group

Signature

Signature

Secretary Village Forest Development
Committee

Pradhan-Village Forest Development
Committee

Signature
Forest Guard

Signature
Division forest officer

Signature
forest range officer

Accepted by DMU