



Buissness Plan(Handloom) Income Generation Activity (Pattu,shawl and border)

Nagdevta SHG Baladhi



VFDS	-	Baladhi
Gram Panchayat	-	Talpini
FTU	-	Jari
DMU -		Parvati
FCCU-		Kullu

Project for Improvement of Himanchal Pradesh Ecosystem management and Livelihood

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1 Executive Summary

Himachal Pradesh is located in the western Himalayas. This state is full of natural beauty and rich cultural and religious heritage. The state has diverse ecosystem, rivers, valleys. Its population is around 70 lakh. Geographical area is 55673 square kms. Himachal Pradesh has high altitude and cold zone areas ranging from Shivalik hills to the middle Himalayas. The main occupation of the people of the state is agriculture. Project for Improvement Himachal Pradesh Forest Ecosystem Management and Livelihood being implemented in 6 out of 12 districts of Himachal Pradesh with funding of JICA. Out these 7 districts this project is also being implemented in Kullu district. |

Under Project for Improvement Himachal Pradesh Forest Ecosystem Management and Livelihood, a micro plan of Van Vikas Samiti Baladhi has been prepared. The main occupation of the people of Van Vikas Samiti is agriculture and horticulture. Due to lack of irrigation facilities, people are not able to get the expected increase in their income. The people here mainly cultivate wheat, maize, barley and pulses along with horticultural crops like apple, plum, apricot etc. But most of people of VFDS are having small land due to this reason holding. Due to this reason they are unable to meet their livelihood properly. To overcome this problem women want to increase their income by alternate source like making pattu, shawl and border making. To enhance their livelihood. Two SHG have been formed. Out of these Sarswati Nag Devta SHG has been formed on 29 March 2022. There are 10 women members in this group. . After discussion in detail, this group has decided to make and market pattu, shawl and border. Group members can collectively increase their livelihood by producing large quantity on higher demand.

Raw material and machinery for making jacket, topi, pattu, stoles, are available locally and there is immense possibility of marketing at the local level as tourists keep visiting this area almost throughout the year. The specialty of Kullu pattu, shawl and border is famous in India, tourists buy these products in large quantities for family and gift. and the project will also provide share 75% of the capital expenditure. Apart from this Rs. 1,00,000/- will be given as revolving fund. So that they can get loan from bank. The group has decided that all the members will divide the work among themselves as per the term and conditions.

While preparing business plan number group member capacity to work, availability of raw material used for making pattu, shawl and border were kept in view for making 7 pattu 60 shawl and 60 border. Marketing will be done by establishing linkage with local shopkeepers in Kullu and Bhuntar markets. The group will work 4 hours in day throughout the year and produce the above products. This business plan has been prepared on technical knowledge of business plan of batch I. Marketing will be done by establishing linkage with local shopkeepers in Kullu and Bhuntar, Jari, Kasol and Manikarn markets.

Business plan of SHG Nag Devta has been prepared by Padam Singh Chauhan (Retd HPFS), Rahul Verma SMS, Babita Thakur (**FTU coordinator**) and Pawana Devi (FTU coordinator), Pawan Fgd after discussion with members of SHG. again and again. Detail of members of SHG are as under.

S.N.	Name of SHG Members	Designation	Age	Gender	Qualification	Category	Contact no.
1	Smt. Kambli Devi	Pradhan	41	Female	8th	General	7876233595
2	Smt. Chanderkanta	Up-Pradhan	29	Female	B.A	General	8894486159
3	Smt.Gumti Devi	Secretary	34	Female	12 th	General	7876143622
4	Smt. Jawana	Cashier	25	Female	5	General	6230107978
5	Smt. Kusumlata	Member	37	Female	8	General	8629810033
6	Smt. Neelma Devi	Member	39	Female	5	General	8627831173
7	Smt. Perrmila	Member	33	Female	8	General	8219202684
8	Smt.Shobho Devi	Member	28	Female	-	General	-
9	Smt.Guddi Devi	Member	32	Female	12	General	889462260
10	Smt.Dropti Devi	Member	46	Female	5	General	9816063016



Member of Nag Devta SHG

1- Detail of SHGs

2-1	Name of common interest group	Nag Devata
2-2	MIS Code of common Interest Group	MIS
2-3	Village Forest Development Society	VFDS Baladhi
2-4	Forest Range	Jari
2-5	Forest Division	Parvati
2-6	Village	Baladhi
2-7	Development Block	Kullu
2-8	District	Kullu
2-9	Total Number of members of SHGs	10
2-10	Date of formation of the group	29/03/2022
2-11	Monthly saving of SHGs	Rs 100
2-12	Name of Bank and Branch Saving account opened	Kangra Central Cooperative Bank Jari
2-13	Bank account no.	50074399804
2-14	Total saving of SHGs	6000
2-15	Interloaning by the SHGs Members	Not Yet

3- Geographical detail of the village

3-1	Distance from district headquarters	38Km
3-2	Distance from main road	3 Km
3-3	Name and distance of local market	Jari 7 Km
3-4	Name and distance of main market	Kullu 38 Km, Bhuntar 30 Km
3-5	Distance from other major cities and towns	Kullu 38 Km, Bhuntar 30 Km
3-6	Distance from the market where the product will be sold	Kullu 38 Km, Bhuntar 30 Km
3-7	Any other specialty regarding the village as selected by the SHGs related to the income generation activity	--

4- Description of the product related to the income generating activity

4-1	Product Name	Pattu , Shawl & Border
4-2	Product identification Method	There is high demand of products in local market. There is vast possibility earning additional income on producing and marketing.
4-3	Consent of SHGs members	Yes Consent from is attached on page--

5 Description of production process First of all, the members of SHGs will be trained by the project to make Pattu , Shawl & Border etc. Out of 10 member of SHG 07 member will make Pattu 02 member will make Shawal and 01 member will make Bborder. After training SHG will make following product. Detail is as under. The first phase: All members of the group will be trained by the project to make Pattu, Shawls, and Borders, etc.

6 After the training, the group members will follow the below process to produce the products:

1. Pattu and Shawls warp and weft will be prepared by warping machine. This will help reduce production time and lower the cost of the products.
2. All group members will distribute the work among themselves and carry out the task of making Pattu, Shawls, and Borders.
3. Members will do marketing and purchase of raw material turn by turn.
4. Each member of the group will work 4 to 5 hours per day.

After the training, the group will work on producing the following products, which are detailed as follows:

1.Pattu teen phool Tara Gudi bel in different design

Pattu of teen phool tara gudi be will be made by 7 member on working 4 to 5 hours per day & will be prepared within 30 days.

2. Shawl 2@48 Austeralian wool thread Shawl of different designs will be prepared by 02 members, will works for 4 to 5 hurs per day, 1 shawl will be prepared in a day by each member.

3. Border

Borders of various designs will be prepared by **one** group member. Each member will work 4 to 5 hours per day, then **two** borders will be made in one day.

6- Production planning

Production cycle (30 days)

6-1	Monthly production after working 4 to 5 hours per day	7 Pattu 60 Shawl 60 Border
6-2	Number of working person required in a month	10
6-3	Source of raw material	Kullu , Bhunter
6-4	Other resources	Kullu, Shamshi & Bhunter

6-1 Requirement of Raw Materials and Estimated Production

1. Pattu teen phool Tara Gudi bel in different design

Sr. No.	Detail of raw material	Unit	Qty	Rate	Amount	Estimated Qty of Production
1	Wrap (100% woolen)	Kg	2.450	1200	2940	7 Pattu
2	Weft (100% woolen)	Kg	4.550	1200	5460	
3	Cashmillon	Kg	1.400	550	770	
4	Washing charges	Piece	7	220	1540	
	Total				10710	

2. Shawl 2/48 Australian wool thread

Sr. No.	Detail of raw material	Unit	Quantity	Rate	Amount	Estimated Qty of Production
1	Wrap	Kg	9	1500	13500	60 Shawl
2	Weft	Kg	9.5	1500	14250	
3	Cashmillon	Kg	2	430	860	
	Total				28610	

3. Border

Sr. No.	Detail of raw material	Unit	Quantity	Rate	Amount	Estimated Quantity of Production
1	Wrap	Kg	0.60	1500	900	60 pieces 16) inches
2	Weft	Kg	0.60	430	258	
	Total				1158	

7- Detail of sale & Marketing

7-1	Name of possible marketing places	Jari, Kasol, Manikaran, Bhuntar, Kullu
7-2	Distance from Village to marketing place.	Kullu 38 km Kasol 7 KM Manikaran 10km Bhuntar 30 KM
7-3	Estimate demand of products in market.	Demand is more than production
7-4	Process of identification of market	<ul style="list-style-type: none"> From retail stores tourists buy large

		<p>quantity of product and local residents purchase on wedding and social occasions.</p> <ul style="list-style-type: none"> Local Handloom products topi ,shawl ,stole are liked by foreign as well as by local tourist so demand of these product is high at their visiting place Jari, Kasol ,Manikarn.
7-5	Impact of seasonality on market	The demands for product increases in summer due to tourist season . In winter, it remains normal .
7-6	Potential buyer of products	Indian,foreign tourist and local residents
7-7	Potential consumer of products in the area.	Indian,foreign tourist and local residents
7-8	Marketing mechanism of products	SHGs will be linked with retailers of Kasol, Manikarn and Jari for marketing and marketing will be done at nature park Kasol and Mohal
7-9	Strategy for marketing of product	Demand increases or decreases, the production will be increased or decreased according to the demand.
7-10	Brand name of product	Baladhi Handloom Product.

Management Structure Among Group Members

- Specific rules will be established for effective management.
- Tasks will be assigned with mutual agreement among all group members.
- Work distribution will be based on efficiency and capability of the members.
- The distribution of profits will be determined based on work quality, efficiency, and dedication.
- Supply Management: Four experienced members will be responsible for marketing.
- The President and Secretary will regularly monitor and evaluate the management process.

9 SWOT Analysis:

Strength

- All group members have similar and compatible thinking.
- Some members of the SHGs is already doing this work of manufacturing and marketing of above products on a small scale. This will make it easier for other members of the SHGs to weave and market above product .
- Production cost is low where as demand is high.

Weakness: -

- SHG is new group.
- No experience of working in a group

Opportunity 1. Large scale production can be done by working in Groups

- Demand for Jacket, topi, pattu and stoles etc. is high in the local markets due to its being a tourist area.
- 75% of the capital cost for purchasing Khaddi and charkha etc. will be borne by the project.
- The project will provide handloom training

Risk

1. If there are internal conflicts in the group, the work of the group may be affected.
2. In the absence of demand and transparency there may be a possibility of group breakdown.

10- Description of potential risks & measures to mitigate them

Sr.no	Description of risks	Measures to reduce risk
10-1	There may be a possibility of reduced demand for the products in the local markets. Which will have an adverse effect on sales and income.	The products will be marketed and linked with retail shopkeepers in Manikaran, Kasol, and Bhuntar to ensure better sales. Additionally, the products will also be promoted and sold through Nature Park Kasol and Mohal, expanding their reach to a wider customer base.
10-2	Decreasing quality of product may result in decrease in sales.	To maintain quality the group must keep high standards.

11- Description of economics of business plan

A.Capital Costs

Sr. No.	Particulars	unit	Rate	Total cost	Project Share (75%)	Beneficiary share (25%)
1	3 Local big handloom(Rachh)4.5 long x 4ft broad @ 6000 each	3	6000	18000	13500	4500
2	5 Local small handloom (Rachh)4.5 long x 3ft broad @ 5500 each	5	5500	27500	20625	6875
.3	Wooden small handloom for border making	1	1500	1500	1125	375
4	Wool binder.	6	1300	7800	5850	1950
5	Uri stand	6	500	3000	2250	750
6	Warp stand	4	2000	8000	6000	2000
7	Large comb	3	800	2400	1800	600
	Small Comb	3	650	1950	1463	487
8	Hathnali	6	70	420	315	105
9	Large brua	3	700	2100	1575	525
	Small bruwa	7	700	4900	3675	1225
10	Hathu	6	750	4500	3375	1125
11	Storage box (trunk)	1	5000	5000	3750	1250
12	Transportation charges	1	3500	3500	2625	875
	Total			90570	67928	22642

- Beneficiary share of capital cost will be paid in cash by SHG.
- 2 Members are already having local hand loom.

Sr. N.	Particulars	Amount
B.	Recurring cost	

B..1

3. Pattu teen phool Tara Gudi bel in different desgin

Sr. No.	Detail of raw material	Unit	Qty	Rate	Amount	Estimated Qty of Production
1	Wrap (100% woolen)	Kgs	2.450	1200	2940	7 Pattu
2	weft (100% woolen)	Kgs	4.550	1200	5460	
3	Cashmillon	Kgs	1.400	550	770	
4	Washing Charges	NO	7	220	1540	
5	Labour	days	120	350	42000	
	Total				52710	

52710

2.Shawl 2@48 Australian wool thread

Sr. No.	Detail of raw material	Unit	Quantity	Rate	Amount	Estimated quantity of production
1	wrap	Kgs	9	1500	13500	60s shawl
2	weft	Kgs	9.5	1500	14250	
3	Cashmillon	Kgs	2	430	860	
4	Labour	Days	34	350	11900	
	Total				40510	

40510

3.Border

Sr. No	Detail of raw material	Unit	Quantity	Rate	Amount	Estimated qty of production
1	wrap	Kgs	0.60	1500	900	Border 60(16inch)
2	weft	Kgs	0.60	430	258	
3	Cashmillon	Kgs	17	350	5950	
	Total				7108	

7108

Total

100328

(i) Room Rent electricity bill etc.

2000

(ii) Transportation charges of raw material and for sale of manufactured goods)

1000

(iii) Other expenses (sticker, stationary, repair of khadi)

1500

Recurring cost

104828

Recurring expenditure = (Recurring cost – Labour)

44978

Total cost business plan (A+B) =

186298

S **Income**

SS1 Direct income

S1.1 Pattu teen phool Tara Gudi bel in different design 4 no. @ 20000 each.

140000

S1.2 Shawl 2@48 Australian wool thread 60 No.@1000/each.

114000

S1.3 Border 60 No.@150 each

9000

Total income (C.1)

263000

Total estimated income (C.2)

263000

12. Summary of economics of Business plan

Cost of production

S.N.	Particulars	Amount in Rs
1	Total Recurring cost	104828
2	Depericiation of capital cost @ 10% per annum	726
3	Bank loan interest @ 10.5% per annum	2144
	Total	107698

13 Assessment of sale value (per cycle)

S.N.	Particulars	Z unit	Amount in Rs
1	Cost of production (including other expenses) <u>1.Pattu teen phool Tara Gudi bel in different design</u> <u>2.Shawl 2@48 Australian wool thread</u> <u>3.Border</u>	NO	7530 675.16 118.46
2	Fixation of profit (in Percentage) <u>1.Pattu teen phool Tara Gudi bel in different design</u> <u>2.Shawl 2@48 Australian wool thread</u> <u>3.Border</u>	% 165.60 %181.41 %26.62	12470 1224.84 31.54
3	Total ¼1\$2½ <u>1.Pattu teen phool Tara Gudi bel in different design</u> <u>2.Shawl 2@48 Australian wool thread</u> <u>3.Border</u>	No	20000 1900 150
4	Market Price <u>1.Pattu teen phool Tara Gudi bel in different design</u> <u>2.Shawl 2@48 Australian wool thread</u> <u>3.Border</u>	No	22000 2100 160
5	Assessed selling price <u>1.Pattu teen phool Tara Gudi bel in different design</u> <u>2.Shawl 2@48 Australian wool thread</u> <u>3.Border</u>	No	20000 1900 150

14- Cost benefit analysis (one month cycle)

Sr.no	Item	Amount in Rs
1	10% annual depreciation on capital cost	726
2	Recurring cost (B)	
2-1	Room Rent electricity bill etc.	2000
2-2	Transportation charges of raw material and for sale of manufactured goods)	1000
2-3	Raw material	40478
2-4	Labour wages	59850
2-5	Other expenses (Repair, Sapre Parts, Stationery etc)	1500
	Total (B)	104828
3	Total Production	
3.1	<u>1.Pattu teen phool Tara Gudi bel in different design</u>	7 NO
3.2	<u>2.Shawl 2@48 Australian wool thread</u>	6 NO
3.3	3.Border	60 NO
4	Market Sale price of Products	

4.1	1.Pattu teen phool Tara Gudi bel in different design	20000
4.2	2.Shawl 2@48 Australian wool thread	1900
4.3	3.Border	150
5	Income from sale of product	
5.1	1.Pattu teen phool Tara Gudi bel in different design	140000
5.2	2.Shawl 2@48 Australian wool thread	114000
5.3	3.Border	9000
	Total (s)	263000
6	Total profit S=(A-B)= 263000-(104828+726)	157446
7	Gross profits = total profit + labour wages+ Rent 157446 + 59850 + 2000	219296
8	Amount available for distribution among members as profit after one cycle=Income from sale of product-(Repayment of loan and interest +Recurring cost required for second cycle= 263000 – (3600 + 341 + 44974)=214422	214422

- 75% of capital cost will be paid by project and 25% beneficiary share will be paid by SHG in cash.
- 5 % rate of interest will be paid by project directly by project in bank account and balance interest 5.5 % will be paid by SHG.

15. (1) Requirement of funds

SR.N	Item	Amount in Rs
1	Capital Costs	90570
2	Recurring cost	44978
	Total	135548

(2) SHGs Source of funds.

SR.N	Detail of Source of funds	Amount in Rs
1	75% of capital cost (project support) by project	67928
2	25% of capital cost (beneficiary share) by SHG	22642
3	Internal saving	6000
	Total	96570

- Revolving fund Rs 100000 will be provided by project so that bank loan can be taken. Beside this recurring cost Rs 38978 or say 39000 will be met by taking bank loan.

16- Calculation of break even point.

$$\begin{aligned}\text{Break even point} &= 90570 / 263000 - 104828 = 90570 / 158172 \\ &= 0.572 \text{ Month} = 0.572 \times 30 = 17 \text{ days}\end{aligned}$$

Calculation of shawl, pattu and border and profit breakeven point will be achieved after 17 days on manufacturing these products in above ratio.

17- Repayment of loan (Installment wise)

	Month	- Repayment of loan						Cumulated Repayment of loan	Balance loan		
		Principal	Total	Payable interest @ 5 % by project	Payable interest @ 5.5 % by SHG	Payable monthly installment by SHG	Total		Principal	interest	Total
1	Month-1								39000	341	39341
2	Month-2	3259	341	163	178	3600	3600	3600	35741	313	36054
3	Month-3	3287	313	149	164	3600	3600	7200	32454	284	32738
4	Month-4	3316	284	135	149	3600	3600	10800	29138	255	29393
5	Month-5	3345	255	121	134	3600	3600	14400	25793	226	26019
6	Month-6	3374	226	107	119	3600	3600	18000	22419	196	22615
7	Month-7	3404	196	93	103	3600	3600	21600	19015	166	19181
8	Month-8	3434	166	79	87	3600	3600	25200	15581	136	15717
9	Month-9	3464	136	65	71	3600	3600	28800	12117	106	12224
10	Month-10	3494	106	50	56	3600	3600	32400	8624	75	8699
11	Month-11	3525	75	36	39	3600	3600	36000	5099	45	5144
12	Month-12	5099	45	21	24	5144	5144	5144	0	0	0
	Total	39000	2144	1021	1123	41144	41144	203144	0	0	0

- Calculation of interest 10.5% has been made on the basis reducing principal amount.
- Last installment of EMI may increase or decrease from regular installment at time of final repayment.

Comments

Group will produce pattu ,shawl and border and on sale of product SHG will earn 59850 as labour wages and 155472 profit. In this way Rs 5985 as labour wages and Rs 5985 every member. In addition to this Rs 1021 interest amount will be paid by the project. Resulting saving of SHG.

Estimated training cost

Sr. N.	Particulars	Period	Rate in Rs	Amount in Rs
.1	Honrarium of expert (i) Handloom	45 day8) hours per day)	Rs 1000 per day	45000
.2	Bus fair of expert	45 days actual bus fair.	Rs 100 per day	4500
.3	Raw material w (wrap, weft)	10 trainee	1000	10000

.4	Rent room, including electricity bill	45 days (one and half)	1500	2250
.5	Other expenses(stationary sancks,tea,etc)	45 days	Rs 15 per day per trainee	6750
	Total			68500

- Above training expenses will be born by project.

By – laws Self-Help Group (SHG)

- 1. Group Work:** Handloom (pattu,shawl and border)
- 2. Group Address:** Village Baladhi. P.O Jari Teh. Bhunter district Kullu.
- 3. Number of Members** % 10
- 4. Date of Establishment:** 29th March, 2022
- 5. Intrest on interloaning:** 2% interest will be applied to every ₹100
- 6. Meeting Schedule:** The group's monthly meeting will be held on the 5th of every month.
- 7. Member Contribution:** All members will deposit their monthly savings into the group.
- 8. Meeting Participation:** Attendance at group meetings is mandatory for all members
- 9. Group Account DetailsBank:** Kangara cooperative bank **Account Number** 50074399804
- 10. Absence Notification:** If a member is absent from a meeting, they must seek permission from the President and Secretary
- 11. A Group Expulsion Rules:** A member who fails to deposit their savings for 3 consecutive meetings or remains absent will be expelled from the group
- 12. Account Number** If a member does not attend a meeting without informing , the next meeting will be conducted at their home and expenses will born by her if there were two members expenditure will divided among them .
- 13. Election President and Secretary:** Election President and Secretary elected by consensus.
- 14. Tenure of President and Secretary:** The tenure of the President and Secretary will be 1 year.
- 15. Utilization of Group Funds:** Group funds will only be used for the welfare of the members. Any member will not do any such work which is not in the interest of group.
- 16. Rules for Leaving the Group:** If a member wishes to leave the group and has an outstanding loan, they must repay the loan first.
- 17. Loan Process:** Loan distribution, repayment, and interest rate determination will be decided during meetings.
- 18. Emergency Fund:** The group should maintain a minimum fund of ₹1,000 for emergencies.
- 19. Record-Keeping:** The group's register will be read and signed in front of all members.
- 20. Large Loan Notification:** For large loan requirements, a notice must be given one week in advance.
21. Every member should be given loan on their requirement
- 22. Membership Termination:** If a member leaves the group without valid reason, their deposited amount will be forfeited and distributed among members.
- 23. .Monthly Reporting :** The group must submit its monthly report to the Field Technical Unit (FTU).

समूह का सहमती पत्र

आज दिनांक 14-09-22 को 'नाग देवता' समान रुची समूह गाँव बलाधी की बैठक प्रधान श्रीमती कम्बली देवी की अध्यक्षता में हुई जिसमें समूह के सदस्यों ने सर्व सहमती से निर्णय लिया की आय बढ़ाने के लिए पट्टू, स्टॉल और बॉर्डर हथकरघा (देसी) का कार्य करने के लिए हिमाचल प्रदेश वन पारिस्थितिकी तन्त्र प्रबंधन और आजीविका सुधार परियोजना (जाईका) से जुड़ने की सहमती प्रदान करते हैं !

कम्बली देवी

प्रधान
नाग देवता समूह गाँव बलाधी
जिला कुल्लू (हि.प्र.)
समूह के सचिव के हस्ताक्षर

Gumti Deri

कम्बली देवी

प्रधान
नाग देवता समूह गाँव बलाधी
जिला कुल्लू (हि.प्र.)
समूह के प्रधान के हस्ताक्षर

Gumti Deri

Recommended for approval


Range Forest Officer
Jari


Deputy Conservator of Forest,
Parvati Forest Division, Shimla

Photograph of SHGs Members



Smt. Kambli Devi
(Pradhan)



Smt. Chanderkanta
(Up-Pradhan)



Smt. Gumti Devi
Secretary



Smt. Jawana)
(Cashier)



Smt. Kusumlata
(Member)



Smt. Neelma Devi
(Member)



Smt. Permila
(Member)



Smt. Shobho Devi
(Member)



Smt. Guddi Devi
(Member)



Smt. Dropti Devi
(Member)