

Business Plan for Enhance Livelihoods

HANDLOOM

Caps & Ladies Jackets

Aadi Shakti Self-Help Group, Bhekhali (Sari-I)



Village Forest Development Society -----Sari-I
 Gram Panchayat-----Kothi Sari
 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 Bhekhali located in Gram Panchayat Kothi Sari 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 Sari

Village Bhekhali is located in Sari at a distance of about 10 km from Kullu headquarters. The main occupation of the people in village Bhekhali 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, Sari-I 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 Sari-I in the form of "**Aadi shakti**" and "**Shiv Naresh**" self-help groups. After this, "**Aadi Shakti**" self-help group decided to work on handloom. 10 members joined this group.

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

To prepare the livelihood enhancement business plan of "**Aadi-Shakti**" self-help group, FTU Coordinator Kullu Forest Range Kullu, FTU Coordinator, Bhutti Forest Range held repeated meetings with the group members and under the guidance of Divisional Forest Officer Sh. Angel Chouhan (IFS), Kullu, with the cooperation of Forest Range Officer, Kullu this livelihood enhancement business plan was finalized.



2. Description of SHG

2.1	Name of Self-Help Group	"Aadi-Shakti"
2.2	Manual for Management of Information System of SHG	Attached in Page No. 19
2.3	Village Forest Development Society	Sari-I
2.4	Forest Range/FTU	Kullu
2.5	Forest Division/ DMU	Kullu
2.6	Village	Bhekhali
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	10
2.10	SHG Formation	02.11.2021
2.11	Bank Account Number	155822010000306
2.12	Name of Bank & Branch	Uco Bank Kullu
2.13	Monthly Saving SHG	100
2.14	Total Saving SHG	7300
2.15	Loan given to members among themselves	
2.16	Cash deposit limit	
2.17	Repayment Status	11 Month

List of Aadi-Shakti Self-Help Group

Sr. No.	Name & Adress of Members	Designation	Age	Sex	Qualification	Category	Contact No.
1	Smt. Annu Sharma w/o Sh. Bhawan Sharma	Pradhan	28	Fe	12th	Gen	7018109416
2	Smt. Umma devi W/o Sh. Kunj Lal	Secretary	32	Fe	9th	Gen	8219139686
3	Smt Rameshwari w/o Sh. Ramesh	Cashier	37	Fe	6th	Gen	8580942530
4	Smt. Gurdei W/o Sh. Veer Singh	Member	38	Fe	7th	Gen	8278842197
5	Smt. Sita Devi W/o Sh. Shanker Chand	Member	35	Fe	10th	Gen	8629025522
6	Smt. Pushpa Devi W/o Sh. Chamaru Ram	Member	48	Fe	9th	Gen	-
7	Smt. Jawana Devi W/o Sh. Shiv Ram	Member	35	Fe	BA	Gen	9459782284
8	Smt. Veena W/o Sh. Sushil Kumar	Member	31	Fe	BA	Gen	6230201538
9	Smt. Nilam W/o Sh. Meher Chand	Member	43	Fe	10th	Gen	9882723891
10	Kumari Madhuri w/o Sh. Prem Chand	Member	22	Fe	12th	Gen	8091032559



3. Geographical details of Village

3.1	Distance from District HQ	Road to 10 KM.
3.2	Distance from Main Road	Road to 10 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 16 KM, Manali 40 KM, Shamshi 20 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	Caps, Ladies Jackets
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. 19

5. Details of Production Processes

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

1. 05 members of the group will work on making Caps.
2. 03 members of the group will work on making Ladies Jackets
3. 02 members of the group will work on Marketing
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. Kulvi Caps

Stoles of different designs will be prepared by 05 members. If one member works for 4 to 5 hours per day, 05 Caps will be prepared in 01 days.

2. Ladies Jacket

Stoles of different designs will be prepared by 03 members. If one member works for 4 to 5 hours per day, 02Jacket will be prepared in 03 days.

6. Details of planning for production

6.1	Production cycle (in days) 30 days (working 4-5 hours per day)	150 Kulvi Caps 20 Ladies Jacket
6.2	Workers required per cycle (number)	05 members for Caps 03 member for Ladies Jackets 02 members for marketing
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.
1	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			15%	36
	Total Cost				237

Ladies Jacket (one piece Only)

Sr.	Particulars	Unit	Qty.	Rate	Amt.
2	Ladies Jacket (one piece Only)				
1	Tapid Patti <i>Supper 30 No.</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			40%	190
	Total Cost				665

7. Details of Marketing/Sales

7.1	Potential marketing destination	Kullu, Bhuntar, Manali
7.2	Distance from Unit	12 to 52 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 Aadi-Shakti.
7.11	Product slogan	शोभला गांव, शोभला कोम, श्रति भर नहीं काण । यह सा आदि शक्ति समूह टोपी 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	07 Umbrella Sewing Machine (Rs. 7000 per)	49000
2	01 Zuki Sewing Machine (Rs. 29000 per)	29000
3	07 Scissors (Rs. 650 per)	4550
4	07 Press (Rs. 1600 per)	11200
5	07 Scale Sets (Rs. 350 per)	2450
	Total Capital Expenditure	96200

11b. Recurring Cost (Per Circle)

Sr.	Particulars	Unit	Qty.	Rate	Amt.	Expected Production
Caps						
1	Tapid Patti	Cm	30	170	5100	150 Caps
2	Buckram	Cm	60	40	2400	
3	Bulli	Cm	30	30	1200	
4	Pasting	Cm	15	90	1350	
5	Magji Cloth	Cm	32	30	690	
6	Kullu Border Patti	16 Piece	150	140	21000	
7	Sewing Thread	No.			6750	
Total Recurring Cost					38490	
	Service Charge		5%		1925	
	Total Production Cost				40415	
	Profit		15%		6062	
	Total				46477	

Sr.	Particulars	Unit	Qty.	Rate	Amt.	Expected Production
Ladies Jacket						
1	Tapid Patti <i>Supper 30 No.</i>	Mtr.	16	200	3200	20 No. Ladies Jacket
2	Bulli	Mtr.	30	30	90	
3	Pasting	Mtr.	10	80	800	
4	Machine Border	Mtr.	30	25	750	
5	Sewing Tread & Baton	Piece	20	6	120	
6	Kaj ki Labour		20	20	400	
7	Sewing Labour		20	100	2000	
Total Recurring Cost					7360	
	Service Charges			10%	736	
	Total Production Cost				8096	
	Profits			40%	3238	
	Cost				11334	
	Total				11334	

12. Summary of the Economy Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	45850
2	10% annual interest on capital expenditure	6720
3	10% annual interest on loan	1000
	Total	53570

13. Assumptions Calculation of Selling Price

For One Caps				
3	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				
	Production Cost	No.	1	475
	Defined Benefits	Per	40	190
	Total Cost + Benefits	No.	1	665
	Market Price	No.	1	850

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)	-	-	-	672
2	Recurring Coat (B)			-	
2.1	Kulvi Caps				38490
2.2	Ladies Jackets				7360
	Total (B)				45850
3	Total Production (Kulvi Caps)	No.	150		
4	Product sales (Jacket)	No.	20		
5	Income from product sales (Kulvi Caps)	No.	150		
6	Total Production (Ladies Jackets)	No.	20		0
7	Product sales(Topi)	No.	150	273	40950
8	Income from product sales (Ladies Jackets)	No.	20	665	13300
	Total (S)				54250
10	Total Benefits S-(A+B) 54250 - (672+45850) = 46522				7728
11	Gross profit from product sales				54250
12	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund 54250 - (5000+45850+50850) =				3400

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	96200	48100	48100	0
2	Recurring Cost	45850	0	0	50000
	Total	142050	48100	48100	
	Note	Requirement of funds is approximately 50000			

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	48100
2	Internal savings of the group	5000
	Total	53100

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	07 Sewing Machine	24500	50% advance should be given for Sewing Machine, Press, Scissors, Scale Set, Machine Belt, Press Wire etc. from the assistance amount by the group.
2	01 Sewing Machine	14500	
3	07 Scissors	2275	
4	07 Press	5600	
5	07 Scale sets	1225	
	TOTAL	48100	
9	RAW Material	45850	
	G.Total	93950	

18. Calculation of Break-even Point/Situation

(Break Even Point)

Calculation of Break-even Point of Kulvi Caps

$$= 96200/273 = 352 \text{ days}$$

Calculation of Break-even Point of Ladies Jacket

$$= 96200/665 = 145 \text{ days}$$

Calculation of Total Break-even Point = 273 + 665 = 938 days

$$= 96200/938 = 102 \text{ days}$$

In this process the breakeven point can be achieved in 102 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	416.667	50417
2	Month-2	4583.33	416.667	5000	5000	45416.7	378.472	45795
3	Month-3	4621.53	378.472	5000	5000	40795.1	339.959	41135
4	Month-4	4660.04	339.959	5000	5000	36135.1	301.126	36436
5	Month-5	4698.87	301.126	5000	5000	31436.2	261.969	31698
6	Month-6	4738.03	261.969	5000	5000	26698.2	222.485	26921
7	Month-7	4777.52	222.485	5000	5000	21920.7	182.672	22103
8	Month-8	4817.33	182.672	5000	5000	17103.3	142.528	17246
9	Month-9	4857.47	142.528	5000	5000	12245.9	102.049	12348
10	Month-10	4897.95	102.049	5000	5000	7347.93	61.2327	7409.2
11	Month-11	4938.77	61.2327	5000	5000	2409.16	20.0763	2429.2
12	Month-12	2409.92	20.0763	2430	2430	-0.7641	-0.0064	-0.7704
		50001		52430	52430			

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, Caps, Jackets in the first cycle. This will generate an average income of Rs 3400/- 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	14 Days	10	750	10500	Rs. 750-00 Per Day
2	Boarding & Lodging	14 Days		100	1400	Rs. 100 Per Day
3	Raw Material	14 Days	10	1000	10000	Rs.1500 Per Members
4	Training Hall Rent	14 Days	-	1000	1000	Rs. 1000 Trg. Period
5	Transportation Charges	-	-	-	1000	Rs. 1000 One Time
	Total				23900	

22. Attachment



List of Rule of Aadi-Shakti_Self-Help Groups Bhekhali

1. Group work: Handloom
2. Group address: village -Bhekhali
3. Total members of the group: 10
4. Date of the first meeting of the group; 10th. July, 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 11th.
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. SHG Account HGB Sarwari, Kullu Account number 8831130001854.
10. In order to attend the meeting of the group, the Pradhan 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 Pradhan 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 Aadi-Shakti Self Help Group



Smt. Anu Sharma
Pradhan



Smt. Rameshwari
Secretary



Smt. Umma Devi
Cashier



Smt. Pushpa
Member



Smt. Pawana Devi
Member



Smt. Gurdai Devi
Member



Smt. Jawana Devi
Member



Smt. Veena Devi
Member



Smt. Sita
Member



Smt. Neelam
Member




Kumari Madhuri
Member


Agreement

(Sahmti Patra)

Today on **20.03.2022** a meeting of **"Aadi Shakti" Self Help group Bhekhali** was held under the chairmanship of Pradhan **Smt. Annu Sharma** in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of **"Aadi Shakti" Self Help group Bhekhali** and with the cooperation of FTU Kullu 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 **"Aadi-Shakti" Self Help group Bhekhali** unanimously agreed to continue working on Handloom to increase their livelihood.


प्रधान
आदि शक्ति सम्मान कृषि समूह
भेखली जिला कुल्लु (हि०प्र०)


सचिव


प्रधान
ग्राम यत्न विकास समिति
सारी -I

Approval

Today on **04.04.2022** the Divisional Management Unit and Forest Divisional Officer Kullu approved the Handloom Enhancing Livelihood Business Plan of **"Aadi Shakti "Self Help group Bhekhali**


Divisional Forest Officer
Forest Division Kullu