

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Bag Making

By
Self Help Group – Self help group Brijmohan Annu



SHG/CIG Name	::	Brijmohan Annu
VFDS Name	::	Annu ktoti
Range	::	Sarain
Division	::	Chopal

Prepared Under–



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

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1. Description of SHG/CIG

1	SHG/CIG Name	::	SHG Brijmohan Annu	
2	VFDS	::	Annu Katoti	
3	Range	::	Sarain	
4	Division	::	Chopal	
5	Village	::	Annu	
6	Block	::	Chopal	
7	District	::	Shimla	
8	Total No. of Members in SHG	::	09	
9	Date of formation	::	14-10-2022	
10	Bank a/c No.	::	04110110066669	
11	Bank Details	::	Uco bank chopal	
12	SHG/CIG Monthly Saving	::	100/-	
13	Total saving	::	7000/-	
14	Total inter-loaning	::	Nil	
15	Cash Credit Limit	::	Nil	
16	Repayment Status	::	Nil	

2. Beneficiaries Detail:

S.no.	Name	M/F	Father/ Husba ndnam e	Age	Categ ory	Address	
1	Sheela devi	F	W/ Hari singh	44	Gen.	Village -annu	78077-76199
2	Sundari devi	F	w/o suresh kumar	37	Gen	Village -annu	6230157282
3	Reena devi	F	w/o chaju ram	52	Gen	Village -annu	82788-33174
4	Kiran devi	F	w/o Anup	36	Gen	Village -annu	78075-15809
5	Veena devi	F	w/o gopal singh	38	Gen	Village -annu	9805236504
6	Kamla devi	F	w/oSunil	40	Gen	Village -annu	90153-65708
7	Asha devi	F	w/o bhagat ram	44	Gen	Village -annu	78072-17068
8	Tulsa	F	w/o shiv ram	50	Gen	Village -annu	88949-98752
9	Sumitra	F	w/o Heat ran	53	Gen	Village -annu	80910-72292

3. Geographical details of the Village

1	Distance from the District HQ	108km
2	Distance from Main Road	3 Km
3	Name of local market & distance	Chopal , 8Km Nerwa 22 km
4	Name of main market & distance	Shimla 108Km
5	Name of main cities where product will be sold/marketed	Chopal, Theog, Shimla

4.Executive Summary

Bag making income generation activity has been selected by Self Help Group Brijmohan Annu under VFDS Annu katoti . This IGA will be carried out by all ladies of this SHG. Bag making is a new concept for this group but almost all the members are trained in sewing the clothes and they are sure that they will stitch the bags also after getting some training .After discussion in a series of meeting they have decided to take this activity for their livelihood improvement. There is a sufficient demand of school bags, handbags, luggage bags, purses for ladies and gents and carry bags in the surrounding markets. After several meetings of the group it has been decided by the group finally that keeping in view the demand of such bags in the nearby market, this activity will definitely be a income generation activity for the group .All the members consented in all for this IGA and passed the resolution.

5.Description of Product related to Income Generating Activity

1	Name of the Product	::	School bags, handbags, luggage bags, purses for ladies and gents and carry bags .
2	Method of product identification	::	The group along with JICA staff held many meetings to identify the livelihood activity and discussed on some issues like availability of raw material in the locality, skill for preparation of product marketing status and then all SHG members agreed to adopt Bag making initially and later on more product of similar process will be added .
3	Consent of SHG/ CIG / cluster members	::	All SHG members agreed and passed resolution.

6.Description of Production Processes

- Group will make school bags, hand bags, luggage Bags, Purses etc. This business activity will be carried out whole year by the group members.
- The process of making 400 nos. of bags takes around one month and all the 8 members of the group will work for average 4 hours daily due to engagement in other agriculture and domestic work. Average 5 days weekly holiday is required by them for their agriculture & domestic work. Hence 1 member will work for 4 hour*25 days during the month and therefore each member will work for 100 hours in a month. The total man days for 8 members will be $100 \times 8 / 8$ (1 man day = 8 hours) = 100 days .The total labour cost comes out $100 \times 300 = 30000/-$. In this way the labour cost per bag will be Rs. 75.

- Based on assumption/experience 1 bag will be manufactured by using material i.e. Mattie cloth, Zip, Locks, Sticker, Wire covering ,Niwar etc. , cost of which comes out to rupees 320 /- .
- The cost for manufacturing one bag will be Rs. 320+Rs.75 =Rs. 395/- Initially group will manufacture 400 bags per month and in future other type of bags will be added and manufactured according to market demand.

7 .Description of Marketing/ Sale

1	Potential market places	::	chopali, Shimla 8 km, 108km
2	Distance from the unit	::	
3	Demand of the product in market place/s	::	High demand
4	Process of identification of market	::	Group members, according to their production potential and demand in market, will select/list retailer/whole seller. Initially product will be sold in near markets.
5	Marketing Strategy of the product	::	SHG members will directly sell their product through village shops. The group will also supply their product to the retailers and whole sellers in the nearby market.

08. SWOT Analysis

❖ Strength–

- Group members are well conversant with the working on sewing machine.
- Raw material easily available in the nearby market shimla.
- Manufacturing process is simple
- Proper packing and easy to transport
- Product is non-perishable and its self-life is long

❖ Weakness–

- Demand is seasonal
- High competition with the factory made bags presently being imported by the local traders from other states specially from Ludhiana.
- Shortage of reserve fund with the group to invest on the raw material and to wait for the sale of product.

❖ Opportunity–

- High demand in starting school session i.e. during April every year.
- There are opportunities of expansion with production at a larger scale.

❖ Threats/Risks–

- Risk of conflict in the group members
- Competition with the factory made bags.

09. 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 etc.
- Some group members will involve in Production process.
- Some group members will involve in Packaging and Marketing.

10. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Paddal Sewing machine	03	21000/-	63,000/-
2	Simple Sewing machine	02	7000/-	14000/-
3	scissors	05	450/-	2250/-
4	Chairs	10	500	5000/-
5	Room carpet	01	2000	2000/-
6	Counter table	01	7500	7500/-
7	almeera	01	11000	11000/-
8	Measuring tap	05	100	500/-
9	Tailor scale	05	300	1500/-
10	Iron prees	01	900	900/-
11	stool	10	300	3000/-
Total Capital Cost =				110650/-

B. Recurring Cost

Sr.no	Raw material	Quantity	Amount per unit (Rs)	Total amount
1	Room rent	01	1800	1800/-
2	Zip buton chain	05 box	1000	5000/-
3	Marking chok	L/S	L/S	500/-
4	Mix color threads	05 Box	400	2000/-
5	All type cloth	250 mtr	200	50000/-
6	Pipe , tape nylon roll, balt,	50mt	150	7500/-
7	Electricity, ,Water & other charge	L/S	L/S	4000/-
Total Recurring cost				70800/-

C. Cost of Production (Monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	70800
2	10% depreciation annually on capital cost	7080/-
	Total	77880

13 Analysis of Income and Expenditure (Monthly):				
Sr.No	Particulars	Quantity	Unit cost	Total cost
1	Travlig bag	90	400	36000/-
2	Carr bag for lunch box	110	150	16500/-
3	Carry bag	95	100	9500/-
4	Mini kitt	95	200	19000/-
5	Mobile cover	110	120	13200/-
6	Hand bag	180	100	18000
	Total			112200/-

14. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	1,10,650	82,987	27,662
2	Total Recurring Cost	77,880		77880
3	Trainings/capacity building/ skill up-gradation	40,000	40,000	
	Total	2,28,530	1,22,987	1,05542

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

15 Sources of fund:

Project support;	<ul style="list-style-type: none">• 75% of capital cost will given by the project• Upto Rs1 lakh will be parked in the SHG bank account (as Revolving Fund).• Trainings/capacity building/ skill up-gradation cost will be borne by the project.• In case SHG take loan from bank 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.
SHG contribution	<ul style="list-style-type: none">• 25% of capital cost to be borne by SHG• Recurring cost to be borne by SHG

16 Trainings/capacity building/skill up-gradation

Trainings/capacity building/ skill up-gradation cost will be borne by project. Following are some trainings/capacity building/ skill up-gradation proposed/needed:

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

17. 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 have to pay the installments of the Principal amount on regular basis

18. Monitoring Method –

- Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be 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 need be 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
- Production level
- Quality of product
- Quantity sold
- Market reach

19. समूह के सदस्यों की तस्वीरें



Parju Devi

Sundari Devi



Sumitroya Devi



Asha Devi



Kiran Devi



Tulsa Devi



Veena Devi



Sheela Devi



Kamla Devi

Prepared by: Tara Devi FTU Coordinator (S.R)

प्रमाणपत्र

बेग बनाना गतिविधि के लिए स्वयं सहायता समूह
..... कि व्यवसाय योजना ग्रामीण वन विकास समिति के सामान्य
सदन के समक्ष को अनुमोदन हेतु प्राप्त विभिन्न
सदस्यों द्वारा लम्बी चर्चा और विचार - विमर्श के बाद, व्यवसाय योजना
को स्वयं सहायता समूह में अपनाने और स्वयं सहायता समूह के
सदस्यों द्वारा आगे कार्यान्वयन के लिए अनुमोदित किया गया

दिनांक:-

स्थान:-

अध्यक्ष
सचिव
V.F.D.S. Katoor Anu
G.P. Katoor
Distt. Shimla H.P.
खजान्ची
V.F.D.S.
एफ.ए.ए.ए. अधिकारी
(सराह)

अनुमोदित

डी०एम०यू० अधिकारी
वन मण्डल चौपाल