

# BUSINESSPLAN

INCOMEGENERATINGACTIVITY–Handloom

by

Garga Rishi-Self Help Group



SHG/CIGName	::	Garga Rishi
VfdsName	::	Raila
Range	::	Sainj
Division	::	Seraj

**Prepared under:**



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

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## 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 of their 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 Garga Rishi SHG will be located at village Raila P.O. Raila Tehsil Sainj 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/CIG Name	::	Garga Rishi
2.2	VFDS	::	Raila
2.3	Committee	::	Raila
2.4	Range	::	Sainj
2.5	Division	::	Seraj
2.6	Village	::	Raila
2.7	Block	::	Bhuntar
2.8	District	::	Kullu
2.9	Total No. of Members in SHG	::	10-females
2.10	Date of formation	::	09-03-22
2.11	Bank a/c No.	::	41054415429
2.12	Bank Details	::	SBI Sainj
2.13	SHG/CIG Monthly Saving	::	100
2.14	Total saving	::	6000
2.15	Total inter-loaning	::	
2.16	Cash Credit Limit	::	--
2.17	Repayment Status	::	--

#### 4. Beneficiaries Detail:

S.No	Name of Candidate	Daughter/Husband Name	Category	Contact No	Designation
1	Meera Devi	Dharamsingh	General	8091170366	President
2	Javitra Devi	Mahinder Singh	General	9882477506	Secretary
3	Geeta Devi	Gautam	General	7650843077	Treasurer
4	Lata Devi	Chhabe Ram	General	9816250795	Member
5	Rama Devi	Chet Ram	General	8894210723	Member
6	Nirmla Devi	Roshan Lal	General	9882095641	Member
7	Hima Devi	Repti Ram	S.C	9805706835	Member
8	Jai Dassi	Jugat Ram	General	8091105523	Member
9	Ailu Devi	Tikam Ram	S.T.	8091131785	Member
10	Sunita Devi	Tara Chand	General	9882171572	Member

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	55 KM
3.2	Distance from Main Road	::	1.5 KM
3.3	Name of local market & distance	::	Sainj Bhuntar , 14 KM
3.4	Name of main market & distance	::	Sainj , 14 KM
3.5	Name of main cities & distance	::	Sainj 14 KM, Kullu 55 KM Bhuntar 45 km approx.
3.6	Name of places/locations where product will be sold/ marketed	::	Kullu, Sainj, Bhuntar

## 6. Management

Handloom centre by Garga Rishi SHG has 10 women members and they will have individual Handloom machines and will hire a room in the village to execute their plan and work in a 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 Action Plan

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 their pockets.

## 8. Customers

The primary customers of the centre will mostly be local people around village Raila but later on this business can be scaled up by catering to small townships.

## 9. Target of the centre

The centre primarily aim sat to provide excellent high class Handloom service to the residents of Raila village 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 easily available from nearby 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.	Roomrent	Permonth	2000	2000
2.	Water&electricity	Permonth	1000	1000
3.	Handloomwoolof 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
<b>Total</b>	<b>266516</b>		<b>175516</b>

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

Total expenditure in first month = 266516

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

<b>Capitalcost</b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capitalcost	182000	91000
<b>Recurringexpenditure</b>		
i) 10% depreciation on capitalcostpermonth	1516	
i) Otherexpenditureon material cost etc.	83000	
<b>Total</b>	<b>266516</b>	
<b>Totalcost</b>	<b>182000+83000=265000</b>	
<b>Totalsale in 1<sup>st</sup>month</b>	<b>720000</b>	
<b>Netprofit L/S</b>	<b>455000</b>	

\*Profit will Depend upon the working of SHG

#### 14. Fundflowinthegroup:

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

#### Note-

- **CapitalCost**-75%ofthetotalcapitalcostwill bebornebytheProject
- **RecurringCost**-Theentirecostwillbeborneby theSHG/CIG.
- **Trainings/capacitybuilding/skillup-gradation**-Totalcosttobeornebythe Project

15. **Sources of funds and procurement:**

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

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.

GroupmembersPhotos-



Meera Devi



Rama Devi



Ailu Devi



Javitra Devi



Lata Devi



Nirmla Devi



Geeta Devi



Sunita Devi



Jaia Dasi



Heema Devi

Prepared By S.M.S- Akash Gupta  
FTU Coodinator-Phoola Thakur

### GROUP CONSENT LETTER

The Meeting of Garga Rishi Self Help Group was held under the Chairmanship of the Pradhan Sh Chhape Ram on dated 09.03.22 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 o.	Name	Husband Name	Designation	Age	Phone Numer	Category	Signature
1.	Meera Devi	Dharam singh	President	30	8091170366	General	Meera Devi
2.	Javitra Devi	Mahinder Singh	Secretary	34	9882477506	General	Javitra
3.	Geeta Devi	Gautam	Treasurer	40	7650843077	General	Geeta Devi
4.	Lata Devi	Chhape Ram	Member	39	9816250795	General	Lata Devi
5.	Rama Devi	Chet Ram	Member	36	8894210723	General	Rama Devi
6.	Nirmla Devi	Roshan Lal	Member	30	9882095641	General	Nirmla
7.	Hima Devi	Repti Ram	Member	25	9805706835	S.C	Hima Devi
8.	Jai Dassi	Jugat Ram	Member	40	8091105523	General	Jai Dassi
9.	Ailu Devi	Tikam Ram	Member	39	8091131785	S.T.	Ailu Devi
10.	Sunita Devi	Tara Chand	Member	29	9882171572	General	Sunita Devi

Signature of VFDs Pradhan  
ग्रामीण वन विकास समिति  
रेला, (सैनज)

सचिव  
ग्रामीण वन विकास समिति  
रेला, (सैनज)  
Signature of VFDs Secretary

Meeta Devi

प्रधान  
गर्गा ब्रह्म  
सचिव  
ग्रामीण वन विकास समिति  
रेला, (सैनज)

प्रधान  
गर्गा ब्रह्म  
सचिव  
ग्रामीण वन विकास समिति  
रेला, (सैनज)  
Signature of SHG Secretary

Signature of Forest Guard  
५८ Gofli  
Seal

Signature of B.O.  
BLOCK Forest Office  
Sainj Block

Signature of R.O.  
Range Forest Officer  
Sainj Forest Range

DMU Seraj  
JICA  
DMU-Seraj