

BUSINESSPLAN

INCOME GENERATING ACTIVITY-Handloom

By

Nav Joyti-Self Help Group



SHG	::	Nav Joyti
VfdsName	::	Bhallan
Range	::	Sainj
Division	::	Seraj

Prepared under:



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

Table of Contents

Sl.No.	Particulars	Page/s
1.	Introduction	3
2.	Background	3
3.	Description of SHG/CIG	4
4.	Beneficiaries Detail	5
5.	Geographical details of the Village:	5
6.	Management	6
7.	Primary Action Plan	6
8.	Customers	6
9.	Target of the center	7
10.	The reason to start this business	7
11.	SWOT Analysis	7
12.	Machinery ,tools and other equipments	8
13.	Total production and sale amount in month	9
14.	Sharing of the profit	10
15.	Sources of funds and procurement	11
16.	Trainings/capacity building/skill up-gradation	11
17.	Loan Repayment Schedule	11
18.	Monitoring Method	12
19.	Remarks	12
20.	Group members Photos	13

1. Introduction

Shawl and Stall, socks, mufflers, scarf, caps, gloves etc. is a common household activity mainly among the women in rural India. Most of the women are well conversant with this income generating activity and they do it appily in their free time and as well while doing other household works. The women in this SHG are already in activity to meet the need oftheir family members. Now the members have chosen this activity as income generating activity so that they can earn extra money to meet their expenses and raise some saving also for the difficult times. A group of 10 women of different age group came together to form a SHG under JICA project and decided to craft a business plan which can help them to take this income generating activity in collective manner and raise their additional income.

2. Background

Handloom center by Nav joyti SHG will be located at village Bhallan P.O. Bhallan Tehsil kullu Distt. Kullu HP. The total household in village 145 is small village surrounding 4 to 5 smal villages. This centre will provide excellent service and guide to the customers about what suits them the best to provide them the product that mark the highest level of satisfaction and comfort for them.

3. Description of SHG/CIG

2.1	SHG	::	NavJoyti
2.2	VFDS	::	Bhallan
2.3	Committee	::	Bhallan
2.4	Range	::	Sainj
2.5	Division	::	Seraj
2.6	Village	::	Bhallan
2.7	Block	::	Bhuntar
2.8	District	::	Kullu
2.9	TotalNo.ofMembersin SHG	::	10-females
2.10	Dateofformation	::	24-02-22
2.11	Banka/cNo.	::	50074654332
2.12	BankDetails	::	K.C.C Sainj
2.13	SHG/CIGMonthlySaving	::	100
2.14	Totalsaving	::	2000
2.15	Totalinter-loaning	::	
2.16	CashCreditLimit	::	--
2.17	Repayment Status	::	--

4. BeneficiariesDetail:

S.No	NameofCandidate	Daughter/Husband Name	Category	ContactNo	Designation
1	Babli Devi	Gopal	S.C	7816663290	President
2	Basanti Devi	Penne Ram	S.C	6230460812	Secretary
3	Heeramani	Gokul Chand	S.C	8544793383	Treasurer
4	Manju Devi	ChamanLal	S.C	88948260816	Treasurer
5	Roshni Devi	Sanju	S.C	8219808219	Member
6	Veena Devi	SohanLal	S.C	9816070715	Member
7	Kiran Devi	Dhale Ram	S.C	78776300257	Member
8	Sesi Devi	HeereLal	S.C	7807275925	Member
9	Roshani Devi	Hotam Ram	S.C	8544753091	Member
10	Madhu Devi	ChamanLal	S.C	9805196015	Member

5. DistancedetailsoftheVillage:

3.1	DistancefromtheDistrictHQ	::	47 KM
3.2	Distance from Main Road	::	500M
3.3	Nameoflocalmarket&distance	::	SainjBhuntar , 40 KM
3.4	Nameofmainmarket&distance	::	Sainj , 20 KM
3.5	Nameofmaincities& distance	::	Sainj 20 KM, Kullu 47 KM Bhuntar 40 km approx.
3.6	Name of places/locations where Productwillbesold/ marketed	::	Kullu, Sainj, Bhuntar

6. Management

Handloom centre by NavJoyti SHG has 10 women members and they will have individual Handloom machines and will hire room inthe village to execute their plan and work collective manner. Before the start of the actual work in the centre all the members will be imparted a short term capsule course for training them in Handloom under some professional trainers.

7. Primary ActionPlan

The members of this SHG have very clear vision of this IGA and after careful and thoughtful discussion within the group decided to take up this activity for additional income. The members are doing this activity in isolation but now they have joined hands to venture into this activity at a bit larger scale and in a planned manner. The division of labour between the members has been planned carefully so that each contributes towards strengthening the IGA and resulting the additional money into theirpockets.

8. Customers

The primary customers of the center will mostly be local people around village Bhallanbutlateronthisbusinesscanbescaledupbycateringtonebysmalltownships.

9. Target of the centre

The centre primarily aim sat to provide excellent high class Handloom service to the residents of Bhallanvillage in particular and all other residents of nearby villages.

This centre will ensure to become them outran Handloom centre with quality work in its area of operation in coming years.

10. The reason to start this business

Due to the prior experience of the members of this SHG who are already doing same work here and there this IGA has been selected and therefore the SHG is starting this business. This is an effort to combine the skill of various members and scale up their activity to earn more livelihoods.

11. SWOT Analysis

❖ Strength

- ➔ Activity is being already done by some SHG members
- ➔ Raw material leasily available from near by markets
- ➔ Manufacturing process is simple
- ➔ Proper packing and easy to transport
- ➔ Other family members will also cooperate with beneficiaries
- ➔ Product self-life is long

❖ Weakness

- ➔ Lack of technical know-how

❖ Opportunity

- ➔ Increasing demand for good products

❖ Threats/Risks

- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training / capacity building & skill up-gradation

12. Machinery, tools and other equipments

The traditional Handloom along with the mechanical Handloom will go hand in hand so that a value product is made available for marketing and making it competitive both in quality and price tag. Some of the items will be produced in traditional manner and others in mechanical manner depending upon the demand in the targeted area. The following machinery and tools need to be procured.

A. CAPITAL COST				
Sr. No.	Particulars of Machinery.	Quantity	Rate per unit	Total Amount
1	Handloom Machine 60Inch	10	16000	160000
2	Charka	10	2000	20000
3	Scissors	5	400	2000
	Total capital cost=			182000

B. Recurring cost				
Sr. No.	Particulars	Unit	Rate	Amount
1.	Room rent	Per month	2000	2000
2.	Water & electricity	Per month	1000	1000
3.	Handloom wool of Different color and quality	L/S	80000	80000
Total Recurring cost				83000

13. **Total production and sale amount in month**

Since it is an additional activity in the SHG apart from their routine household work the outcome will be proportionate to the working hours of each member. It is always better initially to keep the production on conservative side which can always be scaled up with passage of time and work experience. Therefore, it is presumed that each member will produce one item (Shawl & Stall) per day as finally finished product and daily 30 items can be made available for sale. Keeping in view this production rate of approximately 900 finished items will be ready for sale in one month. As beginner the item rate on an average if presumed Rs.800 each therefore the total income per month is worked as under:

Particulars	Total Amount (Rs.)	Project Contribution (50%)	SHG contribution (50%)
Total capital cost	182000	91000	91000
Recurring cost			
10% depreciation on capital cost/month	1516		1516
Other expenditure per month	83000	-nil-	83000
Total	266516		175516

Total sale in a month $(900 \times 800) = 720,000$

Total expenditure in first month = **266516**

However this amount can safely be deducted from the expenditure column and the net income can re-cast again. More over the members of SHG will be doing the job collectively therefore their wages have not been taken into account. The net income at the end of the month is re-cast as under:

Capitalcost		
Particulars	Amount	SHG contribution
Capitalcost	182000	91000
Recurring expenditure		
i) 10% depreciation on capitalcostpermonth	1516	
i) Other expenditure on material cost etc.	83000	
Total	266516	
Total cost	182000+83000=265000	
Totalsale in1stmonth	720000	
Netprofit L/S	455000	

*Profit will Depend upon the working of SHG

14. Fundflowinthegroup:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Totalcapitalcost	182000	91000	91000
2	TotalRecurring Cost	83000	0	83000
3	Trainings	40000	4000	0
	Total	320645	166700	174000

Note-

- **CapitalCost**-75%ofthetotalcapitalcostwill bebornebytheProject
- **RecurringCost**-Theentire cost twillbeborneby theSHG/CIG.
- **Trainings/capacitybuilding/skillup-gradation**-Totalcosttobebornebythe Project

15. Sources of funds and procurement:

Projects support;	<ul style="list-style-type: none">• 75% of capital cost will be utilized for purchase of machines.• Upto Rs. 11 lakh will be parked in the SHG bank account as a revolving fund.• Trainings/capacity building/skill up-gradation cost.	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none">• 25% of capital cost to be borne by SHG.• Recurring cost to be born 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:

- Teamwork
- Quality control
- Packaging and Marketing
- Financial Management

17. **Loan Repayment Schedule-** If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is no 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.

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.



Manju Devi



Veena Devi



Bubli Devi



Sesi Devi



Heeramani



Madhu



Roshani



Basanti Devi



Roshani Devi



Kirana Devi

Prepared by – Akash Gupta S.M.S
Phoola Thakur FTU Coordinator

GROUP CONSENT LETTER

The Meeting of Navjyoti Group was held under the Chairmanship of the PradhanShJeevan Ramon dated 24-02-22 in which the member of group collectively decided to do the work of Handloom to increase the income with the association, project for improvement of Himachal Pradesh Forest ecosystem Management and livelihoods (JICA).

The detail description of the members of the group is given below:-

Sr.N	Name	Husband Name	Designation	Age	Phone Number	Catego ry	Qualificati on	Signature
1.	Babli Devi	Gopal	President	21	7816663290	S.C	8th	Babli Devi
2.	Basanti Devi	Penne Ram	Secretary	26	6230460812	S.C	10th	Basanti Devi
3.	Heeramani	Gokul Chand	Treasurer	26	8544793383	S.C	12th	Heeranani
4.	Manju Devi	ChamanLal	Treasurer	20	88948260816	S.C	10th	Manju
5.	Roshni Devi	Sanju	Member	20	8219808219	S.C	10th	Roshni
6.	Veena Devi	SohanLal	Member	26	9816070715	S.C	9th	Beena Devi
7.	Kiran Devi	Dhale Ram	Member	20	78776300257	S.C	10th	Kirana
8.	Sesi Devi	HeereLal	Member	21	7807275925	S.C	10th	Sesi Devi
9.	Roshani Devi	Hotam Ram	Member	21	8544753091	S.C	8th	Roshani
10.	Madhu Devi	ChamanLal	Member	19	9805196015	S.C	10th	Madhu Devi

Basanti Devi
Babli Devi

प्रधान
नवज्योति स्वयं सहायता समूह
गांव व डाकघर मलाण
तहसील सैन्ज जिला कुल्लु

प्रधान *[Signature]* समिति
Signature of VFDs Pradhan

[Signature]
Signature of VFDs Secretary

प्रधान *Babli Devi* समिति
Signature of SHG Pradhan
गांव व डाकघर भलाण
तहसील सेन्ज जिला कुल्लु

प्रधान *[Signature]* समिति
Signature of SHG Secretary
गांव व डाकघर भलाण
तहसील सेन्ज जिला कुल्लु

[Signature]
Signature of Forest Guard

[Signature]
Signature of B.O.
Block Forest Officer
Larji Block,
Distt. Kullu (H.P.)

[Signature]
Signature of R.O.
Range Forest Office
Saini Forest Range

[Signature]
DMU-Seraj
JICA
DMU-Seraj