



# BUSINESS PLAN

## Knitting

(Shawl, stole and muffler knitting)

Narayan Self Help Group (Bhakli Sub Committee)



Biodiversity Management Committee

Neul

Sub Committee

Chawara

Gram Panchayat

Neul

Field Technical Unit/Forest Range

Wildlife Sanctuary, Kullu

Divisional Management Unit /Forest division

Wildlife Sanctuary, Kullu

Forest Circle Coordination Unit/ Forest Circle

GHNP Circle, Shamshi

Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project

(JICA Funded)

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## 1. Executive Summary

Himachal Pradesh, located in the western Himalayas, is a state known for its natural beauty, rich culture, and religious heritage. The state is home to diverse landscapes, rivers, and valleys and has a population of approximately 7 million. Its geographical area spans 55,673 square kilometers and ranges from the Shivalik hills to the higher and colder zones of the middle Himalayas. Agriculture is the primary occupation of its people.

In six districts of Himachal Pradesh, including Kullu, the Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project, supported by JICA (Japan International Cooperation Agency), is being implemented. Under this project, biodiversity management

committees have been established in Kullu, Manali, and Sundernagar forest divisions. Sub-committees have been formed within these biodiversity management committees, with each sub-committee creating two self-help groups (SHGs), most of which comprise women members.

In this initiative, a micro-plan for the biodiversity management sub-committee of Chhawara in the Banjar region was developed. Two SHGs, namely Narayan and Veer Jogni, have been formed under this sub-committee. The women in these groups have selected knitting activities, such as making sweaters, socks, caps, mufflers, and waistcoats, as a means to enhance their livelihoods.

Although agriculture and horticulture are the primary occupations of the local population, most families have limited landholdings. Due to limited and distant resources, especially for women, the income growth has been relatively low. The local community primarily cultivates wheat, maize, barley, and pulses, along with vegetables and cash crops such as apples, plums, and apricots. To augment their income, the Narayan SHG decided to engage in tailoring and cutting work.

The Narayan SHG was formed on July 24, 2018, with 10 women members. The group was informed about all the support available under the project, and after detailed discussions, the women decided to produce knitted garments for women, men, and children, using high-quality yarn in line with local trends and modern fashion.

Although most women are skilled in hand knitting, training on machine knitting for items like sweaters, socks, caps, vests, scarves, etc., will be provided with the assistance of the project. Approximately ₹3200 per member will be spent on a one-month training program, and this cost will be covered by the project.

Even though all women in the group belong to the general category, they come from economically weaker families. Hence, 75% of the capital investment will also be borne by the project. Additionally, a revolving fund of ₹1,00,000 will be provided. This revolving fund will assist them in securing loans from banks if needed or help manage working capital requirements.

Due to their financial constraints, these women are hesitant to take bank loans. Therefore, they have decided to raise the required capital themselves by pooling funds. The group has agreed that all members will divide work and profits equally based on the rules and conditions established.

The members will primarily focus on this income-generating activity from November to March, as other months are heavily occupied with farming activities. During these months, they will dedicate an average of 4 to 5 hours daily to this livelihood initiative to enhance their income.

## 2. Information about the Self-Help Group

SHGs play a crucial role in uplifting economically weaker sections by providing them with opportunities to earn a sustainable livelihood and become self-reliant.

<b>Sr. No.</b>	<b>Details</b>	<b>Information</b>
2-1	Name of the Self-Help Group	Narayan
2-2	SHG Unique ID Code	M-IBS Code
2-3	Name of the Biodiversity Management Committee	Neul
2-4	Wildlife Range	Wildlife Range, Kullu
2-5	Division Office	Wildlife Division, Kullu
2-6	Village	Chhwara
2-7	Development Block	Kullu
2-8	District	Kullu
2-9	Number of Group Members	10
2-10	Date of Formation	24.07.2018
2-11	Monthly Savings Rate	₹100
2-12	Bank and Branch Name	Punjab National Bank, Bajaura
2-13	Bank Account Number	4454000100104461
2-14	Total Savings of the Group	₹35,000
2-15	Loans Provided by the Group to Members	-
2-16	Loan Repayment Status by Members	-

### Details of Narayan SHG Members:

<b>Sr. No.</b>	<b>Member Name &amp; Address</b>	<b>Father/Husband Name</b>	<b>Gender</b>	<b>Position</b>	<b>Village</b>	<b>Age</b>	<b>Category</b>	<b>Contact Number</b>
1	Kewali Devi	Not Ram	Female	President	Chhwara	37	General	9817706201
2	Asha Devi	Sher Singh	Female	Secretary	Chhwara	29	General	7018020261
3	Sangeeta Devi	Gumat Ram	Female	Treasurer	Chhwara	29	General	8580623055
4	Shanti Devi	Duni Chand	Female	Member	Chhwara	32	General	7018238173
5	Bittu Devi	Lokesh Chand	Female	Member	Chhwara	40	General	8544700360
6	Neelma Devi	Prem Chand	Female	Member	Chhwara	42	General	7476559552
7	Pushpa Devi	Khub Chand	Female	Member	Chhwara	39	General	8894885802
8	Goli Devi	Duni Chand	Female	Member	Chhwara	44	General	8988967433
9	Tara Devi	Jeet Ram	Female	Member	Chhwara	58	General	8544786577
10	Meena Devi	Khewa Ram	Female	Member	Chhwara	40	General	8219564252

### 3. Geographical Location of the Village

Point	Details
3.1 Distance from District Headquarters	30 kilometers
3.2 Distance from Main Road	Last 3 km under construction
3.3 Local Market Name and Distance	- Kullu: 30 kilometers - Bhuntar: 20 kilometers - Bajaura: 15 kilometers
3.4 Distance from Main Market	As mentioned above
3.5 Distance from Other Key Towns/Cities	- Shamshi: 21 kilometers - Manali: 70 kilometers
3.6 Market for Product Distribution	Bhuntar, Kullu, Shamshi, Bajaura, Manali
3.7 Village-Specific Features Related to Group Activities	Most women in the village are skilled in handloom weaving.

### 4. Details of Products Related to Income-Generating Activities

S. No.	Product Details	Preparation Method	SHG Consent
4-1	Sweaters, coats, baby sets, caps, socks, etc.	Based on market demand and group discussions	Consent document attached
4-2	Market demand and discussions among group members		
4-3	Self-Help Group consent	Consent attached	

## 5. Formation and Activities of the Group

### (a) Why is a business plan necessary?

In the village of Pora, under the Biodiversity Management Committee's Sub-Committee, there was no existing women's group initially. During the initiation of the project, the team engaged in discussions with the community and informed them about the support available for forming such groups. As a result, a self-help group (SHG) was established, focusing on handloom weaving as a livelihood activity. Many women in the group already possessed skills in handloom weaving using hand-operated looms. However, the time required for producing goods was extensive, and the lack of weaving machines hindered their ability to increase their income efficiently.

Therefore, the women, through their group, requested the project to provide weaving machines and relevant training to improve productivity.

### (b) Objectives of the business plan:

- To enhance the skills of all group members.
- To provide continuous income-generating opportunities for the group.
- To connect products to appropriate markets.
- To motivate all members to actively participate in group activities.
- To promote the use of modern and advanced weaving technologies.
- To improve livelihoods.

### (c) Activities included in the business plan:

- The group will focus on weaving items such as sweaters, socks, scarves, caps, and blankets for men, women, and children using machines.

### (d) Description of the business plan activities:

#### 1. Community Mobilization:

The project involved raising awareness and motivating the community to select sustainable livelihood alternatives, along with identifying the beneficiaries.

#### 2. Group Formation:

The members of the self-help group were united, and a transparent selection process for roles, responsibilities, and contributions was carried out. The members of the group agreed on the operational rules, which were then implemented.

#### 3. Skill Development:

Beneficiaries will undergo skill training to enhance their abilities in weaving. This training will be arranged by the project.

#### 4. Distribution of Loom Machines:

High-quality machines will be provided to all members to ensure faster and more efficient production.

#### 5. Market Linkage:

Initially, the women will work for local demand, fulfilling the needs of their village and surrounding areas. As the group expands, they will design and produce various items for

the market. The group is prepared to establish ties with government and private organizations for better market access.

6. **Connecting with Financial Institutions:**

To expand the business, the group will connect with financial institutions and avail of the loan facilities offered by banks. The project will assist them in linking with banks, and a 5% subsidy on the loan interest will be provided by the project.

7. **Market Knowledge:**

The group will explore demand for products and keep an eye on market trends, identifying potential opportunities in nearby villages and markets.

8. **Monitoring Method:**

Baseline assessments will be conducted before starting the project, and evaluations will be done every six months or annually based on predefined financial and operational criteria. Monitoring will cover:

- Increased demand and market viability.
- Growth in sales and product output.
- Improvement in the time spent by members in group activities.
- Increased group and individual incomes. The Social Audit Committee will periodically evaluate the group's activities.

9. **Expected Assistance and Resources:**

- **Capital Support:** The project will provide 75% or 50% of the capital cost, with the remaining amount being contributed by the group members. The group will cover any additional costs from savings, cash deposits, or loans.
- **Total Activities:** The plan involves 10 group members.
- **Technical Support:** The project will provide technical assistance and training directly in the village.

## 6. Production Process

The members of the Swastam Vyam Self-Help Group will receive training in knitting various products like coats, sweaters, sets of gloves, socks, hats, and scarves. This training will be provided by a skilled organization or institution. 10 members of the Narayan Group will carry out this work. After the training, the group will be able to produce these items in larger quantities as per demand.

1. **Coats:** Three members of the group will work on knitting coats with designs. It is estimated that each member will take 4 to 5 hours to complete one coat, and within 2 days, one coat will be ready. In this way, three members can produce 45 coats per month.
2. **Sweaters:** Three members of the group will work on knitting design sweaters. Each member will take 4 to 5 hours to complete one sweater, and within 2 days, one sweater will be ready. In this way, three members can produce 45 sweaters per month.

3. **Sets of Gloves:** Two members of the group will work on knitting design sets of gloves. Each member will take 4 to 5 hours to complete 2 pairs of gloves in one day. In this way, two members can produce 120 sets of gloves per month.
4. **Socks:** One member of the group will work on knitting design socks. Each member will take 4 to 5 hours to complete 4 pairs of socks in one day. In this way, one member can produce 120 pairs of socks per month.
5. **Hats:** One member of the group will work on knitting design hats. Each member will take 4 to 5 hours to complete 4 hats in one day. In this way, one member can produce 120 hats per month.

## 7. Production Planning

- 3.1 **Work per month:** 30 days  
(2 days, on average 4-5 hours = 1 day shift)  
10
- 7.2 **Women working per month:** 10 women (150 shifts)
- 7.3 **Source of goods:** Kullu, Bajora, and Bhunte
- 7.4 **Other resources:** Kullu, Bhunter

## 8. Marketing

Point	Description (English)
<b>8.1 Possible Market Areas</b>	Nearby villages and markets: Kullu, Bhuntar, Shamshi, Patlikuhl, Manali, etc.
<b>8.2 Estimated Product Demand</b>	Coats, Sweaters, Set of Stoles, Caps, Socks, etc.
<b>8.3 Seasonal Variations in Demand</b>	This work will continue throughout the year, but demand will decrease during the approximately four months of winter.
<b>8.4 Target Audience</b>	Women, men, and children from nearby villages and towns. Most buyers of the finished goods will be tourists.
<b>8.5 Strategy for Product Availability</b>	Direct contact, showcasing in local markets, exhibitions, or shops, and involving weaving work to display products.
<b>8.6 Diversified Products</b>	Coats, Sweaters, Stoles, Caps, Socks, etc. Additionally, scarves made of warm threads and kaftans will be produced based on demand.



## **9. Distribution of Products**

The members of the group will divide the work based on mutual agreement and distribute the income according to the proportion of the work done. Currently, the idea is that all members of the self-help group will perform all kinds of tasks. However, the weaving of products based on market demand, whether it is shawls, sweaters, or other items, will be determined. The quantity of products to be prepared in this business plan is indicated in symbolic terms and will be determined according to market demand. The division of work and the time each member will dedicate to the tasks will depend on the needs and requirements of the market. All members will keep a record of transactions individually.

## **10. Strengths, Weaknesses, Opportunities, and Threats Analysis (SWOT Analysis)**

### **Strengths:**

1. All group members have a shared vision and a common understanding, and they are unanimous in their commitment to the task.
2. The group members will undertake weaving on a small scale.

### **Weaknesses:**

1. This is a new task for the Self-Help Group.
2. The group lacks experience in operating machines.

### **Opportunities:**

1. The group could receive larger work orders if they maintain cleanliness, quality, etc.
2. There is high demand for woolen products in local markets due to colder weather and the influx of tourists.
3. The project provides 75% assistance to Scheduled Castes/Scheduled Tribes and economically weaker sections of women, and 50% assistance to other women for purchasing weaving machines.
4. The project will provide training for weaving at designated training institutions.

### **Threats:**

1. Internal conflicts within the group could jeopardize the group's work.
2. Lack of demand and transparency could lead to the disbandment of the group.
3. If the group does not adapt to fashion trends, the quality of work may decline.
4. The group will need to meet expectations with skilled and experienced artisans.

## 11. Estimation of Cost for the Venture and Calculation/Assessment of the Financial Value of Products.

Sr. No.	Description	Unit Price	Quantity (per month)	Total Cost	Cost Share	Beneficiary Share
1.	Loom Machine	₹10,000	1	₹100,000	₹75,000	₹25,000
<b>Total</b>				₹100,000	₹75,000	₹25,000

### Other Small Necessary Items

Women are sourcing these items themselves.

The beneficiary share of the capital cost will be borne by the group in cash.

### (b) Monthly Costs (Calculated for one month)

Description	Cost per Unit	Quantity	Total
Transportation Cost	₹1,000	1	₹1,000
Room Rent	₹500	1	₹500
<b>Category A (45 units per month)</b>			
1. Yarn (Cotton)	₹625/kg	30 kg	₹18,750
2. Other Buttons and Miscellaneous	₹400	45 pieces	₹18,000
3. Labor (Daily Wage)	₹275/day	45 days	₹12,375
4. Average Expenses (Machine Repairs, Packaging, Electricity)	₹5/unit	45 units	₹225
<b>Total (Category A)</b>			₹31,750
<b>Category B (45 units per month)</b>			
1. Yarn (Cotton)	₹625/kg	34.7 kg	₹21,688
2. Other Buttons and Miscellaneous	₹400	45 pieces	₹18,000
3. Labor (Daily Wage)	₹275/day	45 days	₹12,375
4. Average Expenses (Machine Repairs, Packaging, Electricity)	₹5/unit	45 units	₹225
<b>Total (Category B)</b>			₹34,688
<b>Category C (120 units per month)</b>			
1. Yarn (Cotton)	₹625/kg	36 kg	₹22,500
2. Other Buttons, Electric Items	₹250	180 pieces	₹45,000
3. Labor (Daily Wage)	₹275/day	30 days	₹8,250

Description	Cost per Unit	Quantity	Total
4. Average Expenses (Machine Repairs, Packaging, Electricity)	₹4/unit	120 units	₹480
<b>Total (Category C)</b>			₹31,480
<b>Category D (120 units per month)</b>			
1. Yarn (Cotton)	₹625/kg	6 kg	₹3,750
2. Nylon Yarn	₹250/kg	12 kg	₹3,000
3. Labor (Daily Wage)	₹275/day	15 days	₹4,125
4. Average Expenses (Machine Repairs, Packaging, Electricity)	₹2/unit	120 units	₹240
<b>Total (Category D)</b>			₹11,115
<b>Category E (120 units per month)</b>			
1. Yarn (Cotton)	₹625/kg	17.4 kg	₹10,875
2. Labor (Daily Wage)	₹275/day	15 days	₹4,125
3. Average Expenses (Machine Repairs, Packaging, Electricity)	₹2/unit	120 units	₹240
<b>Total (Category E)</b>			₹15,240
<b>Total Monthly Cost (Sum)</b>			₹124,273
<b>Total Cost with Additional Charges</b>			₹125,773
<b>Total Operating Cost (Cost - Wages)</b>			₹84,523
<b>Total Business Plan Cost</b>			₹184,523

**(c) Product Cost Calculation (per piece)**

Sr. No.	Description	Quantity	Labor Cost	Additional Costs	Total Cost
1.	Cot Set	45	₹12,375	₹19,375	₹31,750
2.	Sweater	45	₹12,375	₹22,313	₹34,688
3.	Blanket Set	120	₹8,250	₹23,230	₹31,480
4.	Socks	120	₹4,125	₹6,990	₹11,115
5.	Caps	120	₹4,125	₹11,115	₹15,240
<b>Total</b>		450	₹41,250	₹114,033	₹124,273

**Estimated Profit and Revenue (Calculated)**

Sr. No.	Description	Units	Cost	Selling Price	Profit %	Total Revenue
1.	Cot Set	45	₹705	₹1,000	41.5%	₹45,000
2.	Sweater	45	₹771	₹1,150	49%	₹51,750
3.	Blanket Set	120	₹262	₹375	43%	₹45,000
4.	Socks	120	₹93	₹125	34%	₹15,000

Sr. No.	Description	Units	Cost	Selling Price	Profit %	Total Revenue
5.	Caps	120	₹127	₹175	38%	₹21,000
<b>Total</b>		450				₹177,750

This is a complete estimate of costs, profits, and revenue from the production of various handloom products based on monthly activities.

## 12 Cost-Benefit Analysis for the Project (Per Month):

Sr. No.	Description	Amount (₹)
1	<b>Capital Cost (10% of Capital Value)</b>	833
2	<b>Operating Cost</b>	
2a	Room Rent	500
2b	Transportation	1,000
2c	Raw Material (Yarn, etc.)	81,613
2d	Labor Costs	41,250
2e	Average Costs (Repair, Machine, Packaging, Labeling, Electricity)	1,410
<b>Total Operating Cost</b>	<b>126,606</b>	
3	<b>Total Production Quantity</b>	450
4	<b>Production Income from Weaving per Month</b>	177,750
5	<b>Total Profit = 177,750 – (833 + 126,606)</b>	50,311
6	<b>Gross Profit from Production = Total Profit + (Labor + Room Rent)</b>	92,061
7	<b>Net Profit for Distribution Among Members = Production Income – (Principal &amp; Interest Return + Other Required Operating Cost - Labor)</b>	92,394
8	<b>Profit for Distribution Among Group Members if Half of Production is Allocated = 50% of Gross Profit – (Average Principal &amp; Interest Return + Other Required Operating Cost)</b>	3,519
9	<b>Share of Profit Distribution Among Members (Based on Agreement Ratio)</b>	—

### 13. Financial Requirement of the Group

S. No.	Item	Amount (in INR)
1	Capital Investment	100,000
2	50% of Operating Costs	42,678
<b>Total</b>		<b>142,678</b>

### 14 Financial Resources of the Group

S. No.	Resource Description	Amount (in INR)
1	Assistance Amount from Capital Investment Plan	75,000
2	Beneficiary Share	25,000
3	Group's Internal Savings	35,000
<b>Total</b>		<b>135,000</b>
<b>Required Additional Amount</b>		142,678 - 135,000 7,678

- Since the required additional amount is less, the group will cover this amount from available cash or from the savings fund until further arrangements are made.

### 15. Break-Even Point Calculation:

**Break-Even Point** = Capital Investment / Profit per unit of product  
= 100,000 / 867 = 115 days, or approximately four months.

In practical terms, by producing 450 sets of the product, the break-even point will be achieved in 115 days. This means that the capital invested in the activity will be recovered in about four months.

## **16. Funding Process:**

- a) The women of the group will collect cash from the savings of the group, both from capital cost and operational costs.
- b) As the work progresses, the operational cost will also be met from the profit gained, and the group will purchase materials from the market.

## **17. Self-Help Group Rules:**

1. Group activities should focus on weaving and production of woven items.
2. The group's headquarters is located in the village of Chawara, Post Office Mool, District Kullu, Himachal Pradesh.
3. The group's area of operation is limited to the 10% share in its activities.
4. The group was established on 24th July 2018.
5. The group's organization ratio is 100:1, with loans available at a 2:1 ratio.
6. The group's financial statement is to be presented on the 5th of each month.
7. All members must adhere to the instructions and operations set by the group for smooth functioning.
8. The group operates its transactions through the Punjab National Bank, Bajoura, and its account number is 4454000100104461.
9. The group will maintain the transactions through transparent records and reports.
10. The group is encouraged to develop and implement future plans as needed.
11. The group's finance should be evaluated regularly, and the group members must take part in meetings and discussions about new plans.
12. The group will ensure its members' participation in group decisions and the handling of operations in a transparent manner.
13. Regular meetings will be held to evaluate the group's progress and for decision-making.
14. Financial auditing will be done by qualified experts to ensure proper fund management.
15. Any significant changes in the group's activities will be reviewed before implementation.
16. Continuous training and workshops will be organized for the group's development and growth.
17. Group members will contribute a fixed percentage of the funds to maintain sustainability and continuous support.
18. The group will actively work to expand its activities and increase its financial stability.
19. Group performance will be assessed regularly to ensure targets are being met.
20. The group will maintain a fund to handle emergency requirements.
21. Group funds will be managed by the group's governing body, ensuring proper distribution of profits.
22. The group will provide timely support to its members when needed and ensure smooth operation.
23. The group will develop a technical support system to monitor and assist the members.

समूह का सहमती पत्र एवं स्वीकृति

आज दिनांक 16.12.2021 को नारायण स्वयं सहायता समूह (छवारा उप-समिति) की बैठक हुई। बैठक में प्रधान श्रीमती केवली देवी की अध्यक्षता में हुई जिसमें समूह के सदस्यों ने सर्वसम्मति से निर्णय लिया कि आय बढ़ाने के लिए स्वेटर, जुराब, टोपी आदि की बुनाई करने के लिए हिमाचल प्रदेश वन पारिस्थितिकी तन्त्र प्रबंधन और आजीविका सुधार परियोजना (जाईका वित्तपोषित) से जुड़ने की सहमती प्रदान करते हैं तथा उपरोक्त परियोजना की सहायता से सभी सदस्यों द्वारा चयनित की गई गतिविधि जो कि बुनाई है, को इसकी व्यवसाय योजना के अनुसार या बाज़ार की मांग के अनुसार सभी सदस्य मिलजुल कर सफल बनायेंगे।

समूह के सचिव के हस्ताक्षर

केवली देवी  
समूह के प्रधान के हस्ताक्षर

फील्ड तकनीकी यूनिट (FTU)  
वन्यप्राणी परिक्षेत्र, कुल्लू ।

प्रधान,  
छवारा उपसमिति  
(जैव विविधता प्रबंधन कमेटी, न्यूल )

स्वीकृत

कुल्लू डिविज़नल प्रबंधन इकाई (DMU)  
वन्यप्राणी, महल, कुल्लू ।  
Divisional Management Unit Officer  
cum Divisional Forest Officer,  
Wild Life Division, Kullu

## Self-Help Group Narayan (By Sub-Committee) Member

 <p>Smt. Kewli Devi-President</p>	 <p>Smt. Asha Devi-Secretary</p>	 <p>Smt. Sangeeta Devi-Cashier</p>	 <p>Smt. Shanti Devi</p>
 <p>Smt. Bantu Devi</p>	 <p>Smt. Neelma Devi</p>	 <p>Smt. Poshpa Devi</p>	 <p>Smt. Goli Devi</p>
 <p>Smt. Tara Devi</p>	 <p>Smt. Meena Devi</p>		