

Business Plan for Enhance Livelihoods

HANDLOOM

Shawls & Stoles

Bhalthi Narayan Self-Help Group, Bhaltha



Village Forest Development Society -----Bhaltha
Gram Panchayat-----Dughilag
Forest Range -----Bhutti
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 Bhalthais 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 Bhaltha is located in Lagvalley at a distance of about 12 km from Kullu headquarters. The main occupation of the people in village Bhaltha 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, Bhaltha** in the village, Project for Improvement Himachal Pradesh Forest Ecosystems Management and Livelihoodstold the people about working in groups to increase their means of livelihood.

Through the project, 02 self-help groups were formed in Bhalthain the form of "**Bhalthi Narayan**" and "**Asha**" self-help groups. After this, **Bhalthi Narayan**" 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 of “**Bhalthi Narayan**” 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 “**Bhalthi Narayan**” self-help group in making stoles, and Stoles along with giving Rs. 100000/- as revolving fund.

To prepare the livelihood enhancement business plan of “**Bhalthi Narayan**” self-help group, FTU Coordinator, Bhutti Forest Range held repeated meetings with the group members and under the guidance of Divisional Forest Officer Sh. Angel Chouhan (IFS), Sh. Manoj Kumar (HPFS), Assistant Forest Conservator, 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	"Bhalthi Narayan"
2.2	Manual for Management of Information System of SHG	Attached in Page No. 18
2.3	Village Forest Development Society	Bhaltha
2.4	Forest Range/FTU	Bhutti
2.5	Forest Division/ DMU	Kullu
2.6	Village	Bhaltha
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	10
2.10	SHG Formation	July, 2021
2.11	Bank Account Number	88311300002052
2.12	Name of Bank & Branch	HGB Sarwari, Kullu
2.13	Monthly Saving SHG	100
2.14	Total Saving SHG	8000
2.15	Loan given to members among themselves	
2.16	Cash deposit limit	
2.17	Repayment Status	11 Month

List of Bhalthi Narayan Self-Help Group

Sr. No.	Name & Adress of Members	Designation	Age	Sex	Qualification	Categor y	Contact No.
1	Smt. Kushala W/O Sh. Rajinder	Pradhan	32	Fe	12 th .	Gen	8894337751
2	Smt. Shishma W/O Sh. Kiran	Secretary	35	Fe	10 th .	Gen	8894130397
3	Smt. Nisha W/o Sh. Mohan	Cashier	42	Fe	12 th .	Gen	7807532771
4	Smt. Mani W/o Sh. Tej Ram	Member	30	Fe	7 th .	Gen	8894325951
5	Smt. Hira Mani W/o Sh. Mohan	Member	31	Fe	7 th .	Gen	9816503718
6	Smt. Tara Mani W/o Sh. Rajesh	Member	33	Fe	7 th .	Gen	8894438887
7	Smt. Ishari W/o Sh. Gian Chand	Member	40	Fe	-	Gen	7807437026
8	Smt. Chinta Mani W/o Sh. Mohar	Member	42	Fe	7 th .	Gen	7807047239
9	Smt. Gita Devi W/o Sh. Vijay	Member	23	Fe	8 th .	Gen	8580984909
10	Sh. Mohan LalS/o Sh. Moti	Member	43	M	12 th .	Gen	9805542094



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.
3.3	Name of Local Market & Distance	Kullu 12 KM.
3.4	Name of Main Market & Distance	Kullu 12 KM.
3.5	Distance from Main City	Kullu 12 KM, Bhuntar 22 KM, Manali 52 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	Stoles
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 Stoles. 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 Stoles
2. 02 members of the group will work on Marketing.
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. Stoles

Stoles of different designs will be prepared by 08 members. If one member works for 4 to 5 hours per day, 01 Stole will be prepared in 02 days.

6. Details of planning for production

6.1	Production cycle (in days) 30 days (working 4-5 hours per day)	120 Stoles
6.2	Workers required per cycle (number)	08 members for Stoles 02 member 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

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.	32.44	1500	48600	12	450	5400	120	Stoles 120 Per Circle
2	May	Kg.	32.44	1500	48600	12	450	5400	120	
3	June	Kg.	32.44	1500	48600	12	450	5400	120	
4	July	Kg.	32.44	1500	48600	12	450	5400	120	
5	August	Kg.	32.44	1500	48600	12	450	5400	120	
6	September	Kg.	32.44	1500	48600	12	450	5400	120	
7	October	Kg.	32.44	1500	48600	12	450	5400	120	
8	Nov/	Kg.	32.44	1500	48600	12	450	5400	120	
9	December	Kg.	32.44	1500	48600	12	450	5400	120	
10	January	Kg.	32.44	1500	48600	12	450	5400	120	
11	February	Kg.	32.44	1500	48600	12	450	5400	120	
12	March	Kg.	32.44	1500	48600	12	450	5400	120	
	Total		389.28		583200	144		64800	1440	

- In each cycle (per month) 120 stoles will be made by the group.
- In a year 1440 stoles pieces will be made by the group

piece Only)

Sr. No.	Particulars	Unit	Qty.	Rate	Amt
1	Stole (one piece Only)				
A	Raw Material (Threads)	Kg.	0.270	1500	405
B	Raw Material (Kaishmilon)	Kg.	0.10	450	45
C	Warping machine cost	No.	1	20	20
D	Labour (01Members 4-5 (Hour/Day) 30x1x300	Days		300	0
	Total				470
	Service Charge			5%	23
	Total Production Cost				493
	Profit			15%	74
	Total Cost				567

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 Samridhi
7.11	Product slogan	शोभला गांव, शोभला कोम, रति भर नहीं काण । यह सा भालठा 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	09 Khaddi 35 Inch (Rs. 9000 per)	81000
2	02 Charkha with Uri Stand (Rs. 1700 per)	3400
	Total Capital Expenditure	84400

11b. Recurring Cost (Per Circle)

Sr. No.	Particulars	Unit	Qty.	Rate	Amt
1	Stole				
A	Raw Material (Threads)	Kg.	0.270	1500	48600
B	Raw Material (Kaishmilon)	Kg.	0.10	450	5400
C	Warping machine cost (for 120 Stole)	No.	120	20	2400
D	Labour(01Members 4-5 (Hour/Day) 30x1x300	Days	30	300	9000
E	Others Expenditure (Packing, Pamphlets)				1000
	(A+B+C+E)				66400
	Total Recurring Cost				57400

12. Summary of the Economy Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	57400
2	10% annual interest on capital expenditure	8440
3	10% annual interest on loan	5840
	Total	71680

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	493
	Defined Benefits %	Per	40	197
	Total Cost + Benefits	No.	1	690
	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)	-	-	-	8440
2	Recurring Coat (B)			-	
2.1	Stoles				57400
	Total (B)				57400
3	Total Production (Stole)	No.	120		
4	Product sales (Stole)	No.	120		
5	Income from product sales (Stole)	No.	120	690	82800
	Total (S)				
6	Total Benefits S-(A+B) $82800 - (8440+57400) = 65840$				16690
7	Gross profit from product sales 16690				16690
8	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund $16690-5700=45946$				10990

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	84400	42200	42200	0
2	Recurring Cost	57400	0	0	57400
	Total	141800	42200	42200	57400
	Note	Requirement of funds is approximately 58000.00			

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	42200
2	Internal savings of the group	6000
	Total	48200

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 Khaddi 50 Inch	40500	50% advance should be given for Khadi, Charkha with uri Stand etc. from the assistance amount by the group.
2	02 Charkha with Uri Stand	1700	
	TOTAL	42200	
9	RAW Material	57400	
	G.Total	99600	

18. Calculation of Break-even Point/Situation

(Break Even Point)

Calculation of Break-even Point of Stoles

$$= 84400/197 = 428 \text{ days}$$

Calculation of Total Break-even Point = 428 days

$$= 84400/197 = 428 \text{ days}$$

In this process the breakeven point can be achieved in 428 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					58000	483.333	58483
2	Month-2	5216.67	483.333	5700	5700	52783.3	439.861	53223
3	Month-3	5260.14	439.861	5700	5700	47523.2	396.027	47919
4	Month-4	5303.97	396.027	5700	5700	42219.2	351.827	42571
5	Month-5	5348.17	351.827	5700	5700	36871	307.259	37178
6	Month-6	5392.74	307.259	5700	5700	31478.3	262.319	31741
7	Month-7	5437.68	262.319	5700	5700	26040.6	217.005	26258
8	Month-8	5482.99	217.005	5700	5700	20557.6	171.314	20729
9	Month-9	5528.69	171.314	5700	5700	15028.9	125.241	15154
10	Month-10	5574.76	125.241	5700	5700	9454.19	78.7849	9533
11	Month-11	5621.22	78.7849	5700	5700	3832.97	31.9414	3864.9
12	Month-12	3833.06	31.9414	3865	3865	-0.0878	-0.0007	-0.0886
		58000.1		60865	60865			

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

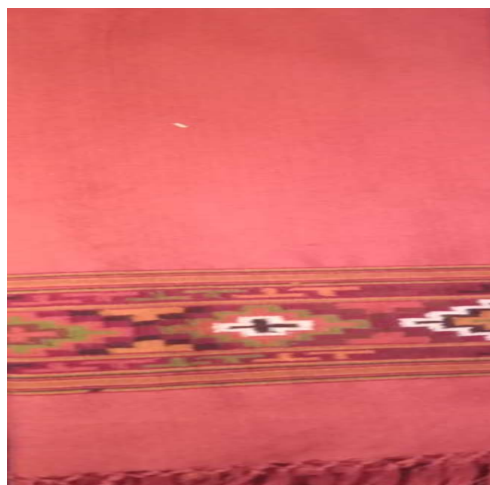
The group will prepare and sell stoles, Caps, Jackets in the first cycle. This will generate an average income of Rs 10996/- in each cycle.

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	10	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.1500 Per Members
4	Training Hall Rent	45 Days	-		1500	Rs. 1500 Trg. Period
5	Transportation Charges	-	-		1000	Rs. 1000 One Time
	Total				62000	

22. Attachment



List of Rule of Bhalthi Narayan Self-Help Groups Bhaltha

- 1. Group work: Handloom**
- 2. Group address: village -Bhaltha**
3. Total members of the group: 10
4. Date of the first meeting of the group; 10th. 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 12th.
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 88311300002052.
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 Members of Bhalthi Narayan SHG Bhaltha



Smt. Kushala Devi
Pradhan



Smt. Shishama Devi
Secretary



Smt. Nisha Devi
Cashier



Smt. Ishari Devi
Member



Smt. Geeta Devi
Member



Smt. Hira Mani Devi
Member



Smt. Mani Devi
Member



Smt. Tara Mani
Member

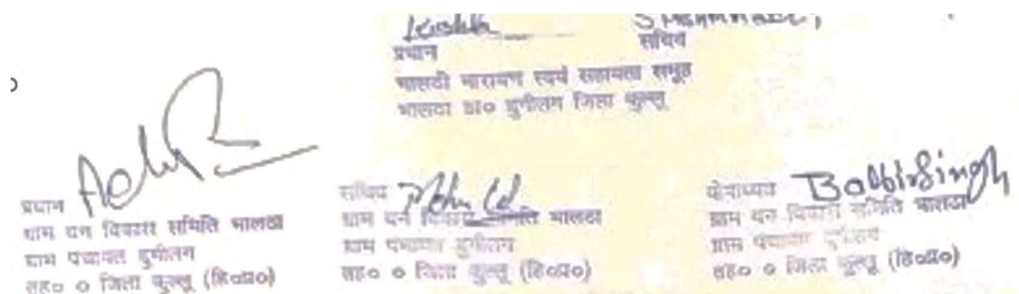


Smt. Chinta mani
Member

Agreement

(Sahmti Patra)

Today on **18.03.2022** a meeting of **"Bhalthi Narayan" Self Help group Bhaltha** was held under the chairmanship of Pradhan **Smt. Kushala Devi** in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of **"Bhalthi Narayan" Self Help group Bhaltha** 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 **"Bhalthi Narayan" Self Help group Bhaltha** unanimously agreed to continue working on Handloom to increase their livelihood.



The image shows a handwritten agreement document with three signatures and printed text in Hindi. The text is as follows:

प्रधान **Kushala**
ग्राम वन विभाग समिति बालठा
ग्राम पंचायत दुर्गलम
सह० ० जिला कुल्लू (हि०प्र०)

सचिव **Smt. Kushala Devi**
ग्राम वन विभाग समिति बालठा
ग्राम पंचायत दुर्गलम
सह० ० जिला कुल्लू (हि०प्र०)

अध्यक्ष **Balbir Singh**
ग्राम वन विभाग समिति बालठा
ग्राम पंचायत दुर्गलम
सह० ० जिला कुल्लू (हि०प्र०)

Approval

Today on **04.04.2022** the Divisional Management Unit and Forest Divisional Officer Kullu approved the Handloom Enhancing Livelihood Business Plan of **"Bhalthi Narayan" Self Help group Bhaltha**



The image shows a signature of the Divisional Forest Officer, Forest Division Kullu. The text is as follows:

Divisional Forest Officer
Forest Division Kullu