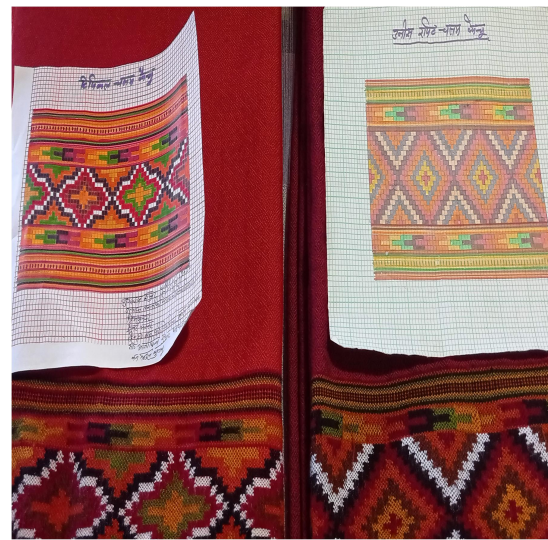


Business Plan for Enhance Livelihood

HANDLOOM

(Shawl & Stole)

Kelo Veer Self-Help Group, Sarach



Village Forest Development Society -----Balh-I
Gram Panchayat-----Balh-II
Forest Range -----Kullu
Forest Division-----Kullu
Forest Circle-----Kullu

Project for Improvement of Himachal Pradesh Forest
Ecosystems Management & Livelihoods

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1.Introduction

Himachal Pradesh is a hilly state located in the western Himalayan region. It is famous for its natural beauty and rich culture. The climate of Himachal Pradesh is very diverse and many small and big rivers and valleys enhance the beauty of the state.

The total population of the state is about 70 lakhs. Its geographical area is 55673 sq. km. which is spread from the Shivalik hills to the cold desert region of the upper Himalayas. Agriculture and horticulture are the main occupations here. Among the 12 districts of Himachal Pradesh, Kullu district is famous for tourism and horticulture. Kullu district is located in the central hills of Himachal Pradesh.

Village Sarach is located in Gram Panchayat Balh-II development block Kullu, Tehsil and District Kullu in Himachal Pradesh. The valley of Kullu district have been given various names according to their physical structure, one of which is Maharaja

Village Sarach is located in Maharaja at a distance of about 16 km from Kullu headquarters. The main occupation of the people in village Sarach is agriculture and gardening but due to lack of proper irrigation system, people are not getting the expected increase in their income. Most of the people have very little land, due to which they are not able to earn their livelihood properly. To improve their livelihood, people earn their livelihood by growing cash crops and gardening.

People in the village are also engaged in making Shawl stall, but the production is done in a traditional way, due to which the production is less and the income is also less. To overcome this problem and to increase the production of products, these women need information about advanced types of machines which are suitable for this production.

According to the geographical situation, these products are required throughout the year in this area. Therefore, production can be increased as much as possible by using proper training and modern machines. There is also a need to prepare new products according to demand and fashion from time to time.

After the formation of Village Forest Development Society, Balh-I the village, Project For Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods told the people about working in groups to increase their means of livelihood.

Through the project, 02 self-help groups were formed in Balh-I the form of "Kelo Veer", "Radhe Krishna" self-help groups. After this, "Kelo Veer" self-help group decided to work on handloom. 12 members joined this group.

Based on the advice, suggestions and experiences of handloom expert Shri Jugat Ram Him Weaver Technical Assistant along with "Vaishno" group, the group members decided to make shawls and stoles etc. Expert Shri Jugat Ram was requested from time to time to make the group aware, skilled and capable, so that the products made by the group are beautiful, attractive and of good quality. This will increase the livelihood of the group.

Project For Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods decided to give training to “Kelo Veer” self-help group in making shawls and stoles along with giving Rs. 100000/- as revolving fund.

To prepare the livelihood enhancement business plan of “Kelo Veer” self-help group, Shri Shashi Sharma (FTU Coordinator) Bhutti Forest Range, Miss Premla Thakur (FTU Coordinator) Kullu Forest Range and handloom expert Shri Jugat Ram held repeated meetings with the group members and under the guidance of Divisional Forest Officer Sh. Angel Chauhan (IFS), Kullu, with the cooperation of Miss Anjel Sharma, Forest Range Officer, Kullu, this livelihood enhancement business plan was finalized.

2. Description of SHG

2.1	Name of Self-Help Group	“Kelo Veer”
2.2	Manual for Management of Information System of SHG	Attached in Page No. 20
2.3	Village Forest Development Society	Balh-I
2.4	Forest Range/FTU	Kullu
2.5	Forest Division/ DMU	Kullu
2.6	Village	Sarach
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	12
2.10	SHG Formation	Oct 2020
2.11	Bank Account Number	0800100100000266
2.12	Name of Bank & Branch	PNB Akhada Kullu
2.13	Monthly Saving SHG	100
2.14	Total Saving SHG	35000
2.15	Loan given to members among themselves	
2.16	Cash deposit limit	
2.17	Repayment Status	

List of Kelo Veer Self-Help Group

Sr no	Name of SHG Member	Name of Father/Husband	Designation	Category	Age	Sex	Qualification	Cont. No.
1	Smt Shanta Devi	Sh.Ram Singh	President	General	35	Female	10 th	7876787702
2	Smt.Sharda Devi	Sh.Bheem Singh	Secretary	General	33	Female	10 th	7650046414
3	Smt.Heera Devi	Sh.Ammi Chand	Treasure	General	40	Female	10 th	7018570917
4	Smt.Savitra Devi	Sh.Sohan Lal	Member	General	46	Female	10 th	7876134094
5	Smt.Dimpal devi	Sh.Durga Singh	Member	General	31	Female	8 th	7076860927
6	Smt.Nirmala devi	Sh.Dole Ram	Member	General	56	Female	7 th	9405473503.
7	Smt.Shanta Devi	Sh.Chappe Ram	Member	General	49	Female	5 th	.
8	Smt.Pingla	Sh.Bhawani	Member	General	42	Female	12 th	7831900161
9	Smt.Chatradevi	Sh.Meher Singh	Member	General	56	Female	5 th	.
10	Smt.Leel Devi	Sh.Kamlesh	Member	General	35	Female	8 th	9816058039
11	Smt Ommadevi	Sh.Noop Ram	Member	General	46	Female	5 th	.
12	Smt.Piituu Devi	Sh.Tikam Ram	Member	General	48	Female	5 th	.



3. Geographical details of Village

3.1	Distance from District HQ	Road to 07Km 01km on foot
3.2	Distance from Main Road	Road to 07KM. & On foot 100mtr
3.3	Name of Local Market & Distance	Kullu 10KM.
3.4	Name of Main Market & Distance	Kullu 10 KM.
3.5	Distance from Main City	Kullu 07KM, Bhuntar 05 KM, Manali 47 KM, Shamshi 3km
3.6	Name of main Cities where products will be sold/marketed	Kullu, Bhuntar, Manali, Shamshi
3.7	Special Information for effected IGA of village related	<ul style="list-style-type: none"> • Agriculture & Horticulture • Kulvi Pattu
3.8	Status of before & After linkage	Continuous meetings are being held and information about handloom is being shared.

4. Description of Product related to Income Generating Activity

4.1	Name of Product	Shawl stole & Pattu
4.2	Method of Product Identification	Some members are already doing Handloom work
4.3	Consent of SHG/CIG Cluster	Yes Consent attached page No. 20

5. Details of Production Processes

First of all, the members of the self-help group will be given training by the project on making shawls and stoles etc. After the training, the following process will be followed by the group members in preparing the product:-

The warp and weft of shawl and stole will be made by warping machine. This will reduce the time and labour cost of the products.

1. 12 members of the group will work on making stoles.
2. 2 members of the group will do marketing and will also bring raw material.
3. Group members will work for 4 to 5 hours daily.

After training, the following products will be made by the group. The details of which are as follows:-

1. Shawl 2/48 Australian Wool Yarn

Stoles of different designs will be prepared by 07 members. If one member works for 4 to 5 hours per day, Three Shawl will be prepared in 2 days.

1. Stole 2/48 Australian Wool Yarn

Stoles of different designs will be prepared by 02 members. If one member works for 4 to 5 hours per day, one stole will be prepared in 2 days.

6. Details of planning for production

6.1	Production cycle (in days) 30 days (working 4-5 hours per day)	45Shawl 30Stole
6.2	Workers required per cycle (number)	07 members for stole 02members for stole 03 members for marketing Total member 12
6.3	Source of raw material	Kullu
6.4	Source of other resources	Kullu, Shamshi, Bhuntar

6.5 Raw material requirement and estimated production

Sr. No.	Month	Raw Material (For Shawl & Stole Products)				Kaishmilon (For Shawl & Stole Products)			Expected Production Value	Remarks
		Unit	Qty.	Rate	Amt	Qty	Rate	Amt.		
1	April	Kg.	26	1500	39000	6	450	2700	75	Shwal 45 & Stole 30 Per Circle
2	May	Kg.	26	1500	39000	6	450	2700	75	
3	June	Kg.	26	1500	39000	6	450	2700	75	
4	July	Kg.	26	1500	39000	6	450	2700	75	
5	August	Kg.	26	1500	39000	6	450	2700	75	
6	September	Kg.	26	1500	39000	6	450	2700	75	
7	October	Kg.	26	1500	39000	6	450	2700	75	
8	Nov/	Kg.	26	1500	39000	6	450	2700	75	
9	December	Kg.	26	1500	39000	6	450	2700	75	
10	January	Kg.	26	1500	39000	6	450	2700	75	
11	February	Kg.	26	1500	39000	6	450	2700	75	
12	March	Kg.	26	1500	39000	6	450	2700	75	
	Total		312		468000	72		32400	900	

- In each cycle (per month) Shawl 45 stoles 30 will be made by the group.
- In a year Shawl 540 stoles 360 pieces will be made by the group.

7. Details of Marketing/Sales

7.1	Potential marketing destination	Kullu, Bhuntar, Manali
7.2	Distance from Unit	06 to 46 Km.
7.3	Demand for the product at the market places	Kullu, Bhuntar, Manali
7.4	Market Identification Process	Based on the capacity and local demand of the group <ul style="list-style-type: none"> • Make a list of vendors. • Contact the vendors.
7.5	Effect of season on marketing:	Higher demand in winter.
7.6	Potential buyers of the product	Locals, city people, tourists Potential
7.7	Consumers in the area	Tenants, job holders, outsiders.
7.8	Product marketing system	<ul style="list-style-type: none"> • Contact with shopkeepers. • Own sales Centre • Stall/exhibition in fairs • Various offices • Religious places
7.9	Product Marketing Strategy	<ul style="list-style-type: none"> • Wholesaler • Retailer • Agent 20-25% subsidy • Publicity in local network • Publicity in social media
7.10	Determining the product's branding	Beautiful products of SHG Kelo Veer
7.11	Product slogan	शोभला गांव, शोभला कोम, श्रुति भर नहीं काण । यह सा पीज स्टोल री पहचाण ॥

8. Details of management among group members

- Rules will be made for management.
- Group members will divide the work by mutual consent.
- The division will be done on the basis of efficiency and capacity of work.
- Profit will also be distributed on the basis of quality of work, skill and hard work.
- The marketing member will be given 5% commission on the total sales amount.
- One member having experience in marketing will do the marketing.
- The head and secretary will keep on evaluating and observing the management from time to time.

9. Analysis of Strengths, Weaknesses, Opportunities and Challenges (SWOT)

Strengths

- Women have the passion for work.
- Some members are already doing khadi work.
- There are experienced members in the group too.

Weakness

- Women also do agriculture and animal husbandry work.
- Can only spare 2 to 3 hours for work.
- Working in a group for the first time.

Opportunities

- Himachal Pradesh Forest Ecosystem Management Project will provide support and funds.
- Training will increase skills and capacity.
- There is demand for the products locally and in cities.
- Kullu and Manali are tourist places.

Challenges

- Not producing good products
- Not understanding the market situation (demand)
- Competition from other production centers.
- Engagement in menial work.
- Engagement in other (agricultural, horticultural and animal husbandry) works.

10. Description of potential challenges and measures to mitigate them

Sr. No.	Statement of Risks / Challenges	::	Measures to reduce risk
10.1	Not understanding the market situation (demand).	::	To adapt to the market demand from time to time.
10.2	Not producing good products.	::	Creating products in demand the consumers.
10.3	Competition from other production centers.	::	Making better products than other production centers and earning less profit in the beginning.
10.4	Not understanding the market situation (demand).	::	To promote handloom instead of menial work.
10.5	More involvement in agriculture, horticulture and animal husbandry activities.	::	Pay attention to agriculture, gardening, animal husbandry and other household work along with handloom
10.6	Division in groups	::	<ul style="list-style-type: none"> • Income should be distributed on the basis of skill and ability. • Working with transparency.
10.7	Sales may decrease due to decrease in product quality.	::	To maintain quality the group will have to maintain high standards.

11.Statement of Economics of the Project

11A.Capital Expenditure

Sr. No.	Particulars	Amount
1	05 Khaddi of 50 inches (Rs. 15000 per Khaddi)	75000
2	02Khaddi of 35 inches (Rs. 9000 per Khaddi)	18000
3	01Charkhas and Uri Stand (Rs. 1700 per Charkha and Uri Stand)	1700
	Total Capital Expenditure	94700

11B.Recurring Cost (Per Circle)

Sr. No.	Particulars	Unit	Qty.	Rate	Amt
1	Shawl				
A	Raw Material (Threads)	Kg.	18	1500	27000
B	Raw Material (Kaishmilon)	Kg.	2	450	900
C	Warping machine cost (for 70Stole)	No.	45	6	270
D	Labour(01Members 4-5 (Hour/Day) 30x1x300	Days	30	300	63000
E	Others Expenditure (Packing, Pamphlets)				980
	(A+B+C+E)				29150
2	Stole				
A	Raw Material (Threads)	kg	8	1500	12000
B	Raw Material (Kaishmilon)	kg	1	450	450
C	Warping machine cost (for 70Stole)	No.	30	17	510
D	Labour(01Members 4-5 (Hour/Day) 30x1x300	Days	30	300	18000
E	Others Expenditure (Packing, Pamphlets)				500
	1A+B+C+E)				13460
	Total Recurring Cost				42610

12. Summary of the Economy

Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	42610
2	10% annual interest on capital expenditure	947
3	10% annual interest on loan	500
	Total	44057

13. Assumptions

Calculation of Selling Price

Sr. No.	Particulars	Unit	Qty.	Amount
For One Shawl				
1	Production Cost	No.	1	1000
	Defined Benefits	Per	30	300
	Total Cost + Benefits	No.	1	1300
	Market Price	No.	1	1600
	For one Stole			
2	Production Cost	No	1	521
	Defined Benefits	Per	30	156
	Total Cost + Benefits	No	1	677
	Market Price	No	1	950

14. Cost-benefit analysis for the enterprise (in one cycle i.e. in 01 month)

Sr. No.	Particulars	Unit	Qty	Rate	Amt
1	10% annual interest on capital expenditure (a)	-	-	-	947
2	Recurring Coat (B)			-	
2.1	Shawl				29150

2.2	Stole	-	-	-	13460
	Total (B)				42610
3	Total Production (Shawl)	No.	45		
	Total Production (Stole)	No	30		
4	Product sales (Shawl)	No.	45		
	Product sales (Stole)	No	30		
5	Income from product sales(Shawl)	No.	45	1300	58500
	Income from product sales(Stole)	No	30	677	20310
	Total (S)				78810
6	Total Benefits S-(A+B) $78810 - (947+42610) = 43557$				43557
7	Gross profit from product sales $43557-2700+81000=121857$				121857
8	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund $78810-(5000+2700+42610=50310)$)				28500

15. Self Help Groups/Similar Interest Groups need funds

Sr. No.	Particulars	Total Expenditure	Contribution by project 50%	Contribution by project 50%	Group needs money
1	Capital Cost	94700	47350	47350	0
2	Recurring Cost	42610	0	0	42610
	Other Cost	2700	0	0	2700
	Total	140010	47350	47350	45310
	Note	Requirement of funds is approximately 5000.00			

Note- Since the group members will arrange for the wages themselves, no additional money will be required for this, hence wages have not been included in the recurring expenditure given in the financial requirement of the group.

16. Financial resources of the group

Sr. No.	Particulars	Amount
1	Support fund provided by the project	47350
2	Internal savings of the group	15600
	Total	62950

The project will provide an amount of Rs. 100000/- as seed fund. The group members will take loan from the bank on the basis of this seed fund.

17. Planning of Fund Requirements

Sr. No.	Resources needed funds needed	Resources needed funds needed	Comment
1	05 Khadi 50 Inch	7500	50% advance should be given for Khaddi, Charkha and Uri from the assistance amount by the group.
2	02 Khadi 35 Inch	9000	
3	01 Charkha with Uri Stand	850	
	TOTAL	17350	
3	RAW Material	45310	
	G.Total	62660	

18. Calculation of Break-even Point/Situation

(Break Even Point)

Calculation of Break-even Point of Shawl

= $17350/300 = 315$ days

Calculation of Break-even Point of Stole

= $17350/156 = 607$ days

Calculation of Total Break-even Point Shawl & Stole = $300+156=456$

Total $17350/456 = 133$ Days

In this process the breakeven point can be achieved in 207 days as per the same ratio of sales of the above product.

19. Loan Repayment schedule

Sr. No.	Month	Loan Repayment			Cumulative Loan Repayment	Remaining Loan		
		Amt.	Interest	Total		Amt.	Interest	Total
1	Month-1					50000	416.67	50416.7
2	Month-2	4583.33	416.67	5000	5000	45417	378.47	45795.1
3	Month-3	4621.53	378.047	5000	5000	40795	339.96	41135.1
4	Month-4	4660.04	339.96	5000	5000	36135	301.13	36436.2
5	Month-5	4698.087	301.13	5000	5000	31436	261.97	31698.2
6	Month-6	47380.3	261.97	5000	5000	26698	222.48	26920.2
7	Month-7	4777.52	222.48	5000	5000	21921	182.67	22103.3
8	Month-8	4817.33	182.67	5000	5000	17107	142.53	17245.9
9	Month-9	4857.047	142.53	5000	5000	12246	102.05	12347.9
10	Month-10	4897.095	102.05	5000	5000	7347.9	61.233	7409.16
11	Month-11	4938.077	61.233	5000	5000	2409.2	20.076	2429.24
12	Month-12	2409.92	20.076	2430	0	0	0	0
		50001	2429.2	52430				

10% Annual interest is calculated on the basis of reducing principal amount every month.

Due to adjustments, the final EMI may be less or more than the regular EMI.

20. Comment

The group will prepare and sell stoles(120) in the first cycle. This will generate an average income of Rs 23150/- in each cycle.

21.Training

The training will be done for 08 hours per day i.e. 42 to 43 days. The master trainer will be paid Rs. 1500/- per day for training. During the training period, the group will be given raw material once at the rate of Rs. 1500/- per trainee.

Sr. No.	Particulars	Training Period	Members	Rate	Amt.	Remarks
1	Mater Trainer	45 Days	-	1000	45000	Rs. 1000-00 Per Day
2	Boarding & Lodging	45 Days		100	4500	Rs. 100 Per Day
3	Raw Material	45 Days	12	1000	12000	Rs.1000 Per Members
4	Training Hall Rent	45 Days	-	1000	1500	Rs. 1500 Trg. Period
5	Transportation Charges	Khaddi, Charkha	-	-	1000	Rs.1000 One Time
	Total				64000	

22. Attachment



List of Rule of Self-Help Groups

1. Group work : Handloom
2. Group address : village -Sarach
3. Total members of the group : 12
4. Date of the first meeting of the group ; Oct 2020
5. For every Rs. 100 in the group, there will be an interest of Rs. 2
6. The monthly meeting of the group is held every month. will be on the date of 07th.
7. All the members of the group will deposit the saved money of each month in the group
8. All members will have to attend the meeting of the Self- Help Group
9. Self Help Group Account PNB Akhada Bazar Kullu Account number **0800100100000266**
10. In order to attend the meeting of the group, the principal and secretary will have to take permission by stating the appropriate work.
11. Those who do not deposit the amount of savings in the group or are present in the group for 3 Meetings, then that person will be removed from the group.
12. If the person who is present in the group giving reasons, then the next meeting will be in the house of the person whose expenses will have to be borne by that person himself.
13. The Pradhan and Secretary of the Self -Help Group shall be elected unanimously
14. The pradhan and secretary can transact with the bank, this post will be valid for one year.
15. The Pradhan, Secretary or Member shall not do any work against the Group shall always utilize the funds of the Group.
16. If the member wants to leave the group for some reason, if this person has taken a loan, then the group will have to return only then there is equality except the group otherwise not.
17. The purpose of the loan will be decided in the meeting, the time of repayment of the amount, the installment of the loan and the rate of interest will be decided in the meeting.
18. For emergency, the principal and secretary should have an amount of at least Rs 1000
19. The register of self-help groups should be read and written in front of all members
20. Large borrowers will have to report a week in advance
21. Loans should be given to all members in times of need
22. If the member wants to leave the group without any reason, then the accumulated income of that member will be divided into the group.
23. Group has to Submit their Monthly Report to the FTU.

Photographs of members of Kelo Veer Self Help Group



Smt. Shanta Devi
Pradhan



Smt. Heera Devi
Secretary



Smt. Sharda Devi
Cashier



Smt. Savitra Devi
Member



Smt. Leela Devi
Member



Smt. Chatra Devi
Member



Smt. Pingla Devi
Member



Smt. Dimpal
Member



Smt. Peetu Devi
Member



Smt. Oma Devi
Member



Smt. Shanta Devi
Member



Smt. Bimla Devi
Member

Agreement

Today on 12.10.2021 a meeting of **Kelo Veer self Help Group Sarach** was held under the chairmanship of Pradhan **Smt.Sharda Devi** in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of Kelo Veer Self Help Group Peej and with the cooperation of Field Technical Unit Kullu was finalized . With the project being run in collaboration with Project For Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods (Funded by JICA) through the Forest Department, the members of Kelo Veer Self Help group Sarach unanimously agreed to continue working on Handloom to increase their livelihood.


प्रधान
श्रीमती शर्दा देवी
कलो वीर सारच समूह
ग्राम ३०० पीज किला कुल्लू


श्रीमती शर्दा देवी
कलो वीर सारच समूह
ग्राम - १

Approval

Today on 02.11.2021 the Divisional Management Unit and and Forest Divisional Officer Kullu approved the Handloom Enhancing Livelihood Business Plan of **kelo Veer** Self Help group Sarach


DMD-cum DFO Kullu,
Kullu Forest Division Kullu