

Business Plan for Enhance Livelihood

HANDLOOM

(Shawl & Stole)

Jagjanani Self-Help Group, Peej



Village Forest Development Society -----Peej
Gram Panchayat-----Peej
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 Peej is located in Gram Panchayat Peej 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 Maharaja

Village Peej is located in Lagvalley at a distance of about 16 km from Kullu headquarters. The main occupation of the people in village Peej 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 Shawl stall , 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, Peej the village, Project for Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods the people about working in groups to increase their means of livelihood.

Through the project, 02 self-help groups were formed in Peej the form of "Jagjanani", "Vaishno" self-help groups. After this, "Jagjanani" self-help group decided to work on handloom. 15 members joined this group.

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

To prepare the livelihood enhancement business plan of “Jagjanani” self-help group, Shri Shashi Sharma (FTU Coordinator), Bhutti Forest Range Miss Premla Thakur (FTU Coordinator), Kullu 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 Miss Anjel Sharma, Forest Range Officer, Kullu and Sh. Devinder Kumar Bhandari, Forest Block Officer, Kullu, this livelihood enhancement business plan was finalized.

2. Description of SHG

2.1	Name of Self-HelpGroup	"Jagjanani"
2.2	Manual for Management of Information System of SHG	Attached in Page No. 20
2.3	Village Forest Development Society	Peej
2.4	Forest Range/FTU	Kullu
2.5	Forest Division/ DMU	Kullu
2.6	Village	Peej
2.7	Development	Kullu
2.8	District	Kullu
2.9	Total Members in SHG	15
2.10	SHG Formation	November, 2021
2.11	Bank Account Number	3842648102
2.12	Name of Bank & Branch	Central Bank of India Kullu
2.13	Monthly Saving SHG	100
2.14	Total Saving SHG	70500
2.15	Loan given to members among themselves	
2.16	Cash deposit limit	
2.17	Repayment Status	

List of Jagjanni Self-Help Group

Sr no	Name of Member	Name of Father/Husband	Designation	Category	Age	Sex	Qualification	Cont. No.
1	Smt Rekha Sharma	Sh.Rajesh Sharma	President	General	41	Female	12 th	8894265785
2	Smt.Anita Devi	Sh.Chavil Kumar	Secretary	General	30	Female	BA	8544779179
3	Smt. Chimna Devi	Sh. Harish Kumar	Treasure	General	30	Female	10 th	8894224536
4	Smt. BeenaDevi	Sh.Heem Singh	Member	General	37	Female	BA	9418682709
5	Smt. Saroj Kumari	Sh.Megh Singh	Member	General	47	Female	8 th	8988800402
6	Smt. Meena Sharma	Sh.Om Prakash	Member	General	50	Female	6 th	9418323023
7	Smt. Priksha Sharma	Sh.Om Saar	Member	General	46	Female	6 th	8627893146
8	Smt.Meeradevi	Sh.Jog Ram	Member	General	32	Female	10 th	8629014770
9	Smt.Nirjladevi	Sh.Nand Kumar	Member	General	34	Female	8 th	8278739563
10	Smt.Mathura	Sh.Manoj Kumar	Member	General	27	Female	10 th	8988996383
11	Smt.MadhuShar da	Sh.Hoshiya singh	Member	General	38	Female	12 th	8628929232
12	Smt.Krishna	Sh.Rakesh Kumar	Member	General	36	Female	5 th	9805261907
13	Smt.Sheela Devi	Sh.Tikam Ram	Member	General	45	Female	5 th	9015133951
14	Smt.Punni Devi	Sh.Suresh Kumar	Member	General	36	Female	8 th	9805545331
15	Smt.Pushpa Devi	Sh.Revat Ram	Member	General	44	Female	5 th	7018976083



3. Geographica details of Village

3.1	Distance from District HQ	Road to 10 KM.
3.2	Distance from Main Road	Road to 10KM. & On foot 200mtr
3.3	Name of Local Market & Distance	Kullu 10KM.
3.4	Name of Main Market & Distance	Kullu 10 KM.
3.5	Distance from Main City	Kullu 10KM, Bhuntar 16 KM, Manali 40 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. 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 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. 15 members of the group will work on making stoles.

2. Group members will work for 4 to 5 hours daily.

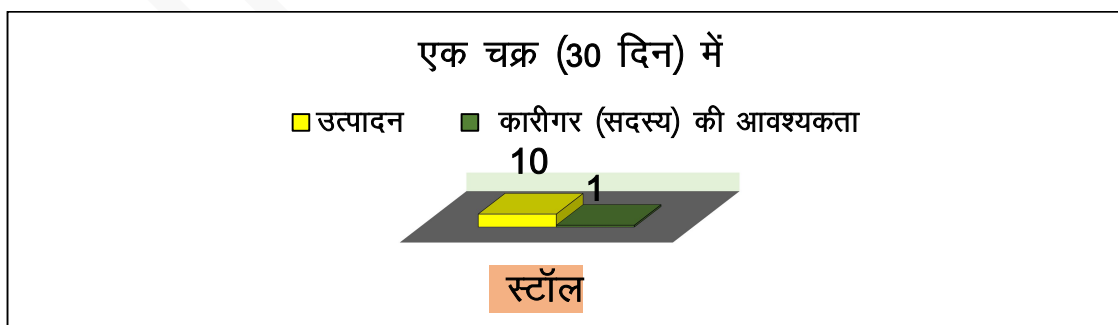
After training, the following products will be made by the group. The details of which are as follows:-

1. Stole 2/48 Australian Wool Yarn

Stoles of different designs will be prepared by 13 members. If one member works for 4 to 5 hours per day, one stole will be prepared in 5 days.

6. Details of planning for production

6.1	Production cycle (in days) 30 days (working 4-5 hours per day)	130stoles
6.2	Workers required per cycle (number)	15members for stole Total 15 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

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.	35	1500	52500	13	450	5850	130	Stole 130 Per Circle
2	May	Kg.	35	1500	52500	13	450	5850	130	
3	June	Kg.	35	1500	52500	13	450	5850	130	
4	July	Kg.	35	1500	52500	13	450	5850	130	
5	August	Kg.	35	1500	52500	13	450	5850	130	
6	September	Kg.	35	1500	52500	13	450	5850	130	
7	October	Kg.	35	1500	52500	13	450	5850	130	
8	Nov/	Kg.	35	1500	52500	13	450	5850	130	
9	December	Kg.	35	1500	52500	13	450	5850	130	
10	January	Kg.	35	1500	52500	13	450	5850	130	
11	February	Kg.	35	1500	52500	13	450	5850	130	
12	March	Kg.	35	1500	52500	13	450	5850	130	
	Total		420		630000	156		70200	1560	

- In each cycle (per month) 130 stoles will be made by the group.
- In a year 1560 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 40 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 Narayan
7.11	Product slogan	शोभला गांव, शोभला कोम, श्रुति भर नहीं काण । यह सा पीज 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	04Khaddi of 35 inches (Rs. 9000 per Khaddi)	36000
2	06 Charkhas and Uri Stand (Rs. 1700 per Charkha and Uri Stand)	10200
	Total Capital Expenditure	46200

11B.Recurring Cost (Per Circle)

Sr. No.	Particulars	Unit	Qty.	Rate	Amt
1	Stole				
A	Raw Material (Threads)	Kg.	29.200	1500	43800
B	Raw Material (Kaishmilon)	Kg.	3	450	1350
C	Warping machine cost (for 130Stole)	No.	130	20	2600
D	Labour(01Members 4-5 (Hour/Day) 30x1x300	Days	30	300	9000
E	Others Expenditure (Packing, Pamphlets)				1000
	(A+B+C+E)				48750
	Total Recurring Cost				48750

12. Summary of the Economy

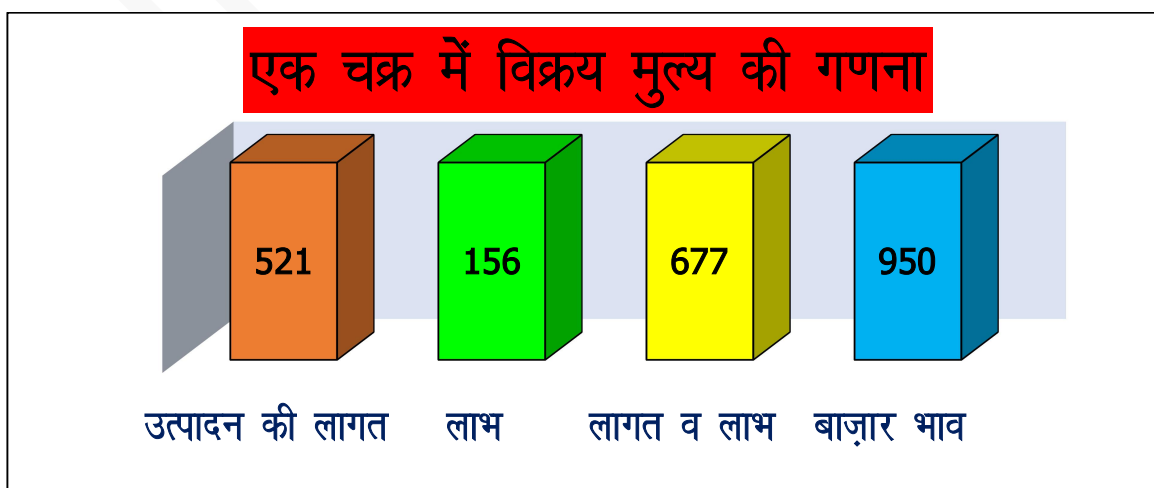
Cost of Production

Sr. No.	Particulars	Amount
1	Total recurring cost	48750
2	10% annual interest on capital expenditure	4620
3	10% annual interest on loan	5800
	Total	59170

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)	-	-	-	462
2	Recurring Coat (B)			-	
2.1	Stole				48750
	Total (B)				58005
3	Total Production (Stole)	No.	130		
4	Product sales (Stole)	No.	130		
5	Income from product sales	No.	130	677	88010
	Total (S)				88010
6	Total Benefits S-(A+B)88010- (462+48750) =38798				38798
7	Gross profit from product sales				49212
8	Amount available for distribution among members as profit after one cycle = Income from sale of product – (Amount required for principal and interest refund 88010-(5000+38798=50310				44212

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	46200	23100	23100	0
2	Recurring Cost	38798	0	0	38798
	Total	84998	23100	23100	38798
	Note	Requirement of funds is approximately 5000.00			

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	23100
2	Internal savings of the group	15600
	Total	62950

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	04Khadi35 Inch	18000	50% advance should be given for Khaddi, Charkha and Uri from the assistance amount by the group.
2	06 Charkha with Uri Stand	5100	
	TOTAL	23100	
3	RAW Material	38798	
	G.Total	61898	

18. Calculation of Break-even Point/Situation

(Break Even Point)

Calculation of Break-even Point of Stole

$$=46200/156= 296 \text{ days}$$

Calculation of Total Break-even Point = = 46200/156= 296days

In this process the breakeven point can be achieved in 296 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	416.67	50416.7
2	Month-2	4583.33	416.67	5000	5000	45417	378.47	45795.1
3	Month-3	4621.53	378.47	5000	5000	40795	339.96	41135.1
4	Month-4	4660.04	339.96	5000	5000	36135	301.13	36436.2
5	Month-5	4698.87	301.13	5000	5000	31436	261.97	31698.2
6	Month-6	4738.03	261.97	5000	5000	26698	222.48	26920.7
7	Month-7	4777.52	222.48	5000	5000	21921	182.67	22103.3
8	Month-8	4817.33	182.67	5000	5000	17103	142.53	17245.9
9	Month-9	4857.47	142.53	5000	5000	12246	102.05	12347.9
10	Month-10	4897.95	102.05	5000	5000	7347.9	61.233	7409.16
11	Month-11	4938.77	61.233	5000	5000	2409.2	20.076	2429.24
12	Month-12	2409.92	20.076	2430	0	0	0	0
		50001	2429.2	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(130) in the first cycle. This will generate an average income of Rs20385/- 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	-	1100	49500	Rs. 1100-00 Per Day
2	Boarding& Lodging	45 Days		150	6750	Rs. 150Per Day
3	Raw Material	45 Days	15	1000	15000	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				73750	

22. Attachment



List of Rule of Self-Help Groups

1. Group work: Handloom
2. Group address: village -Peej
3. Total members of the group: 15
4. Date of the first meeting of the group; November 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 06th.
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 Central Bank Of India Kullu Account number **3842648102**.
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 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 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 Jagjanani Self Help Group



Smt. Rekha Sharma
Pradhan



Smt. Anita Devi
Secretary



Smt. Chimna devi
Cashier



Smt. Beena Devi
Member



Smt. Mathura Devi
Member



Smt. Krishna Devi
Member



Smt. Punni Devi
Member



Smt. Sheela Devi
Member



Smt. Meera Devi
Member



Smt. Nirjala Devi
Member



Smt. Madhu Sharda
Member



Smt. Priksha
Member



Smt. Meera Devi
Member



Smt. Saroj Kumari
Member




Smt. Pushpa Devi
Member

Agreement

Today on 03-08-22 a meeting of **Jagjanani** self Help Group Peej was held under the chairmanship of **Pradhan Smt. Rekha Sharma** in which all the members of the group participated. The draft of the Handloom Business plan document prepared by the members of Jagjanani Self Help Group Peej and with the cooperation of Field Technical Unit Kullu was finalized. With the project being run in collaboration with Project for Improvement of Himachal Pradesh Forest Ecosystems Management and Livelihoods (Funded by JICA) through the Forest Department, the members of Jagjanani Self Help group Peej unanimously agreed to continue working on Handloom to increase their livelihood.


प्रधान
जगजनी स्वयं सहायता समूह
गांव व डा. पीज जिला कुल्लू (हि.प्र.)


प्रधान
जगजनी स्वयं सहायता समूह
गांव व डा. पीज जिला कुल्लू (हि.प्र.)

Approval

Today on 25-08-22 the Divisional Management Unit and Forest Divisional Officer Kullu approved the Handloom Enhancing Livelihood Business Plan of **Jagjanani** Self Help group Peej


Divisional Forest Officer
Forest Division Kullu