



## Business Plan

On

### Income Generation Activity

### Hawai Chappal Making

For

### Self Help Group –Yuvak Mandal



SHG/CIG name

VFDS name

Range

Division

Yuvak Mandal

Tanihar

Kamlah

Joginder Nagar

Prepared Under-

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

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## 1. Introduction-

Yuvak Mandal SHG was formed under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which falls under VFDS Tanihar and Range Kamlah. This SHG consists of 07 males and they collectively decided of taking slipper making as their Income Generation Activity (IGA). The members already have a knowledge about the business and are keen to start their own slipper making business.

Any individual can initiate a slipper manufacturing business on a small-scale basis. Slippers are considered a household consumer durable item and the slipper-making process is very simple. From a small-scale unit, members can produce slippers. Additionally, manufacturing can be started with some simple machinery and rubber sheet as the main raw material.

The market for slippers in India is large because of the widespread demographics of the Indian population in terms of gender, employment status, material required, colours, sizes, utility etc. Nowadays besides being a necessity, it has become an important fashion accessory available in different designs. This is a profitable business and requires comparatively less investment.

Slipper making business is categorized under small scale industries. So it is essential to register the business under MSME. Also, there are few other license and registration processes associated with this business. It is obligatory to issue a trade license and registration with RoC (Registrar of Companies) to initiate any business. So the manufacturer must register his company also apply for a trade license for beginning the manufacturing and selling of his products.

While registering with RoC, registering as LLP or OPC is preferable for this kind of business. Lastly, if you are keeping your brand name for these slippers in that case copyright on brand name must be issued from ISI by the manufacturers.

## 2. Description of SHG/CIG

1.	SHG/CIG Name	Yuvak Mandal Tanihar
2.	VFDS	Tanihar
3.	Range	Kamlah
4.	Division	Joginder Nagar
5.	Village	Tanihar
6.	Block	Dharampur
7.	District	Mandi
8.	Total no. of members in SHG	7 males
9.	Date of formation	15/09/2019
10.	Bank a/c No.	87370100055176
11.	Bank details	Himachal Gramin Bank Tihra IFSC Code : PUNB0HPGB04
12.	SHG/CIG monthly savings	50
13.	Total saving	30000
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

### 3. Beneficiaries Detail

Sr. No	Name	Gender	Father's Name	Designation	Age	Education	Category	Contact No.
1.	Rajesh Kumar	Male	Duni Chand	President	33	MCA	General	8988524058
2.	Kuldeep Pathania	Male	Jagdish Chand	Vice President	38	HM	General	9855326817
3.	Subhash Chand	Male	Prem Singh	Secretary	33	MBA	General	9418557561
4.	Vishal Pathania	Male	Lekh Raj	Member/ Cashier	26	Pol. Tech	General	9459044309
5.	Mukul Verma	Male	Kewal Krishan	Member	26	10+2	General	8223882338
6.	Akshay Kumar	Male	Kamlesh Kumar	Member	23	BA	General	8219422601
7.	Akshay	Male	Rup Lal	Member	28	B.Com	General	9717498478

### 4. Geographical details of the Village

1	Distance from the District HQ	115 Km
2	Distance from Main Road	1 Km
3	Name of local market & distance	Dharampur -15 km
4	Name of main market & distance	Sarkaghat, mandi- 25Km, 115 Km
5	Name of main cities & distance	Mandi - 115 km Sarkaghat - 25 Km Dharampur- 15 Km Sandhol -25 Km
6	Name of main cities where product will be sold/ marketed	Sarkaghat, Dharampur, Sandhol, Awah Devi, Mandi

## 5. Executive Summary-

Slipper making income generation activity has been selected by this Self Help Group. This IGA will be carried out by all members of this SHG. This business activity will be carried out yearly by group members. Later, this time will be decreased as the group members will be comfortable in using the machine. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

## 6. Description of product related to Income Generating Activity-

1	Name of the Product	Slipper Making
2	Method of product identification	Has been decided by group members as they have an experience in slipper making. Also, the slipper demand among people is ever increasing.
3	Consent of SHG/ CIG / cluster members	Yes

## 7. Production Processes-

The training of hawai chappal making on machine will be arranged by JICA project through the supplier on spot training on machine to the group members. The full cost of training with spot demonstration will be borne by the JICA Project.

1. First of all, rubber sheet is cut with help of sole cutting machine. Keep in mind that the cutting of the entire sheet is done with the same dye.
2. If the machine is of high quality, then during cutting itself holes are made in place of lace in slippers. After cutting it, with the help of grinding machine, the rough part around the sleeper is made plain.
3. Once the slippers are printed, they are left to dry for sometime. When it dries, with the help of drilling machine, the holes made at necessary places are enlarged.
4. After this strap insertion, with the help of machine laces are inserted in it.
5. In this way slippers are prepared and sent to the market for sale.

As there are total of 07 members in the group, they will be able to do the work efficiently. In every monthly meeting, they will divide the work of each member and set their monthly product target and can also change the role of member if necessary.

## 8. Production Planning -

1.	Production Cycle	-
2.	Man power required per cycle(No.)	The manpower required to set up a slipper making business would be: 1- Production manager 1- accountant 2-skilled worker 3-unskilled workers Moreover training to these workers in terms of equipment usage, machinery handling, safety and precautions must also be provided.
3.	Source of raw materials	Local market/ main market
4.	Source of other resources	Local market/ main market
5.	Quantity required per month	Rubber sheets - 10 sheets Strap sheets – 20 Brown cardboard paper
6.	Expected production per month	10,000 pair of slippers per month

## 9. Sale &Marketing -

1	Potential market places	Mandi, Joginder Nagar, Palampur, Baijnath
2	Distance from the unit	120 Km , 85 Km, 110 Km, 95 Km respectively.
3	Demand of the production market place/s	Slippers are in demand all round the year.
4	Process of identification of market	Group members, according to their production potential and demand in market, will select list of retailer or whole seller. Initially product will be sold in near markets.
5	Marketing strategy of the product	Slippers can be marketed in all big and small cities. Slippers can be sold in shoe shops of the city. Slippers also reach various big shopping malls to increase business. Promotion of slippers can be done through

		newspapers, hoardings, posters, etc.
6	Product branding	At CIG/SHG level product will be marketed by branding CIG/SHG. Later this IGA may require branding at cluster level.
7	Product “slogan”	“A product of SHG- Yuvak slippers”

### 10. SWOT Analysis-

- ❖ Strength–
  - ✧ Raw material easily available.
  - ✧ Manufacturing process is simple.
  - ✧ Proper packing and easy to transport.
  - ✧ Production cost is less.
- ❖ Weakness–
  - ✧ Lack of experience of making slippers with machine.
  - ✧ New SHG may face difficulties while management and planning.
- ❖ Opportunity–
  - ✧ There are opportunities of expansion with production at a larger scale.
  - ✧ Demand is high in the villages and cities as it is a household product.
- ❖ Threats/Risks–
  - ✧ Internal conflict in group, lack of transparency, lack of high risk bearing capacity and lack of leadership in distribution of labour among the group member.

### 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				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Sole Cutting Machine	1	1,00,000	1,00,000
2	Hole making/ Drill machine	1	20,000	20,000
3	Strap machine	1	15,000	15,000
4	Finishing/ Grinding machine	1	12,000	12,000
5	Dye	As per demand	2000	2000
<b>Total Capital Cost (A) =</b>		<b>149000.00</b>		

B. Recurring Cost					
S. No.	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Labour Cost	Month	10×27	300/day	81,000
2	Room rent	Month	1	1,000	1,000
3	Packaging material		LS	3000	3000
4	Transportation	Month		2,000	2,000
5	Rubber sheets	Per sheet	10	550	5500
6	straps sheets	RMT	20	10	200
7	Other (stationary, electricity, water bill, machine repair )	Month	LS	2,000	2,000
8	Brown cardboard paper	Month	LS	0.2 per sheet	500
<b>Total Recurring Cost (B) = 95200</b>					

C. Cost of production			
S. No.	Particulars	Amount	
13.	1	Total recurring cost	95200
14.	2	10% depreciation annually on capital cost	14,900
15.	<b>Total = 110100</b>		

D. Selling price calculation				
S. No.	Particulars	Unit	Quantity	Amount
1	Production of slipper	Month	10000	-
2	Expected selling price	Rs100 per unit	1000	100000

**13. Analysis of Income and Expenditure ( per :month) -**

### 13. Analysis of Income and Expenditure

S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	14,900
2	Total Recurring Cost	95200
3	Total Production (slipper)	10,000
4	Selling Price (per pair of slipper)	Rs 90-100
5	Income generation	Rs 90,000-100000
6	Net profit (Income generation-total recurring cost)	100000 - 95200= 4800
7	Gross profit = Net Profit+ Labour cost	4800+81000= 85800
8	Distribution of net profit	<ul style="list-style-type: none"> <li>✧ Profit will be distributed equally among members monthly/yearly basis.</li> <li>✧ Profit will be utilized to meet recurring cost.</li> <li>✧ Profit will be used for further investment in IGA</li> </ul>

**14. Fund requirement:**

S. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,49,000	74500	74500
2	Total Recurring Cost	95200	0	95200
3	Training/capacity building/skill up-gradation.	50,000	50,000	0
<b>Total</b>		<b>2,94,200</b>	<b>1,24,500</b>	<b>1,69,700</b>

**15.Sources of Fund -**

Project support	<ul style="list-style-type: none"> <li>✧ 50% of capital cost will be provided by project.</li> <li>✧ Up to Rs 1 lakhs will be parked in the SHG bank account.</li> <li>✧</li> <li>✧ Training/capacity building/ skill up-gradation cost.</li> <li>✧</li> <li>✧ 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.</li> </ul>	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG Contribution	<ul style="list-style-type: none"> <li>✧ 50% of capital cost to be borne by SHG.</li> <li>✧ Recurring cost to be borne by SHG</li> </ul>	

## 16. 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-gradation proposed/needed:

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

## 17. Computation of break-even point -

= Capital Expenditure/[selling price (per slipper)-cost of production (per slipper)]

= 1,49,000/(100-40)

= 2484

In this process break-even will be achieved after selling 2484 slippers .

## 18. 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.

## 19. 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
- ✧ Quality of product

## **20. Remarks**

- Firstly, the demand for slippers in India comes from comfort and durability which comes along the errands and nature of work in this country. So, it remains consistent despite the competition from global brands.
- Secondly, the slipper making business comes with low investment in terms of capital, machinery and manpower catering to a larger consumer market.
- Lastly, target market for this business would be the entire Indian consumer market because its its USP, affordability, quality and durability

**21. Individual photographs:**



**Rajesh Kumar**



**Subhash Pathania**



**Vishal Pathania**



**Akshay Kumar**



**Rakesh Kumar**



**Mukul Verma**



**Akshay Pathania**

**22. Group Photo:**



### 23. Resolution-cum-Group-consensus Form:

Resolution cum Group consensus Form

It is decided in the General house meeting of the group Yuvak Mandal Tanihar held on 8.11.2022 at Tanihar that our group will undertake the Slipper making as Livelihood Income Generation Activity under the Project for Implementation of Uttarakhand Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Signature of group

<p>प्रधान <u>M. K. Meena</u> सचिव <u>Suberna</u> युवक मण्डल तनिहार ग्राम-ता० टिहरा जिला मण्डी हि० प्र० Secretary</p>	<p>युवक मण्डल तनिहार ग्राम-ता० टिहरा जिला मण्डी हि० प्र० Resident</p>
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प्रधान M. K. Meena सचिव  
ग्राम वन विकास समिति तनिहार,  
ग्राम पंचायत तनिहार, तहसील धरमपुर, S  
जिला मण्डी (हि० प्र०)



## 24. Business Plan Approval by VFDS and DMU:

Business Plan Approval by VFDS and DMU

Yuvak Mandal Tanihar Group will undertake the slipper making as a Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem Management and Livelihood (JICA assisted) in this regard business Plan of Amount Rs. 2,94,200 has been submitted by the group on 8.11.2022 and the Business Plan has been approved by VFDS Tanihar.

Business Plan is submitted to DMU through FTU for further action, please

Prashant Prashant  
युवक मण्डल तनिहार  
उप-तहसील टिहरा  
जिला मण्डी हि०प्र०

Thank You

Subash  
सचिव Subash  
युवक मण्डल तनिहार  
उप-तहसील टिहरा  
जिला मण्डी हि०प्र०

Signature Of group President  
Secretary

Subash सचिव  
ग्राम विकास समिति तनिहार,  
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जिला मण्डी (हि० प्र०)

[Signature]  
D.M.U.-Cum-  
Divisional Forest Officer  
Joginder Nagar

DMU cum BFO Joginder Nagar  
[Signature]

