



Business Plan for Enhance Livelihood

IGA Activity

HANDLOOM

(Caps & Jackets)

Dropti Self-Help Group, Summa



Village Forest Development Society -----Summa
 Gram Panchayat-----Dughilag
 Forest Range -----Bhutti
 Forest Division-----Kullu
 Forest Circle-----Kullu

Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods

Table of Contents

Sr. No	Particulars	Page
1	Introduction, Executive summary	3-4
2	Description of SHG	5-6
3	Geographical detail of the Village	7
4	Description of product related to Income Generating Activity	7
5	Production Processes.	8
6	Production Planning	8-10
7	Sale and marketing	11
8	Details of Management	12
9	SWOT Analysis	12
10	Description of Potential risks and measures to mitigate them.	13
11	Description of Economics of the Project	13-14
12	Summary of Economics	14
13	Assumptions	14
14	Benefit cost Analysis	15
15	Fund Requirement	16
16	Financial Resources	16
17	Planning of Fund requirements	16
18	Computation of break –even Point	16
19	Planning for loan repayment	17
20	Comments	17
21	Training	18
22	Attachment	19
23	Glimpse of Photos during Discussion	20
24	List of rules of SHG	21
25	Agreement	22

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 Summa 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 Summa is located in Lagvalley at a distance of about 08 km from Kullu headquarters. The main occupation of the people in village Summa small scale 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, Summa 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 Summa in the form of “**Dropti**” "Jai Maa Bhaga Sidh", and "Prerna" self-help groups. After this, "Jai Maa Bhaga Sidh" self-help group decided to work on handloom. 12 members joined this group.

Project for Improvement Himachal Pradesh Forest Ecosystems Management and Livelihoods decided to give training to “**Dropti**” self-help group in making Kulvi Caps and Jackets along with giving Rs. 100000/- as revolving fund.

To prepare the livelihood enhancement business plan of “**Dropti**” self-help group, Sh. Shashi Sharma (FTU Coordinator), Bhutti Forest Range held repeated meetings with the group members and under the guidance of Divisional Forest Officer Sh. Angel Chauhan (IFS), Sh. Hem Raj Bhardwaj (HPFS), ACF, Kullu, with the cooperation of, Forest Range Officer, Bhutti and BO Tarapur, this livelihood enhancement business plan was finalized.

2. Description of SHG

2.1	Name of Self-Help Group	“Dropti”
2.2	Manual for Management of Information System of SHG	Attached in Page No. 20
2.3	Village Forest Development Society	Summa
2.4	Forest Range/FTU	Bhutti
2.5	Forest Division/ DMU	Kullu
2.6	Village	Summa
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	12
2.10	SHG Formation	Dec., 2021
2.11	Bank Account Number	50075968007
2.12	Name of Bank & Branch	KCC Bank, Darka, Bhutti
2.13	Monthly Saving SHG	100
2.14	Total Saving SHG	10000
2.15	Loan given to members among themselves	
2.16	Cash deposit limit	
2.17	Repayment Status	11 Month

List of Dropti Self-Help Group

Sr. No.	Name & Adress of Members	Designation	Age	Sex	Qualification	Category	Contact No.
1	Smt. Shanta Devi W/O Sh. Hira Lal	Pradhan	41	Fe	5 th .	SC	8580808747
2	Smt. Somlata W/O Sh. Kalu Ram	Secretary	50	Fe	6 th .	SC	9816815369
3	Smt. Nisha Devi W/o Sh. Dhani Ram	Cashier	23	Fe	8 th .	SC	7876066301
4	Smt. Bresti Devi W/o Sh. Hem Ram	Member	50	Fe	-	SC	8580677731
5	Smt. Kamla Devi W/o Sh. Ganga Ram	Member	50	Fe	-	SC	8894172258
6	Smt. Shishu W/o Sh. Monu Ram	Member	26	Fe	4 th .	SC	8091171868
7	Smt. Amra W/o Sh. Chane Ram	Member	55	Fe	-	SC	9317276460
8	Smt. Yamuna Devi W/o Sh. Rotu Ram	Member	34	Fe	6 th .	SC	8091350643
9	Smt. Ishara W/o Sh. Minku Ram	Member	34	Fe	6 th .	SC	7876307131
10	Miss Sapna D/o Sh. Hira Lal	Member	23	Fe	10 th .	SC	8580808747
11	Smt. Kamla w/o Sh. Ram Nath	Member	51	Fe	3 th .	SC	9816503902
12	Smt. Kamla W/o Sh. Murat Ram	Member	60	Fe	3 th .	SC	8580622059



3. Geographical details of Village

3.1	Distance from District HQ	Road to 08 KM.
3.2	Distance from Main Road	Road to 08 KM.
3.3	Name of Local Market & Distance	Kullu 08 KM.
3.4	Name of Main Market & Distance	Kullu 08 KM.
3.5	Distance from Main City	Kullu 08 KM, Bhuntar 18 KM, Manali 48 KM, Shamshi 17 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	Kulvi Caps & Ladies Jacket
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 Kulvi Caps & Jackets etc. After the training, the following process will be followed by the group members in preparing the product: -

1. 08 members of the group will work on making Caps.
2. 04 members of the group will work on making Jackets.
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. Caps

Caps of different designs will be prepared by 08 members. If 01 member works for 4 to 5 hours per day, 03 Caps will be prepared in 01 day.

2. Ladies Jackets

Jackets of different designs will be prepared by 04 members. If 01 member works for 4 to 5 hours per day, 01 Jacket 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)	720 No. Caps 40 No. Ladies Jackets
6.2	Workers required per cycle (number)	08 members for Caps 04 Members for Jackets Total 12 Members
6.3	Source of raw material	Kullu
6.4	Source of other resources	Kullu, Shamshi, Bhuntar



6.5 Raw material requirement and estimated production

Caps (one piece Only)

Sr.	Particulars	Unit	Qty.	Rate	Amt.
2	Caps (one piece Only)				
1	Tapid Patti	cm	0.20	170	8
2	Buckram	cm	0.40	40	16
3	Bulli	cm	0.20	30	6
4	Pasting	cm	0.10	90	9
5	Magji Cloth	cm	0.15	30	2
6	Kullu Border Patti	16 Inch/Piece	16	140	140
7	Sewing Thread	No.			45
Total					226
	Service Charge			5%	11
	Total Production Cost				237
	Profit			20%	47
	Total Cost				284

Ladies Jacket (one piece Only)

Sr.	Particulars	Unit	Qty.	Rate	Amt.
3	Ladies Jacket (one piece Only)				
1	Tapid Patti <i>Supper</i>	Mtr.	0.80	200	160
2	Bulli	Mtr.	1.50	30	45
3	Pasting	Mtr.	0.5	80	40
4	Machine Border	Mtr.	1.5	25	37
5	Sewing Tread & Baton	Piece	-	6	30
6	Kaj ki Labour			20	20
7	Sewing Labour			100	100
Total					432
	Service Charges			10%	43
	Total Production Cost				475
	Profits			50%	237
	Total Cost				712

- In each cycle (per month) 1440 Caps & 40 Jackets will be made by the group.
- In a year 17250 Caps & 480 Jackets 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	08 to 48 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	<p>शोभला गांव, शोभला कोम, रति भर नहीं काण । यह सा सुम्मा टोपी, जैक्ट री पहचाण।।</p>

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

- Project for Improvement Himachal Pradesh Forest Ecosystems Management & Livelihoods 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	09 Sewing Machines (Rs. 34000 per Machine)	306000
2	03 Sewing Machines (Rs. 7500 per Machine)	22500
3	12 Scissors (Rs. 650 per Scissors)	7800
4	12 Press (Rs. 1800 per Press)	19200
5	12 Cutting Set (Rs. 450 per Cutting Set)	5400
	Total Capital Expenditure (with GST)	360900



11b. Recurring Cost (Per Circle)

Sr.	Particulars	Unit	Qty.	Rate	Amt.	Expected Production
Caps						
1	Tapid Patti	Cm	144	170	24480	720 Caps
2	Buckram	Cm	288	40	11520	
3	Bulli	Cm	72	30	2160	
4	Pasting	Cm	72	90	6480	
5	Magji Cloth	Cm	108	30	3240	
6	Kullu Border Patti	16 Inch/ Piece	720	140	100800	
7	Sewing Thread	No.	720	1	720	
Total Recurring Cost					149400	
	Service Charge		5%		7470	
Total Production Cost					156870	
	Profit		15%		23530.5	
Total					180400.5	

Sr.	Particulars	Unit	Qty.	Rate	Amt.	Expected Production
Ladies Jacket						
1	Tapid Patti <i>Supper 40 No.</i>	Mtr.	0.8	200	6400	40 No. Ladies Jacket
2	Bulli	Mtr.	1.5	30	960	
3	Pasting	Mtr.	0.5	80	2560	
4	Machine Border	Mtr.	1.5	25	800	
5	Sewing Tread & Baton	Piece	-	6	240	
6	Kaj ki Labour			20	800	
7	Sewing Labour			100	4000	
Total Recurring Cost					15760	
	Service Charges			10%	1576	
Total Production Cost					17336	
	Profits			50%	8668	
Cost					26004	
Total					165160	

12. Summary of the Economy

Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	165160
2	10% annual interest on capital expenditure	3609
3	10% annual interest on loan	1600
	Total	170369

13. Assumptions

Calculation of Selling Price

Sr. No.	Particulars	Unit	Qty.	Amount
For One Stole				
1	Production Cost	No.	1	493
	Defined Benefits %	Per	40	197
	Total Cost + Benefits	No.	1	690
	Market Price	No.	1	950
For One Caps				
2	Production Cost	No.	1	237
	Defined Benefits %	Per	15	36
	Total Cost + Benefits	No.	1	273
	Market Price	No.	1	375
For One Ladies Jacket				
3	Production Cost	No.	1	475
	Defined Benefits	Per	50	237
	Total Cost + Benefits	No.	1	712
	Market Price	No.	1	900

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)	-	-	-	3609
2	Recurring Coat (B)			-	
2.1	Caps				149400
2.2	Jackets				15760
	Total (B)				165160
3	Total Production (Kulvi Caps)	No.	720		
4	Product sales (Caps)	No.	720		
5	Income from product sales (Caps)	No.	720	284	204480
	Total Production (Jacket)	No.	40		0
	Product sales (Jacket)	No.	40		0
	Income from product sales (Jacket)_	No.	40	712	28480
	Total (S)				232960
6	Total Benefits S-(A+B) 232960 - (3609+165160) = 168769				64191
7	Gross profit from product sales				64191
8	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund 64191-16000=48191				48191

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	360900	270675	90225	0
2	Recurring Cost	165160	0	0	165160
	Total	526060	270675	90225	165160
	Note	Requirement of funds is approximately 165000.00			

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	270675
2	Internal savings of the group	10000
	Total	280675

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	09 Zuki Machines (Rs. 34000 per Machine)	76500	25% advance should be given for Machine, Scissor, Press, Cutting Set from the assistance amount by the group.
2	02 Machines (Rs. 7500 per Machine)	5625	
3	12 Scissors (Rs. 650 per Scissors)	1950	
4	12 Press (Rs. 1600 per Press)	4800	
5	12 Cutting Set (Rs. 450 per Cutting Set)	1350	
	TOTAL	90225	
3	RAW Material	165160	
	G. Total	255385	

18. Calculation of Break-even Point/Situation

(Break Even Point)

Calculation of Break-even Point of Caps

$$= 360900/284 = 1271 \text{ days}$$

Calculation of Break-even Point of Jackets

$$= 360900/712 = 507 \text{ days}$$

$$\text{Calculation of Total Break-even Point} = 360900/1778 = 220 \text{ days}$$

In this process the breakeven point can be achieved in 220 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					165000	1375	166375
2	Month-2	14625	1375	16000	16000	150375	1253.125	151628.1
3	Month-3	14746.875	1253.125	16000	16000	135628.1	1130.234	136758.4
4	Month-4	14869.766	1130.234	16000	16000	120758.4	1006.32	121764.7
5	Month-5	14993.68	1006.32	16000	16000	105764.7	881.3723	106646.1
6	Month-6	15118.628	881.3723	16000	16000	90646.05	755.3838	91401.44
7	Month-7	15244.616	755.3838	16000	16000	75401.44	628.3453	76029.78
8	Month-8	15371.655	628.3453	16000	16000	60029.78	500.2482	60530.03
9	Month-9	15499.752	500.2482	16000	16000	44530.03	371.0836	44901.11
10	Month-10	15628.916	371.0836	16000	16000	28901.11	240.8426	29141.95
11	Month-11	15759.157	240.8426	16000	16000	13141.95	109.5163	13251.47
12	Month-12	13142.484	109.5163	13252	13252	-0.52895	-0.004408	-0.533359
Total		165000.53			173252			

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 caps 720 No. & Jackets 40 No. in the first cycle.
This will generate an average income of Rs 48191/- in each cycle.

21. Training

The training will be done for 08 hours per day i.e. 14 to 15 days. The master trainer will be paid Rs. 750/- 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	14 Days	-	750	10500	Rs. 750-00 Per Day
2	Boarding & Lodging	14 Days		100	1400	Rs. 150 Per Day
3	Raw Material	14 Days	12	1500	14000	Rs.1500 Per Members
4	Training Hall Rent	14 Days	&	1000 L/s	1000	Rs. 1000 Per Rooms
5	Transportation Charges	Sewing Machine & Other Tools	&	-	1000	Rs. 1000 per trips
	Total				27900	



22. Attachment



List of Rule of Dropti Self-Help Groups

1. Group work: Handloom
2. Group address: village -Summa
3. Total members of the group: 12
4. Date of the first meeting of the group; Dec, 2021
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 03th.
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 KKC Bank Darka Bhutti Account number 50075968007. In order to attend the meeting of the group, the President 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 President and Secretary of the Self -Help Group shall be elected unanimously
14. The President and secretary can transact with the bank, this post will be valid for one year.
15. The President, 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 President 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 DROPTI Self Help Group



Smt. Shanta Devi
Pradhan



Smt. Som Lata
Secretary



Smt. Shishu
Cashier



Smt. Bresti Devi
Member



Smt. Kanta Devi
Member



Smt. Amran
Member



Smt. Ishara
Member



Smt. Yamuna
Member



Miss Sapna
Member



Smt. Kamla
Member



Smt. Kamla
Member

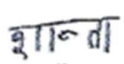



Smt. Nisha Devi
Member


Agreement

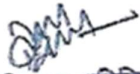
(Sahmti Patra)

Today on 03-02-24 a meeting of **DROPTI Self Help Group Summa** was held under the chairmanship of Pradhan **Smt. Shanta Devi** in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of **DROPTI Self Help Group Summa** 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 **DROPTI Self Help Group Summa** unanimously agreed to continue working on Handloom to increase their livelihood.


प्रधान
शान्ता देवी
द्रोपदी स्वयं सहायता समूह
समा त० व जिला कुल्लू


प्रधान
शान्ता देवी
द्रोपदी स्वयं सहायता समूह
समा त० व जिला कुल्लू


प्रधान
आम वन विकास समिति
सुम्मा, आम पंचायत हुनीलग
तह० व जिला कुल्लू (हि०प्र०)


कोषाध्यक्ष
आम वन विकास समिति
सुम्मा, आम पंचायत हुनीलग
तह० व जिला कुल्लू (हि०प्र०)

Approval

Today on 03-02-24 the Divisional Management Unit cum Forest Divisional Officer, Kullu approved the Handloom Enhancing Livelihood Business Plan of **DROPTI Self Help Group Summa**


Divisional Forest Officer
Forest Division Kullu