



Business Plan for Enhance Livelihood

IGA Activity

HANDLOOM

(Shawl & Stole)

Prerna Self-Help Group, Dughilag



Village Forest Development Society -----Dughilag
 Gram Panchayat-----Dughilag
 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 Dughilag is located in Gram Panchayat Dughilag 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 Dughilag is located in Lagvalley at a distance of about 12 km from Kullu headquarters. The main occupation of the people in village Dughilag 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, Dughilag** 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, 03 self-help groups were formed in Dughilag in the form of "**Prerna**", "Jai Baba Veer Nath" and "Samridhi" self-help groups. After this, "Prerna" 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 "Prerna" 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 “Prerna” self-help group in making shawls and stoles along with giving Rs. 100000/- as revolving fund.

To prepare the livelihood enhancement business plan of “Prerna” 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, BO Tarapur this livelihood enhancement business plan was finalized.



2. Description of SHG

2.1	Name of Self-Help Group	"Prerna"
2.2	Manual for Management of Information System of SHG	Attached in Page No. 18
2.3	Village Forest Development Society	Dughilag
2.4	Forest Range/FTU	Bhutti
2.5	Forest Division/ DMU	Kullu
2.6	Village	Dughilag
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	10
2.10	SHG Formation	April, 2021
2.11	Bank Account Number	883101100107050
2.12	Name of Bank & Branch	HP Gramin 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 Prerna Self-Help Group

Sr. No.	Name & Adress of Members	Designation	Age	Sex	Qualification	Category	Contact No.
1	Smt. Sunita Devi W/O Sh. Roshan	Pradhan	36	Fe	10 th .	Gen	9805016433
2	Smt. Maheshwari Devi W/O Sh. Davender	Secretary	30	Fe	12 th .	Gen	7018795841
3	Smt. Birbali W/o Sh. Bhagat Ram	Cashier	37	Fe	BA	Gen	9418536608
4	Smt. Vidhaya Devi W/o Sh. Jagdish Chand	Member	40	Fe	10 th .	Gen	7876119141
5	Smt. Nisha Devi W/o Sh. Govind	Member	29	Fe	12 th .	Gen	7876192063
6	Smt. Banita Devi W/o Sh. Hem Raj	Member	32	Fe	8 th .	Gen	9805367437
7	Smt. Dimple Devi W/o Laxmi Dutt	Member	26	Fe	12 th .	Gen	8219221338
8	Smt. Sita Devi W/o Sh. Santosh Kumar	Member	25	Fe	5 th .	Gen	9808015433
9	Smt. Indra Devi W/o Sh. Bishamber Dass	Member	39	Fe	8 th .	Gen	9882728161
10	Smt. Meera Devi W/o Sh. Sunder Singh	Member	42	Fe	5 th .	Gen	8894224163
11	Smt. Rajni Devi w/o Sh. Dalbir Singh	Member	42	Fe	8 th .	Gen	7018362274
12	Smt. Kunta Devi W/o Sh. Sandeep Kumar	Member	26	Fe	12 th .	Gen	9805403870



3. Geographical details of Village

3.1	Distance from District HQ	Road to 12 KM.
3.2	Distance from Main Road	Road to 10 KM. & On foot 02 KM.
3.3	Name of Local Market & Distance	Kullu 10 KM.
3.4	Name of Main Market & Distance	Kullu 10 KM.
3.5	Distance from Main City	Kullu 10 KM, Bhuntar 15 KM, Manali 50 KM, Shamshi 14 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. 18

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. 5 members of the group will work on making shawls.
2. 13 members of the group will work on making stoles.
3. 2 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. Stole 2/48 Australian Wool Yarn

Stoles of different designs will be prepared by 12 members. If one member works for 4 to 5 hours per day, one stole will be prepared in 3 days.

6. Details of planning for production

6.1	Production cycle (in days) 30 days (working 4-5 hours per day)	70 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 Stole Products)				Kaishmilon (For Stole Products)			Expected Production Value	Remarks
		Unit	Qty.	Rate	Amt	Qty	Rate	Amt.		
1	April	Kg.	18.9	1500	28350	2.10	450	945	70	Stole 70 Per Circle
2	May	Kg.	18.9	1500	28350	2.10	450	945	70	
3	June	Kg.	18.9	1500	28350	2.10	450	945	70	
4	July	Kg.	18.9	1500	28350	2.10	450	945	70	
5	August	Kg.	18.9	1500	28350	2.10	450	945	70	
6	September	Kg.	18.9	1500	28350	2.10	450	945	70	
7	October	Kg.	18.9	1500	28350	2.10	450	945	70	
8	Nov/	Kg.	18.9	1500	28350	2.10	450	945	70	
9	December	Kg.	18.9	1500	28350	2.10	450	945	70	
10	January	Kg.	18.9	1500	28350	2.10	450	945	70	
11	February	Kg.	18.9	1500	28350	2.10	450	945	70	
12	March	Kg.	18.9	1500	28350	2.10	450	945	70	
	Total		226.8		340200	25.2		11340	840	

- In each cycle (per month) 70 stoles will be made by the group.
- In a year 840 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	10 to 50 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	शोभला गांव, शोभला कोम, रति भर नहीं काण । यह सा दुघीलग 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	06 Khaddi of 35 inches (Rs. 9000 per Khaddi)	54000
2	03 Charkhas and Uri Stand (Rs. 1700 per Charkha and Uri Stand)	5100
	Total Capital Expenditure	59100

11B. Recurring Cost (Per Circle)

Sr. No.	Particulars	Unit	Qty.	Rate	Amt
1	Stole				
A	Raw Material (Threads)	Kg.	0.270	1500	28350
B	Raw Material (Kaishmilon)	Kg.	0.030	450	945
C	Warping machine cost (for 70 Stoles)	No.	70	20	1400
D	Labour (01 Members 4-5 (Hour/Day) 30x1x300)	Days	30	300	0
E	Others Expenditure (Packing, Pamphlets)				1000
	(A+B+C+E)				31695
	Total Recurring Cost				31695

12. Summary of the Economy

Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	31695
2	10% annual interest on capital expenditure	591
3	10% annual interest on loan	350
	Total	32636

13. Assumptions
Calculation of Selling Price

Sr. No.	Particulars	Unit	Qty.	Amount
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)	-	-	-	591
2	Recurring Coat (B)			-	
2.1	Stoles				31695
	Total (B)				31695
3	Total Production (Stoles)	No.	70		
4	Product sales (Stoles)	No.	70		
5	Income from product sales	No.	70	677	47390
	Total (S)				47390
6	Total Benefits S-(A+B) 47390 - (591+31695) = 15104				15104
7	Gross profit from product sales				15104
8	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund 15140-4000=11104				11104

15- Self Help Groups/Similar Interest Groups need funds

Sr. No.	Particulars	Total Expenditure	Contribution by project 75%	Contribution by project 25%	Group needs money
1	Capital Cost	59100	29550	29550	0
2	Recurring Cost	31695	0	0	31695
	Total	90795	29550	29550	31695
	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	29550
2	Internal savings of the group	20000
	Total	49550

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	06 Khadi 35 Inch	27000	50% advance should be given for Khaddi, Charkha and Uri from the assistance amount by the group.
2	03 Charkha with Uri Stand	2550	
	TOTAL	29550	
3	RAW Material	31695	
	G.Total	61245	

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
		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 stoles in the first cycle. This will generate an average income of Rs 11104/- 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	Master Trainer	45 Days	&	1500	67500	Rs. 1500.00 Per Day
2	Boarding & Lodging	45 Days		125	5625	Rs. 125 Per Day
3	Raw Material	45 Days	12	1000	12000	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				87625	



22. Attachment



List of Rule of Prerna Self-Help Groups

1. Group work: Handloom
2. Group address: village -**Dughilag**
3. Total members of the group: **12**
4. Date of the first meeting of the group;
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. All members will have to attend the meeting of the Self- Help Group.
8. Self Help Group Account HGB Kullu Account number 883101100107050. In order to attend the meeting of the group, the Pradhan and secretary will have to take permission by stating the appropriate work.
9. 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, 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.
10. The Pradhan and Secretary of the Self -Help Group shall be elected unanimously.
11. The Pradhan and secretary can transact with the bank, this post will be valid for one year.
12. The Pradhan, Secretary or Member shall not do any work against the Group shall always utilize the funds of the Group.
13. 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.
14. 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.
15. For emergency, the Pradhan and secretary should have an amount of at least Rs 1000/-
16. The register of self-help groups should be read and written in front of all members.
17. Large borrowers will have to report a week in advance Loans should be given to all members in times of need If the member wants to leave the group without any reason, then the accumulated income of that member will be divided into the group.
18. Group has to Submit their Monthly Report to the FTU.

Photographs of members of Prerna Self Help Group



Smt. Sunita
Pradhan



Smt. Maheshwari
Secretary



Smt. Birbali
Cashier



Smt. Rajni
Member



Smt. Meera Devi
Member



Smt. Dimple
Member



Smt. Nisha Devi
Member



Smt. Vidhaya Devi
Member



Smt. Sita Devi
Member



Smt. Indra Devi
Member



Smt. Banita Devi
Member



Smt. Kunti Devi
Member

Agreement

(Sahmti Patra)

Today on 28-10-22 a meeting of **PRERNA Self-Help Group Dughilag** was held under the chairmanship of Pradhan Smt. Sunita Devi in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of PRERNA Self-Help Group Dughilag 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 PRERNA Self Help-Group Dughilag unanimously agreed to continue working on Handloom to increase their livelihood.



Sunita
प्रधान
प्रेरणा स्वयं सहायता समूह डुगीलग
जिला कुल्लू (हि०प्र०)

सचिव

Bisheshi
प्रधान
ग्राम वन विकास समिति
डुगीलग, ग्राम पंचायत डुगीलग
तह० व जिला कुल्लू (हि०प्र०)

Approval

Today on 02-11-22 the Divisional Management Unit and Forest Divisional Officer Kullu approved the Handloom Enhancing Livelihood Business Plan of **PRERNA Self Help-Group Dughilag**



Divisional Forest Officer
Forest Division Kullu