

# PROJECT FOR IMPROVEMENT OF HP FOREST ECOSYSTEMS MANAGEMENT & LIVELIHOODS (PIHPFEM&L) (JICA Funded)



**WELCOME**



# What are SHGs?

- ❖ Self-Help Groups (SHGs) are informal associations of people
- ❖ The Genesis of SHG in India can be traced to formation of Self-Employed Women's Association (SEWA) in 1970.
- ❖ It can be defined as self governed, peer controlled information group
- ❖ Have similar socio-economic background
- ❖ Have collectively perform common purpose.
- ❖ Need for SHGs
- ❖ Have low access to credit and financial services:-
  - Inability to provide collateral security
  - Poor credit absorption capacity
  - Inadequate reach of the institutions
  - Weak community network.

## Contd....

- ❖ **The ideal size of an SHG is 10 to 20 members.**
- ❖ **The group need not be registered.**
- ❖ **Women/men from very poor households.**
- ❖ **Those who depend on moneylenders/daily wages even for daily necessities.**
- ❖ **Those with a per capita income not exceeding Rs. 250 per month.**
- ❖ **Those having dry land holding not exceeding 2.5 acres/4.075 bighas.**
- ❖ **Common living conditions for the Group Members**

# What is Corpus Fund of SHG ???

**Corpus is inclusive of:-**

- ❖ Revolving funds, if any, received by the SHG**
- ❖ Its own savings including interest earned**
- ❖ Interest earned by the SHG from Inter-lending to its members**
- ❖ Part of money submitted in SHG saving account after Profit sharing**
- ❖ Income from other sources (loan given to other than SHG members etc.)**

# Why Corpus Fund is Important ??

- ❖ It gives financial empowerment to SHGs
- ❖ It accelerate Inter-loaning system of SHGs
- ❖ Availability of Corpus fund can be utilized to purchase raw materials easily
- ❖ Corpus fund plays major role to get access for Banks/Financial Linkages .

## Eligibility Criteria For Financial Linkages of SHGs with Banks/Financial Institutions

- ❖ SHGs should be in active existence for at least 6 months as per their books of accounts (and not from the date of opening of S/B account).
- ❖ SHGs should be practicing 'Panchasutras' i.e., regular meetings, regular savings, regular inter-lending, timely repayment and up-to-date books of accounts.
- ❖ The existing defunct SHGs are also eligible for credit if these are revived and continue to be active for a minimum period of three months.

# Corpus Fund Importance for Financial Linkages

SHGs may avail either Term Loan (TL) or a Cash Credit Limit (CCL) or both based on their requirement.

- In case of CCL, banks are advised to sanction a minimum loan of ₹6 lakh to each eligible SHG for a period of 3 years with a yearly drawing power (DP). The drawing power may be enhanced annually based on the repayment performance of the SHG. The drawing power may be calculated as follows:
  - ❖ DP for the first year: 6 times of the **existing corpus** or minimum of ₹1.5 lakh, whichever is higher
  - ❖ DP for the second year: 8 times of the **corpus** at the time of review/enhancement or minimum of ₹3 lakh, whichever is higher
  - ❖ DP for the third year: Minimum of ₹6 lakh based on the Business Plan prepared by SHG and the previous credit history.
  - ❖ DP for the fourth year onwards: Above ₹6 lakh, based on the Business Plan prepared by SHG and the previous credit history.

# Continued.....

- In case of Term Loan, banks are advised to sanction loans in doses as mentioned below:
  - ❖ First dose: 6 times of the **existing corpus** or minimum of ₹1.5 lakh, whichever is higher
  - ❖ Second dose: 8 times of the **existing corpus** or minimum of ₹3 lakh, whichever is higher
  - ❖ Third dose: Minimum of ₹6 lakh, based on the Business Plan prepared by the SHGs and the previous credit history.
  - ❖ Fourth dose onwards: Above ₹6 lakh, based on the the Business Plan prepared by the SHGs and the previous credit history.



# Repayment Schedule as per RBI Norms to SHGs

- ❖ Repayment schedule for Term Loans may be as follows:
- ❖ The first dose of loan may be repaid in 24-36 months in monthly/quarterly installments.
- ❖ The second dose of loan may be repaid in 36-48 months in monthly/quarterly installments.
- ❖ The third dose of loan may be repaid in 48-60 months based on the cash flow in monthly/quarterly installments.
- ❖ From the fourth dose onwards loans may be repaid between 60-84 months based on the cash flow in monthly/quarterly installments.

# **Criteria to benefit SHGs in JICA Forestry Project - Bank Linkage**

- ❖ **Orientation of SHGs to get benefit on Interest support from Project & timely repayment of Loan**
- ❖ **Requirement of loan need to be mentioned in proceeding register with purpose in identified SHG for Bank linkage**
- ❖ **Concerned Division have to intimate the PMU about loan taken by SHGs to avail the scheme benefit with loan allotment letter.**
- ❖ **The scheme benefit would be provided on financial year basis and routed through PMU to DMU and so on & so forth .**
- ❖ **Interest support scheme on loan is only applicable to all SHGs/CIGs prepared under JICA Forestry Project**
- ❖ **The scheme benefit is only subjected to timely repayment of loan installments by SHGs and no interest support would be provided to defaulted SHGs on loan repayment**
- ❖ **loan Interest support scheme to defaulted SHG is only subjected to CPD approval.**
- ❖ **loan Interest support scheme is maximum for three years**

# **IGA Identification & Ideal Business Plan**

## **Formation of SHGs**

- ❖ **Identification of common Income Generation Activity.**
- ❖ **Preparation of Ideal Business Plan for the decided activity:-**
  - **Interest**
  - **Demography**
  - **SWOT /SOAR Analysis**
  - **Availability of raw material**
  - **Compatible Capital and Recurring Cost**
  - **Feasibility of Market place for end product**
  - **Loan requirements and repayment analysis**

## **Review of Business Plan Shared**

- **It looks that BP prepared only to meet target**
- **IGA not adopted according to ideal Business Plan concepts**
- **Prepared without done Market Research**
- ❖ **IGA viability**
- ❖ **No Data base analysis**
- **No ideal Participation of SHGs found to prepare BP when visited the field**

# **Support from Project to SHGs/CIGs**

- ❖ **As a Livelihood Improvement Activities, Rs. 1,00,000 is given to each CIGs/SHGs as a revolving fund.**
- ❖ **Project also assist the SHGs/ CIGs by financial support of 75% of the capital cost as envisaged in the business plan for the SC, ST and Poor Women Groups**
- ❖ **For other groups (General category, Male Group, Mixed Group) financial support provided is 50% of the capital cost.**
- ❖ **Support in marketing and branding of the product made by the SHGs/ CIGs.**
- ❖ **In addition, these SHGs/CIGs will get the subsidy of 5% interest rate on the loan amount from Bank/ Financial Institutions for three years.**
- ❖ **Clusters based marketing will be done once the production by SHGs goes high.**

# Income Generation Activity Models

## **IGAs being practiced:**

- ✓ Handloom/Handicraft
- ✓ Backyard Poultry
- ✓ Knitting
- ✓ Vermi Compost
- ✓ Dairy Farming
- ✓ Vegetable Nursery
- ✓ Service Sector Livelihood
- ✓ Badi Making
- ✓ Seera making
- ✓ Beekeeping
- ✓ Ginger garlic paste
- ✓ Haldi Processing
- ✓ Mushroom Cultivation
- ✓ Paneer Making
- ✓ Pickle & Powder Making
- ✓ Chuli Oil Extraction

- ✓ Pine Needle Handicrafts
- ✓ Cutting & tailoring
- ✓ Sheep Farming
- ✓ Pattal Making
- ✓ Bag Making
- ✓ Goat Farming
- ✓ Papad Making
- ✓ Paper plate & Dona Making

- For Training & Capacity building of SHGs/CIGs, 100% cost is borne from the Project.
- All the trainings are being provided through reputed institutions.
- In addition to this, trainings are being given to the unemployed youths in Service Sector.

## Approved Business Plans-Division Wise

Business Plan Approval Status									
Division	Batch I	Batch I(WL)	Batch II	Batch II(WL)	Batch III	Batch III(WL)	Batch IV	Batch IV(WL)	Grand Total
Ani	11				10				21
Banjar	10		5		8				23
Bilaspur	9		31						40
Chopal	10		41		17				68
Dehra							25		25
Dharamshala							14		14
J/nagar	10		41		12				63
Kinnaur	9		13		20				42
Kullu	13		21		10				44
Lahaul			10		6				16
Mandi	9		34						43
Nachan	12								12
Nurpur							41		41
Palampur							20		20
Parvati	9		12		10				31
Rampur	9								9
Rohru	10		11		16				37
Shimla	10						10		20
Suket	6		29		20				55
Theog	10		14		10				34
WL Kullu		12		11		19		10	52
WL Spiti								34	34
<b>Grand Total</b>	<b>147</b>	<b>12</b>	<b>262</b>	<b>11</b>	<b>139</b>	<b>19</b>	<b>110</b>	<b>44</b>	<b>744</b>

# Division Wise –Income Generation Activity Adoption

Division	Back yard Poultry	Beautician	Bee Keeping	Catering	Chuli Oil Abstraction	Cutting & Tailoring	Dairy	Food Processing	Goatry	Grading & Packing	Handloom	Hawai Chappal Making	Knitting	Medicinal Plants	Mushroom Cultivation	Nursery Raising	Paper Plate	pattal making	Pine needle product	seabuckthorn	Sheep farming	Traditional Crops	vegetable Farming	Vermicompost	Grand Total
Ani						3	1	5			1		1		5		2							3	21
Banjar						4		1			15		2		1										23
Bilaspur			1			18	2	8	2						7									2	40
Chopal		1				24		12					6		1									24	68
Dehra						7		4					4		3			1						6	25
Dharamshala	2					7							3		1									1	14
J/nagar	1		1			13		26	1			1	7		5			5				1		2	63
Kinnaur	1		1		6	8		2		1	12		7											4	42
Kullu	1		1	2		7					21		8		1							1	1	1	44
Lahaul						2		1			2		8		1					2					16
Mandi						3	5	21							3			2						9	43
Nachan			2					3					1		2						4				12
Nurpur						17		20							3			1							41
Palampur						4		7					7		1			1							20
Parvati			2			9		2			13		3	1	1										31
Rampur					1	2		1							2									3	9
Rohru			1		1	6		2			5		3		1	1								17	37
Shimla			1			1		5							4				3					6	20
Suket			1			20	4	4	4					2	18			2							55
Theog						4		5					9											16	34
WL Kullu						13		1			17		17		3									1	52
WL Spiti											18		14							2					34
<b>Grand Total</b>	<b>5</b>	<b>1</b>	<b>11</b>	<b>2</b>	<b>8</b>	<b>172</b>	<b>12</b>	<b>130</b>	<b>7</b>	<b>1</b>	<b>104</b>	<b>1</b>	<b>100</b>	<b>3</b>	<b>63</b>	<b>1</b>	<b>2</b>	<b>12</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>95</b>	<b>744</b>



# Cost Analysis(Disbursement vs Achievement)

Division	Range	Training Imparted	RF Disbursement	RF Amount(in Rs)	SHG-C.C given	Amount(C.C) in Rs	Total (in Rs)	SHG-Sales	Sales(in Rs)	Achievement%
Ani	Arsoo					0	0			#DIV/0!
	Nither	11	11	1100000	11	548100	1648100	9	290080	17.6%
Banjar	Sainj	10	17	1700000	16	1883025	3583025	6	170500	4.8%
	Tirthan	5	6	600000	6	638162.5	1238162.5	4	59000	4.8%
Bilaspur	Sadar	11	11	1100000	6	340176	1440176			0.0%
	Ghumarwin	8	9	900000	9	473065	1373065	8	454362	33.1%
	Jhanduta	8	10	1000000	8	688043	1688043	5	130960	7.8%
	Swarghat	8	9	900000	3	194162.5	1094162.5	1	8600	0.8%
Chopal	Bamta	9	5	500000			500000			0.0%
	Chopal	13	12	1200000	10	771601	1971601	2	5500	0.3%
	Kanda	16	15	1500000	12	955314	2455314	11	17600	0.7%
	Nerwa	10	10	1000000	10	639902	1639902			0.0%
	Sarain	5	4	400000			400000			0.0%
	Throach	11	11	1100000	3	195712.5	1295712.5			0.0%
Dehra	Dehra	3	10	1000000			1000000			0.0%
	Jawala Mukhi	3	10	1000000			1000000			0.0%
	Nagrrota Surain	7	10	1000000			1000000			0.0%
Dharamshala	Dharamshala	4	7	700000	1	93675	793675	2	8050	1.0%
	Shahpur	2	5	500000	1	83250	583250	2	3200	0.5%
J/nagar	Dhrampur	10	10	1000000	3	215550	1215550	3	31900	2.6%
	J/nagar	9	15	1500000	1	60928	1560928	2	13500	0.9%
	Kamlah	6	13	1300000			1300000			0.0%
	Ladbhoral	7	13	1300000			1300000	1	6700	0.5%
	Urla	10	10	1000000	7	568142	1568142	4	9050	0.6%

## Cost Analysis(Disbursement vs Achievement) contd.....

Division	Range	Training Imparted	RF Disbursement	RF Amount(in Rs)	SHG-C.C given	Amount(C.C) in Rs	Total (in Rs)	SHG-Sales	Sales(in Rs)	Achievement%
Nachan	Nachan	12	12	1200000	12	694500	1894500	8	228815	12.1%
Nurpur	Indora						0			#DIV/0!
	Jawali		7	700000			700000			0.0%
	Nurpur	23	25	2500000			2500000	18	54600	2.2%
	Rey						0			#DIV/0!
Palampur	Daroh	1	10	1000000			1000000			0.0%
	Jaisingh Pur	1	10	1000000			1000000			0.0%
Kinnaur	Bhabanagar	7	7	700000	6	1460025	2160025	5	41000	1.9%
	Katgaon	7	8	800000	5	833212	1633212	4	24500	1.5%
	Malling	6	6	600000	6	815344.25	1415344.25	5	162000	11.4%
	Nichar	13	13	1300000	8	1604050	2904050	10	406500	14.0%
	Pooh	6	6	600000	3	486761	1086761	4	25000	2.3%
Kullu	Bhutti	15	15	1500000	12	927579	2427579	12	760200	31.3%
	Kullu	10	12	1200000	9	822540	2022540	8	317500	15.7%
	Manali	2	2	200000	2	105000	305000			0.0%
	Naggur						0			#DIV/0!
	Patlikuhal	2	1	100000	1	37950	137950			0.0%
Lahaul	Keylong		6	600000			600000			0.0%
	Pattan	4	8	800000	8	834532.5	1634532.5	3	6000	0.4%
Mandi	Drang	12	14	1400000	13	476250	1876250	4	28870	1.5%
	Katula	7	10	1000000			1000000	3	234815	23.5%
	Kotli	1					0			#DIV/0!
	Mandi	13	13	1300000	13	690500	1990500	13	390273	19.6%

## Cost Analysis(Disbursement vs Achievement) contd.....

Division	Range	Training Imparted	RF Disbursement	RF Amount(in Rs)	SHG-C.C given	Amount(C.C) in Rs	Total (in Rs)	SHG-Sales	Sales(in Rs)	Achievement%
Parvati	Bhunter	9	8	800000	8	524362.5	1324362.5	4	268000	20.2%
	Hurla	12	12	1200000	12	1012811.25	2212811.25	12	450500	20.4%
	Jari	9	9	900000	10	856949	1756949	9	102000	5.8%
Rampur	Sarahan	9	9	900000	9	720711.5	1620711.5	6	130575	8.1%
Rohru	Dodra Kawar		7	700000	7	652700	1352700	2	16200	1.2%
	Jubbal	5	7	700000	7	626750	1326750	2	68500	5.2%
	Kashdhar	11	9	900000	11	1016793	1916793			0.0%
	Saraswati Nagar	9	9	900000	9	765900	1665900	3	44550	2.7%
Shimla	Koti						0			#DIV/0!
	Mashobra	2	2	200000	3	114755	314755	2	8275	2.6%
	Taradevi	10	10	1000000	10	664435	1664435	6	337750	20.3%
Suket	Baldwara	10	9	900000			900000	9	563175	62.6%
	Jai Devi	4					0	2	19800	#DIV/0!
	Jhungi	1					0			#DIV/0!
	Kangoo	11	5	500000			500000	9	100576	20.1%
	Sarkaghat	14	6	600000			600000	10	2502341	417.1%
	Suket	6	3	300000			300000	4	306514	102.2%
Theog	Balson	10	10	1000000	10	838150	1838150	3	21100	1.1%
	Kothkhai	10	14	1400000	9	1055963	2455963	4	11500	0.5%
	Theog	7	7	700000	10	1126875	1826875	2	51600	2.8%
WL Kullu	Sundernagar WL	8	8	800000	8	798188	1598188			0.0%
	WL Kullu	12	12	1200000	11	1167415	2367415	12	657218	27.8%
	WL Manali	23	23	2300000	26	2660408	4960408	11	429405	8.7%
WL Spiti	WL Kaza	15	17	1700000	3	627750	2327750	2	33980	1.5%
	WL Tabo	15	13	1300000			1300000	5	181000	13.9%
Grand Total		550	627	62700000	368	33367968.5	96067968.5	276	10193634	10.6%

# Aspects for Bank Lingages

Division	Range	Count
Banjar	Sainj	5
	Tirthan	4
Bilaspur	Sadar	5
	Ghumarwin	1
	Jhanduta	5
	Swarghat	2
Chopal	Throach	1
Dehra	Jawala Mukhi	4
	Nagrotta Surain	3
Dharamshala	Dharamshala	3
	Shahpur	2
J/nagar	Dhrampur	2
	J/nagar	1
	Kamlah	2
Kinnaur	Bhabanagar	6
	Katgaon	5
	Malling	4
	Nichar	9
	Pooh	6
Kullu	Bhutti	6
	Kullu	4
	Naggar	1
Lahaul	Keylong	1
	Pattan	3
Mandi	Katula	3
	Kotli	3
	Mandi	1

# Continued.....

Division	Range	Count
Nurpur	Indora	1
	Jawali	5
	Nurpur	17
	Rey	3
Palampur	Daroh	1
	Jaisingh Pur	2
Parvati	Bhunter	3
	Hurla	2
	Jari	5
Rampur	Sarahan	3
Rohru	Dodra Kawar	6
	Jubbal	1
	Kashdhar	5
	Saraswati Nagar	1
Shimla	Taradevi	2
Suket	Baldwara	3
	Kangoo	8
	Suket	5
Theog	Kothkhai	1
WL Kullu	WL Kullu	4
	WL Manali	5
WL Spiti	WL Kaza	8
	WL Tabo	11
Grand Total		194

# **Monitoring of SHG-IGA**

- ❖ **Monitoring of monthly meetings of SHG by FTU Coordinator and review**
- ❖ **Status of SBT of SHG on adopted IGA & MBT of VFDS/BMC Sub committee**
- ❖ **Capital Cost disbursement as per Business Plan**
- ❖ **Revolving Fund Status & utilization**
- ❖ **Current Status of SHG after Training(Production wise)**
- ❖ **Maintenance of Stock Register**
- ❖ **Maintenance of Sales Register**

# To Do list

- ❖ To explore Local Market for products
- ❖ Categories SHGs as per sales per month
- ❖ Guide SHGs for taking up market oriented IGAs
- ❖ Need to provide information in monthly monitoring format of sales
- ❖ Quality Assurance of Products to show case in JICA Outlets /Associated Outlets
- ❖ List up the Melas or other functions/events and make calendar in advance
- ❖ Involve VFDS/BMC sub committees for SHG handholding
- ❖ Prepare the list of SHGs whose business Plan is above 3 lakhs and link them with banks
- ❖ Regular participation in meetings and follow of Panchsutra
- ❖ Target of preparation of pending SHGs with approved Business Plans till 31st Oct 2023



**Thank You**