

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Bag Making

by

Srishti - Self Help Group



SHG/CIG Name	::	Srishti
VFDS Name	::	Banari-Pateud
Range	::	Mashobra
Division	::	Shimla

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	::	Srishti	
2	VFDS	::	Banari-Pateud	
3	Range	::	Mashobra	
4	Division	::	Shimla	
5	Village	::	Madara, Pateud	
6	Block	::	Shoghi	
7	District	::	Shimla	
8	Total No. of Members in SHG	::	9 females	
9	Date of formation	::	April, 2023	
10	Bank a/c No.	::	44010109011 IFSC: HPSC0000440	
11	Bank Details	::	HP Cooperative Bank Ltd. Shoghi	
12	SHG/CIG Monthly Saving	::	100/-	
13	Total saving	::	8200/-	
14	Total inter-loaning	::	Nil	
15	Cash Credit Limit	::	Nil	
16	Repayment Status	::	Nil	

2. Beneficiaries Detail:

S.no.	Name	M/F	Father/Husbandname	Age	Category	Address
1	Rama Kumari	F	Kuldeep	28	SC	Vill. Madara, PO Anandpur
2	Reeta	F	MadanLal	35	SC	Vill. Madara, PO Anandpur
3	Heera	F	Geeta Ram	32	SC	Vill. Madara, PO Anandpur
4	Anita	F	Ramesh Chand	31	SC	Vill. Madara, PO Anandpur
5	Santosh	F	Vivek	30	OBC	Vill. Pateud, PO Anandpur
6	Leela Devi	F	Lt. Puran Chand	64	SC	Vill.Pateud, PO Anandpur
7	Meena	F	Santosh	48	GEN	Vill. Daredh, PO Anandpur
8	Dimple	F	Kapil	34	SC	Vill. Madara, PO Anandpur
9	Meera	F	Budh Ram	44	SC	Vill. Madara, PO Anandpur

3. Geographical details of the Village

1	Distance from the District HQ	15 km
2	Distance from Main Road	3 Km
3	Name of local market & distance	Shoghi, 3Km
4	Name of main market & distance	Shimla, 15Km
5	Name of main cities & distance	Shimla, 15 Km
6	Name of main cities where product will be sold/marketed	Shoghi, Shimla

4. Executive Summary

Bag making income generation activity has been selected by Srishti Self Help Group under VFDS Banari-Pateud . 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 Production Planning

1	Production Cycle (in days)	::	1 month for a lot of 400 bags
2	Manpower required per cycle/ Month .	::	8 ladies for 100 man days during the month.
3	Source of raw materials	::	Local market/ Main market
4	Source of other resources	::	Local market/ Main market
5	Quantity of raw material required per cycle /month	::	1. Canvas cloth =450mtr. 2. Zip = 1350 no. 3. Niwar = 900mtr 4. Adjuster = 1800no. 5. Parachute cloth =225mtr. 6. Foam = 112mtr. 7. R-1 cloth for partition =150mtr.
6	Expected production per cycle /month	::	400 bags.

8. Estimated Cost of raw material per cycle /per month .

Sr.no	Raw material	unit	Time	Quantity	Amount per unit (Rs)	Total amount	Expected production Monthly	Expected Sale Value
1	Canvas cloth	mtr	Monthly	450mtr	120 /-	54000/-	400 bags	400 Bags @500 each =2,00,000
2	Zip	no.	Monthly	1350 no	15/-	20,250/-		
3	Niwar	mtr	Monthly	900mtr	15/-	13,500/-		
4	Adjuster	no.	Monthly	1800 no	5/-	9000/-		
5	Parachute cloth	mtr	Monthly	225mtr	80/-	18,000/-		
6	Foam	mtr	Monthly	112mtr.	130/-	14,560/-		
7	R-1 cloth for partition	mtr	Monthly	150mtr.	150/-	22,500/-		
		Total				1,51,810/-		2,00,000/-

9 .Description of Marketing/ Sale

1	Potential market places	::	Shoghi, Shimla 3 km, 15km
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.
6	Product branding	::	"Srishti" Bags
7	Product "slogan"	::	"Handcrafted Bags "

10. SWOT Analysis

❖ Strength–

- Group members are well conversant with the working on sewing machine.
- Raw material easily available in the nearby market Shoghi.
- 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.

11. 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.

12. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Bag making machine Umbrella (31 gauge) Leather	2 no.	14,000/-	28,000/-
2	Sewing machine	9 no.	7500/-	67,500/-
4	Scissors	9 no.	400/-	3,600/-
6	Chairs	9 no.	400/-	4000/-
Total Capital Cost (A) =				1,03,100 /-

B. Recurring Cost

Sr.no	Raw material	unit	Time	Quantity	Amount per unit (Rs)	Total amount
1	Canvas cloth	mtr	Monthly	400mtr	120 /-	48,000/-
2	Zip	no.	Monthly	1350 no.	15/-	20,250/-
3	Niwar	mtr	Monthly	900mtr.	15/-	13,500/-
4	Adjuster	no.	Monthly	1800no.	5/-	9,000/-
5	Parachute cloth	mtr	Monthly	225mtr.	80/-	18,000/-
6	Foam	mtr	Monthly	112mtr.	130/-	14,560/-
7	R-1cloth for partition	mtr	Monthly	150 mtr.	150/-	22,500/-
8	Rent of working place /hall	No.	Monthly	1	1,000/-	1,000/-
9	Electricity ,Water& Stationary charges	L/S	Monthly	L/S	L/S	1,000/-
10	Labor (Labor will be done by SHG members 4 hours daily for 25 days each*10members)	Man days	Monthly	100 man days	@300/-	30,000/-
					Total Recurring cost	1,77,810/-
Note: Net Recurring cost = Total recurring cost – Labor cost =1,77,810 -30,000/-						1,47,810/-

C. Cost of Production (Monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	1,47,810/-
2	10% depreciation annually on capital cost	859/-
	Total	1,48,669/-

13 Analysis of Income and Expenditure (Monthly):					
Sr.No	Particulars	Unit	Quantity	Rate per unit	Amount (Rs)
1	Cost of Production	No.	400 bags	372/-	1,48,800/-
2	Expected Selling Price by SHG	No.	Per bag	500/-	2,00,000/-
3	Current market price	No.	400bags	500/-	2,00,000/-
4	Total expected income will be =Sale amount – Recurring cost= 2,00,000/- (-) 1,47,810/- =				52,190/-
5	Net profit after deduction of wages of group members 52,190/- (-) 30,000/-				22,190/-per month

14. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	1,03,100/-	77,325/-	25,775/-
2	Total Recurring Cost	1,47,810	--	1,47,810/-
3	Trainings/capacity building/ skill up-gradation	50,000/-	50,000/-	--
	Total	3,00,910/-	1,27,325/-	1,73,585/-

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. Group members photo:-



Resolution-cum-Group Consensus Form

It is decided in the General House Meeting of the group.....Srishti SHG.....held
on.....29/08/23.....at.....Anandpur.....that our group will
undertake.....Bag-making.....as Livelihood Income Generation
Activity under the Project for Improvement of Himachal Pradesh Forest
Ecosystems Management & Livelihoods (JICA assisted).

Ramak
प्रधान सचिव
सृष्टी स्वयं सहायता समूह
पटीऊड

रीता
प्रधान सचिव
सृष्टी स्वयं सहायता समूह
पटीऊड

Business Plan approved by VFDS

Srishti.....SHG group will undertake *Bag-making*.....as
Livelihood income generation activity under the Project for Improvement of
Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted).
In this regard Business Plan of ₹ 3,00,910/- has been submitted by this group
on dated *29/08/23* and this Business Plan has been approved by
VFDS. (*Banari-Pateud*).....

Business Plan with SHG resolution is being submitted to DMU through FTU for
further necessary action please.


President
Village Forest Development Society
Banari-Pateud


Secretary
Village Forest Development Society
Banari-Pateud

Submitted to DMU through FTU


Range Forest Officer
Name & Signature of Range Officer
Mashobra, Shimla-7


Name & Signature of FTU Coordinator


Name & Signature of DMU Officer
DFO-cum-DMU Officer,
JICA Forestry Project,
Shimla

आज दिनांक 20-1-2024 को सुविष्ट स्वयं सहायता समूह की बैठक का आयोजन मडावा गांव में किया गया। जिनकी अध्यक्षता समूह की प्रथम श्री मी. एम. जी. ने की। बैठक में समूह की सभी सदस्यों ने भाग लिया। आज की बैठक की कार्यवही इस प्रकार रही।

बैठक में व्यावसायिक योजना को लेकर से Revise किया गया क्योंकि पहले व्यावसायिक योजना में सामान की जो कीमत दर्शाई गई थी वह अब बदल दी गई है। समूह में चर्चा कर के सामान के बारे में बात की गई है। पहले हमारे समूह में 8 महिलायें थी। अब एक और महिला जुड़ गई है।

पहले व्यावसायिक योजना की कुंजी लक्ष्य 1,11,600 जी की अब घटकर 1,03,100 रह गई है। इसीलिए व्यावसायिक योजना को समूह द्वारा सर्वसम्मति से पारित किया गया है। व्यावसायिक योजना को ग्रामीण वन विकास समिति के समक्ष अनुमोदन के लिए प्रस्तुत किया जायेगा।

Dhanak रिता
 अध्यक्ष सचिव
 सुविष्ट स्वयं सहायता समूह
 मडावा