

BUSINESSPLAN

INCOME GENERATING ACTIVITY-Handloom

By

Laxmi Bai-Self Help Group



SHG	::	Laxmibai
VfdsName	::	Bhallan
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 apply 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 8 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 Laxmibai 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 small 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	::	Laxmibai
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	Total No. of Members in SHG	::	8-females
2.10	Date of formation	::	03-11-22
2.11	Bank/cNo.	::	50075287289
2.12	Bank Details	::	K.C.C Sainj
2.13	SHG/CIG Monthly Saving	::	100
2.14	Total saving	::	3500
2.15	Total inter-loaning	::	
2.16	Cash Credit Limit	::	--
2.17	Repayment Status	::	--

4. BeneficiariesDetail:

S.No	Name of Candidate	Daughter/Husband Name	Category	Contact No	Designation
1	Sonu Thakur	Anup Singh	S.C	8219538338	Pradhan
2	Chandra Kumari	Pavinder Singh	S.C	8219030901	Secretary
3	Sunita Devi	Tulsi Ram	S.C	9459143001	Member
4	Tarna Devi	Jeevan Ram	S.C	7876166426	Treasurer
5	Nisha Devi	Aminder	S.C	9816487707	Member
6	Sumna Devi	Gurudyal	S.C	9816146307	Member
7	Nisha Devi	Ram Chander	S.C	9015097705	Member
8	Kashi Devi	Naresh Singh	S.C	8219743050	Member

5. Distance details of the Village:

3.1	Distance from the District HQ	::	47 KM
3.2	Distance from Main Road	::	500M
3.3	Name of local market & distance	::	SainjBhuntar , 40 KM
3.4	Name of main market & distance	::	Sainj , 20 KM
3.5	Name of main cities & distance	::	Sainj 20 KM, Kullu 47 KM Bhuntar 40 km approx.
3.6	Name of places/locations where Product will be sold/ marketed	::	Kullu, Sainj, Bhuntar

6. Management

Handloom center by LaxmiBai SHG has 8 women members and they will have individual Handloom machines and will hire room in the village to execute their plan and work collective manner. Before the start of the actual work in the center 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 labor 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 center will mostly be local people around village Bhallanbut later on this business can be scaled up by catering to nearby small townships.

9. Target of the centre

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

This center will ensure to become them outran Handloom center 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 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. CAPITALCOST				
Sr. No.	Particulars of Machinery.	Quantity	Rate per unit	Total Amount
1	Handloom Machine 60Inch	8	16000	128000
2	Charka	8	2000	16000
3	Scissors	5	400	2000
	Total capital cost=			146000

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 is 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	146000	73000	73000
Recurring cost			
10% depreciation on capital cost/month	1216		1216
Other expenditure per month	83000	-nil-	83000
Total	230216		157216

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

Total expenditure in first month = **230216**

However this amount can safely be deducted from the expenditure column and the net income can be 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	146000	73000
Recurringexpenditure		
i) 10% depreciation on capital cost per month	1216	
i) Other expenditure on material cost etc.	83000	
Total	230216	
Totalcost	146000+83000=229000	
Totalsale in 1 st month	720000	
Netprofit L/S	491000	

*Profit will Depend upon the working of SHG

14. Fundflowinthegroup:

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	146000	73000	73000
2	Total Recurring Cost	83000	0	83000
3	Trainings	40000	40000	0
	Total	269000	113000	156000

Note-

- **Capital Cost**-75% of the total capital cost will be borne by the Project
- **Recurring Cost**-The entire cost will be borne by the SHG/CIG.
- **Trainings/capacity building/skill up-gradation**-Total cost to be borne by the Project

15. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none">• 75% of capital cost will be utilized for purchase of machines.• Upto Rs. 1 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.



Sonu Thakur

Sunita Devi

Nisha Devi

Kashi Devi



Tarna Devi

Sumna Devi

Chandra Kumari

Nisha Devi

Prepared by – Akash Gupta S.M.S

Phoola Thakur FTU Coodinator

GROUP CONSENT LETTER

The Meeting of LaxmibaiSelf Help Group was held under the Chairmanship of the PradhanShJeevan Ramon dated 01-10-22 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.No	Name	Husband Name	Designation	Age	Phone Numer	Category	Signature
1.	Sonu Thakur	Anup Singh	Pradhan	30	8219538338	General	Sonu Thakur
2.	Chandra Kumari	Pavinder Singh	Secratory	27	8219030901	General	Pavinder Singh
3.	Sunita Devi	Tulsi Ram	Member	22	9459143001	S.C	Sunita Devi
4.	Tarna Devi	Jeevan Ram	Treasurer	34	7876166426	General	Tarna Devi
5.	Nisha Devi	Aminder	Member	33	9816487707	General	Nisha Devi
6.	Sumna Devi	Gurudyal	Member	46	9816146307	General	Sumna Devi
7.	Nisha Devi	Ram Chander	Member	35	9015097705	S.C	Nisha Devi
8.	Kashi Devi	Naresh Singh	Member	41	8219743050	General	Kashi Devi

प्रधान Sonu Thakur
लक्ष्मी बाई लखनवा स्वयं
हाथबता समूह भलाण-2

Signature of VFDs Pradhan

Signature of VFDs Secretary

Signature of SHG Pradhan
प्रधान
सचिव
लक्ष्मी बाई हथकरगी स्वयं
सहायता समूह अलाप-2

Signature of SHG Secretary
लक्ष्मी बाई हथकरगी स्वयं
सहायता समूह अलाप-2

Signature of Forest Guard
Bhalraj Dadi

Signature of Block Forest Officer
Larj Block,
Distt. Kullu (H.P.)

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

DMU Seraj
JICA
DMU-Seraj