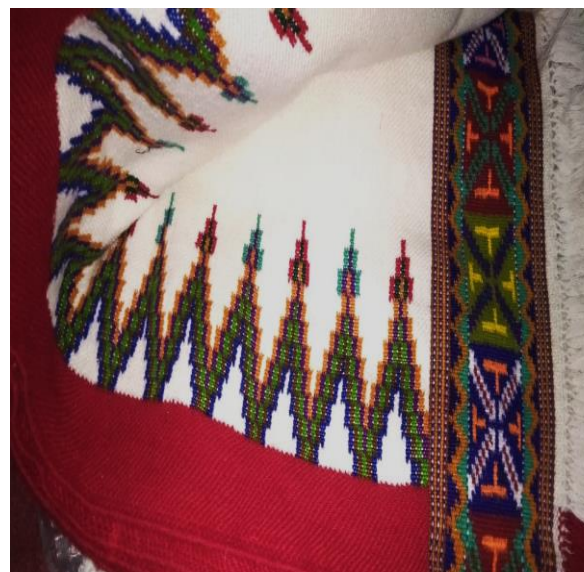


Business Plan for Income Generation

HANDLOOM

(Shawl & Stole)

Luxmi Self-Help Group, Sarli



Village Forest Development Society -----Sarli
 Gram Panchayat-----Bastori
 Forest Range -----Bhutti
 Forest Division-----Kullu
 Forest Circle-----Kullu

Project for Improvement of Himachal Pradesh 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 Sarli is located in Gram Panchayat Bastori 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 Lagvalley

Village Sarli is located in Lagvalley at a distance of about 14 km from Kullu headquarters. The main occupation of the people in village Sarli 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 pattu, 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, Sarli in the village, Project for Improvement 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 Sarli in the form of "**Luxmi**" and "Jagriti" self-help groups. After this, "Luxmi" self-help group decided to work on handloom. 10 members joined this group.

Based on the advice, suggestions and experiences of handloom expert Shri Jugat Ram Him Weaver Technical Assistant along with "Luxmi" 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 Himachal Pradesh Forest Ecosystems Management and Livelihoods decided to give training to "**Luxmi**" self-help group in making shawls and stoles along with giving Rs. 100000/- as revolving fund.

To prepare the livelihood enhancement business plan of "**Luxmi**" self-help group, Shri Shashi Sharma (FTU Coordinator), Bhutti 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), Sh. Manoj Kumar (HPFS), Assistant Forest Conservator, Kullu, with the cooperation of Smt. Bandna, Forest Range Officer, Bhutti and Mr. Balbir Singh, Forest Division Officer, Bhutti, this livelihood enhancement business plan was finalized.

2. Description of SHG

2.1	Name of Self-Help Group	"Luxmi"
2.2	Manual for Management of Information System of SHG	Attached in Page No. 20
2.3	Village Forest Development Society	Sarli
2.4	Forest Range/FTU	Bhutti
2.5	Forest Division/ DMU	Kullu
2.6	Village	Sarli
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	10
2.10	SHG Formation	June, 2020
2.11	Bank Account Number	11470110043608
2.12	Name of Bank & Branch	UCO Bank, Kullu
2.13	Monthly Saving SHG	100
2.14	Total Saving SHG	20000
2.15	Loan given to members among themselves	
2.16	Cash deposit limit	
2.17	Repayment Status	11 Month

List of Luxmi Self-Help Group

Sr. No.	Name & Adress of Members	Designation	Age	Sex	Qualification	Category	Contact No.
1	Smt. Sheela Devi W/O Sh. Tara Chand	Pradhan	32	Fe	5 th .	Gen	8894218352
2	Smt. Jaganathi W/O Sh. Surinder	Secretary	28	Fe	12 th .	Gen	8628900135
3	Smt. Nirmla W/o Sh. Bhim Singh	Cashier	30	Fe	10 th .	Gen	9805283733
4	Smt. Reeta Devi W/o Sh. Hem Singh	Member	27	Fe	8 th .	Gen	
5	Smt. Sunfi Devi W/o Sh. Megh Singh	Member	42	Fe	5 th .	Gen	
6	Smt. Bimla Devi W/o Sh. Bir Bahadur	Member	45	Fe	5 th .	Gen	
7	Smt. Sunita Devi W/o Ajay	Member	28	Fe	9 th .	Gen	
8	Smt. Sombati W/o Sh. Jai Singh	Member	35	Fe	12 th .	Gen	
9	Sh. Narayan S/o Sh. Sita Ram	Member	36	M	10 th .	Gen	9816369532
10	Smt. Dalip Singh W/o Sh. Uttam Singh	Member	39	M	12 th .	Gen	9882811800



3. Geographical details of Village

3.1	Distance from District HQ	Road to 12 KM.
3.2	Distance from Main Road	Road to 12 KM. & On foot 02 KM.
3.3	Name of Local Market & Distance	Kullu 14 KM.
3.4	Name of Main Market & Distance	Kullu 14 KM.
3.5	Distance from Main City	Kullu 14 KM, Bhuntar 15 KM, Manali 55 KM, Shamshi 13 KM
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
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. 28

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. 07 members of the group will work on making shawls.
2. 01 members of the group will work on making stoles.
3. 02 members of the group will do marketing and will also bring raw material.
4. 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

Shawls 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.

2. Stole 2/48 Australian Wool Yarn

Stoles of different designs will be prepared by 01 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)	45 Shawl 15 stoles
6.2	Workers required per cycle (number)	10 members for stole
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.	22	1500	33000	3	450	1350	60	Shawl 45 Stole 15 Per Circle
2	May	Kg.	22	1500	33000	3	450	1350	60	
3	June	Kg.	22	1500	33000	3	450	1350	60	
4	July	Kg.	22	1500	33000	3	450	1350	60	
5	August	Kg.	22	1500	33000	3	450	1350	60	
6	September	Kg.	22	1500	33000	3	450	1350	60	
7	October	Kg.	22	1500	33000	3	450	1350	60	
8	Nov/	Kg.	22	1500	33000	3	450	1350	60	
9	December	Kg.	22	1500	33000	3	450	1350	60	
10	January	Kg.	22	1500	33000	3	450	1350	60	
11	February	Kg.	22	1500	33000	3	450	1350	60	
12	March	Kg.	22	1500	33000	3	450	1350	60	
	Total		264		396000			16200	720	

- In each cycle (per month) 45 Shawls and 15 stoles will be made by the group.
- In a year 540 Shawls & 180 stoles 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	14 to 55 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 Prerna
7.11	Product slogan	

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	03 Khaddi of 50 inches (Rs. 15000 per Khaddi)	45000
2	01 Khaddi of 35 inches (Rs. 9000 per Khaddi)	9000
3	04 Charkhas and Uri Stand (Rs. 1700 per Charkha and Uri Stand)	6800
	Total Capital Expenditure	60800

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 15 Stole)	No.	45	6	270
D	Labour(01Members 4-5 (Hour/Day) 30x1x300	Days	30	275	57750
E	Others Expenditure (Packing, Pamphlets)				980
	(A+B+C+E)				29150
2	Stole				
A	Raw Material (Threads)	Kg.	4	1500	6000
B	Raw Material (Kaishmilon)	Kg.	1	450	450
C	Warping machine cost (for 15 Stole)	No.	15	17	255
D	Labour(01Members 4-5 (Hour/Day) 30x1x300	Days	30	275	8250
E	Others Expenditure (Packing, Pamphlets)				500
	(A+B+C+E)				7205
	Total Recurring Cost				36355

12. Summary of the Economy

Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	36355
2	10% annual interest on capital expenditure	608
3	10% annual interest on loan	333
	Total	37296

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)	-	-	-	608
2	Recurring Coat (B)			-	
2.1	Shawl				29150
2.2	Stole				7205
	Total (B)				36355
3	Total Production (Shawl)	No.	45		
4	Product sales (Shawl)	No.	45		
5	Income from product sales (Shawl)	No.	45	1300	58500
6	Total Production (Stole)		15		
7	Product sales (Stole)		15		
8	Income from product sales (Stole)		15	677	10155
	Total (S)				68655
9	Total Benefits S-(A+B) 68655 - (608+36355) = 36963				36963
10	Gross profit from product sales				36963
11	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund 36963-4000=32963				32963

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	60800	30400	30400	0
2	Recurring Cost	36355	0	0	36355
	Total	97155	30400	30400	36355
	Note	Requirement of funds is approximately 40,000.00			

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	30400
2	Internal savings of the group	3000
	Total	33400

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	03 Khadi 35 Inch	22500	50% advance should be given for Khaddi, Charkha and Uri from the assistance amount by the group.
2	01 Khadi 35 Inch	4500	
3	04 Charkha with Uri Stand	3400	
	TOTAL	30400	
4	RAW Material	39055	

	G.Total	69455	
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18. Calculation of Break-even Point/Situation

(Break Even Point)

Calculation of Break-even Point of Stole

= 59100/156= 379 days

Calculation of Total Break-even Point = 59100/156 = 379 days

In this process the breakeven point can be achieved in 379 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					40000	333	40333
2	Month-2	3667	333	4000	4000	36333	303	36636
3	Month-3	3697	303	4000	4000	32636	272	32908
4	Month-4	3728	272	4000	4000	28908	241	29149
5	Month-5	3759	241	4000	4000	25149	210	25359
6	Month-6	3790	210	4000	4000	21359	178	21537
7	Month-7	3822	178	4000	4000	17537	146	17683
8	Month-8	3854	146	4000	4000	13683	114	13797
9	Month-9	3886	114	4000	4000	9796.7	81.6	9878.3
10	Month-10	3918	81.6	4000	4000	5878.3	49	5927.3
11	Month-11	3951	49	4000	4000	1927.3	16.1	1943.4
12	Month-12	1927	16.1	1943.4	1943.4	0	0	0
	Total	40000	1943	41943				

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 Shawl & stoles in the first cycle. This will generate an average income of Rs 32963/- 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. 1000/- 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	10	1000	10000	Rs.1000 Per Members
4	Training Hall Rent	45 Days	&	1000	1500	Rs. 1000 Trg. Period
5	Transportation Charges	Khaddi, Charkha	&	&	1000	Rs. 1000 One Time
	Total				62000	

22. Attachment







List of Rule of LUXMI Self-Help Groups

1. Group work: Handloom
2. Group address: village -Sarli
3. Total members of the group: 10
4. Date of the first meeting of the group; 10, July, 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 10th.
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 HGB Kullu Account number 11470110043608
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 Principal and Secretary of the Self -Help Group shall be elected

- unanimously
14. The principal and secretary can transact with the bank, this post will be valid for one year.
 15. The Principal, 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 Luxmi Self Help Group



Smt. Sheela Devi
Pradhan



Smt. Jagarnathi



Smt. Nirmla

Secretary

Cashier



Smt. Rita Devi
Member



Smt. Sunita Devi
Member



Smt. Sunfi Devi
Member



Smt. Bimla Devi
Member



Agreement

(Sahmti Patra)

Today on 10-03-21 a meeting of **Luxmi self Help Group Sarli** was held under the chairmanship of Pradhan Smt. Sheela Devi in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of "**Luxmi**" **Self Help Group Sarli** and with the cooperation of FTU Bhutti was finalized. With the project being run in collaboration with **Project for Improvement Himachal Pradesh Forest Ecosystems Management and livelihoods** (Funded by JICA) through the Forest Department, the members of "**Luxmi**" **Self Help group Sarli** unanimously agreed to continue working on Handloom to increase their livelihood.



Approval

Today on 11-03-21 the Divisional Management Unit and Forest Divisional Officer Kullu approved the Handloom Enhancing Livelihood Business Plan of **"Luxmi"** **Self Help group Sarli**

