



# BUSINESS PLAN

## Handloom

(Shawl, stole and muffler knitting)

Prashar Rishi Self Help Group (Shoghi Sub Committee)



Biodiversity Management Committee

Neul

Sub Committee

Shoghi

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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## Summary of the Case Study

Himachal Pradesh is located in the western Himalayas and is known for its natural beauty, rich culture, and religious heritage. The state has diverse landscapes, including mountains, rivers, and valleys, with a population of approximately 7 million and a geographical area of 55,673 square kilometers. It spans from the Shivalik hills to the high-altitude cold zones of the Greater Himalayas. The primary occupation of the people is agriculture.

Under the Japan International Cooperation Agency (JICA) project, the Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project is being implemented in six districts, including Kullu. In the Kullu Forest Circle, the project has established biodiversity

management committees in Kullu, Manali, and Sundernagar, with sub-committees formed under them. Each sub-committee has two self-help groups (SHGs), primarily composed of women.

As part of the project, the biodiversity management committee of Thule in the Shogi sub-committee developed a micro-plan. Two women's self-help groups were formed, one of which is the Parashar Rishi SHG. This group chose tailoring and cutting as their livelihood activity to enhance their income.

The primary occupation of the sub-committee members is agriculture and horticulture, but due to limited landholdings and scarce resources, women's income growth has been restricted. The residents mainly grow wheat, maize, barley, and pulses, along with cash crops like vegetables, apples, plums, and apricots. To create an additional income source, the Parashar Rishi SHG decided to take up tailoring and cutting.

The self-help group was formed on January 10, 2020, with 12 women members. After thorough discussions, they decided to provide tailoring and cutting services for the local community, including making customized garments on demand.

With support from the project, training will be provided for three months on stitching ladies' suits (both with and without lining), jeans, shirts, and palazzo suits. The cost per member for the training is approximately ₹4,400, which will be covered by the project. Though all the women belong to the general category, they come from economically weaker backgrounds. Hence, the project will also bear 75% of the capital expenditure. Additionally, a revolving fund of ₹100,000 will be provided.

Due to their financial constraints, the women are hesitant to take bank loans. Therefore, they have decided to manage the necessary expenses themselves. The group has also agreed to distribute work and profits fairly among all members based on their contributions.

According to the business plan, the group will produce **90 ladies' suits without lining, 90 ladies' suits with lining, 90 gents' pants and shirts, and 60 palazzo suits.**

The members will have sufficient time to work on this income-generating activity from **November to March**. However, during other months, their availability will be limited due to peak agricultural activities.

On average, each member will dedicate **4 to 5 hours per day** to this activity to enhance their livelihood.

## 2. Self-Help Group Information:

The names of the group members and other details of the group are as follows:

S. No.	Field	Details
2-1	Self-Help Group Name	Parashar Rishi
2-2	Self-Help Group M-IS Code	[To be provided]
2-3	Biodiversity Management Committee Name	Shogi
2-4	Forest Technical Unit	Kullu Range, Kullu
2-5	Regional Management Unit	Kullu Mandal, Kullu
2-6	Village	Sujaehni
2-7	Development Block	Kullu
2-8	District	Kullu
2-9	Number of Group Members	15
2-10	Date of Group Formation	10.01.2020
2-11	Monthly Savings Rate	₹50/- per member
2-12	Bank and Branch Name	Kangra Central Cooperative Bank, Bajaura
2-13	Bank Account Number	50072940641
2-14	Total Group Savings	₹11,750/-
2-15	Loan Provided to Members by Group	None
2-16	Loan Repayment Status by Members	Not applicable

## 3. Geographical Location of the Village

S. No.	Field	Details
3-1	Distance from District Headquarters	27 kilometers
3-2	Distance from Main Road	12 kilometers
3-3	Nearest Local Market & Distance	Kullu – 27 kilometersBhunter – 17 kilometers
3-4	Distance from Main Market	Kullu – 27 kilometersBhunter – 17 kilometers
3-5	Other Major Cities & Distance	Bajaura – 12 kilometers
3-6	Villages/Markets Providing Work	Local villages, Bajaura, Bhuntar, Shamshi
3-7	Other Special Features Related to Group Activities	Some women have prior experience in stitching work at home or in their neighborhood

## 4. Formation and Activity of the Group

In the village of Sujahani, which falls under the Biodiversity Management Committee's Sub-committee SHG, there was no existing group of women before. At the start of the project, conversations were held with the people, and they were informed about the opportunities and support available through the project for such groups. As a result, a Self-Help Group (SHG) for women was formed within the project, where all the women aimed to increase their livelihoods by engaging in sewing and stitching activities.

Some of the women were already involved in sewing and stitching work but did not have proper skills or resources. They were only making small items for their own household needs. Additionally, some women did not have sewing machines or proper training. Due to these reasons, they were unable to increase their livelihoods. Therefore, the women, through the group, have requested sewing machines and appropriate training from the project to improve their skills and livelihoods.

### Objectives of the Business Plan:

- To enhance the skills of all members of the group.
- To provide sustainable income opportunities for the group.
- To connect the products to higher market avenues.
- To motivate all members to actively participate in group activities.
- To promote the latest and modern techniques in sewing and stitching.
- To increase livelihoods.

### Activities Included in the Business Plan:

Women will work on making suits, men's shirts, and shirts, along with cutting and stitching clothes.

### Description of the Business Plan Activities:

1. **Community Engagement:** This includes creating awareness and community participation, selecting viable livelihood options, and identifying beneficiaries for the project.
2. **Formation of the Group:** The members of the self-help group (SHG) have been unified to form the group. The selection of the group's president, secretary, and treasurer was done with mutual consent. The group has established its rules and regulations, which have been implemented with the consent of the members.
3. **Skill Development:** Beneficiaries will undergo proper skill development training. The project will organize the training and ensure its successful completion.
4. **Distribution of Sewing Machines:** High-quality sewing machines will be provided to all the members so they can perform the work efficiently.

5. **Connecting to the Market:** Initially, the women will cater to the needs of people in their village and neighboring villages, providing sewing and stitching services. This will generate income for the group. Later, they will also explore work from nearby towns like Bajora and Bhuntar. Afterward, they plan to buy various types of fabric from the market, sew them, and create different products like clothing for women, men, and children, which they will sell in local markets. The group is also ready to establish connections with government and private societies to sell their products at reasonable rates.

**(6) Connecting with Financial Institutions and Relevant Departments:**

To advance the business, efforts will be made to link the group with financial institutions. The members will be informed about the loan facilities provided by various banks, and the process of obtaining loans will be integrated into the project.

**(7) Market Information:**

The possibility of producing the products according to demand will be explored. This will include selling products in nearby villages and local towns.

**(8) Monitoring Method:**

Before the start of the business plan, a baseline survey will be conducted for the beneficiaries. After that, financial evaluations will be conducted every six months or annually based on the following criteria:

- Increase in demand and market expansion for the products.
- Increase in the sales of the products.
- Improvement in the average time spent on activities by group members.
- Increase in income for the group members.

The sub-committees for activity management and social audit committees will periodically assess the group's activities.

**(9) Expected Support and Resources:**

- Capital investment: 75% or 50% of the cost will be provided by the project, with the remaining portion covered by the group members. Additionally, any further costs will be met through the group's savings, revolving funds, or bank loans.
- Workforce: 10 members.
- Technical support: A master trainer will be stationed in the village to provide necessary skill development and training.

**(10) Estimated Benefits:**

- Employment opportunities for women in the village.
- The activity will provide an opportunity to increase earnings in proportion to the time spent on it.
- Long-term and continuous livelihood opportunities for all group members.

## 5. Linking with Financial Institutions and Related Departments

Sr. No.	Description	Details
5.1	Production of T-shirts, shirts, suits, and suit lining	Includes making of T-shirts, shirts, suits, and suit lining
5.2	Market demand and group discussion	Discussion on market demand and group considerations
5.3	Final production of garments	Attached is the signed agreement for the final production process

## 6. Description of the Production Plan

### Production Plan Details:

The self-help group members will be trained in the following areas: ladies suit lining, suit stitching, making of palazzo suits, and stitching of shirts, night suits, and pajama sets. After training, group members will initially work within their villages and surrounding areas, and later expand to nearby markets for stitching different types of products.

1. **Ladies Suit Lining:** - Three group members will work on lining ladies suits. Each member will spend 4 to 5 hours a day and will be able to complete 1 suit in a day. With three women working for a full month, they will stitch 90 suits.
2. **Ladies Suit Stitching:** - Five group members will work on stitching ladies suits. Each member will spend 4 to 5 hours daily and will complete 1.5 suits in one day. In this way, five members can stitch 225 suits in one month.
3. **Jacket and Shirt Stitching:** - Four group members will be responsible for stitching jackets and shirts. Each member will spend 4 to 5 hours a day and will complete 1 set per day, which can result in 120 sets in one month.
4. **Palazzo Suits:** - Three group members will work on stitching palazzo suits. Each member will spend 4 to 5 hours daily and complete 1 set per day. Thus, the three members will be able to stitch 90 suits in one month.

The group also plans to buy fabrics from the market according to demand and fashion trends. This work is expected to grow as they gain more expertise and experience.

## 7. Production Planning

Point	Description
7.1	Working Days in a Month: 30 days (2 days on average, 4-5 hours = 1 full day)
7.2	Number of Women Working in a Month: 15 Women (225 full days)
7.3	Source of Material: Bhunter/Kullu
7.4	Source of Other Resources: (Not provided, likely to be specified later)

## 8. Marketing

Point	Description (in English)
8.1	<b>Possible Activities:</b> Nearby villages and markets such as Bajoura, Bhuntar, and Kullu.
8.2	<b>Estimated Activities:</b> Ladies suits, jersey night suits, jersey pants, and shirts, and palazzo suits.
8.3	<b>Seasonal Variation:</b> Woolen suits during winter and cotton or lighter fabric suits during the warmer seasons.
8.4	<b>Target Market:</b> Women/men of nearby villages and towns for various types of products.
8.5	<b>Marketing Strategy:</b> Direct contact and well-established outlets should be used to distribute products.
8.6	<b>Product Variety:</b> Products like ladies suits, jersey night suits, cool wear, home décor items like pillows, cushions, and quilt covers. Additionally, products related to tailoring skills like cutting, stitching, zippers, buttons, etc. will be included.

## 9. Distribution of labor

The members of the group will distribute the work among themselves based on mutual agreement, and the income from the completed work will be shared in proportion to the tasks completed. All members of the Self-Help Group will participate in every type of work. The division of tasks and the role of each member will be based on their financial, physical, and mental abilities. All members will keep a record of transactions in an orderly manner.



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

### **Strengths:**

1. All group members share similar resources and a positive mindset.
2. One member of the group will handle small-scale tailoring tasks.

### **Weaknesses:**

1. This is a new activity for the Self-Help Group.
2. The group lacks experience in performing this type of work.

### **Opportunities:**

1. There is a significant opportunity for work if the group starts performing tasks on a larger scale.
2. There is high demand in the local market for tailored suits and similar products due to increased visits.
3. The project provides up to 75% support for women from scheduled castes, tribes, and economically backward communities, and 50% support for women from other communities for purchasing sewing machines and other supplies.
4. The project will organize specialized training for tailoring, either at the location or through partnering institutions.

### **Risks:**

1. Internal conflicts within the group may disrupt the group's work.
2. A lack of demand and transparency might lead to the group's disintegration.
3. If the group does not adapt to changes in fashion, the quality of work may be compromised.
4. The group must meet the standards required by skilled artisans.

## 11. Estimated Cost for Entrepreneurship and Calculation/Assessment of Product's Financial Value

### A. Capital Expenditure

Activity	Quantity	Estimated Cost (INR)	Total Cost (INR)	Beneficiary Share (INR)
Sewing Machine (1st)	1	7,000	91,000	68,250
Sewing Machine (2nd)	1	5,000	10,000	7,500
<b>Total</b>	15	101,000	75,750	25,250

- **Other small necessary items** are being provided by the beneficiaries themselves.
- The capital expenditure benefit share will be borne by the beneficiaries in cash.

### (B) Revenue Expenditure (One month has been considered for one cycle)

Sl. No.	Description	Unit	Rate (₹)	Amount (₹)
1	Rent	Month	1200	1200
2	Wages	Month	225/day	61875
3	Transportation	Month	1000	1000
4	Packaging (Polythene, Bags, Newspapers)	No.	1500	1500
5	Sewing Thread, Buttons, Zips, Needles, etc.	No.	10	5250
6	Value Lining	No.	100	9000
7	Other Expenses (Stationery, Electricity, Water, etc.)	Month	1000	1000
<b>Total</b>				<b>80825</b>

### (C) Production Cost (for one set)

S.No.	Description	Amount (₹)
1	Total expenses	80825
2	Capital expenses (10% depreciation)	842
<b>Total</b>		<b>81667</b>

**(D) Financial Value Calculation/Estimation (per set):**

S.No.	Product Name	Number of Units	Wages (₹)	Other Expenses (₹)	Total Cost (₹)	Unit Price (₹)	Expected Production (Sets)
1	Ladies' Suit Lining	90	12375	10710	23085	258	90
2	Ladies' Suit (Made) Lining	225	20625	4275	24900	112	225
3	Jeans, Pants, and Shirts	120	16500	2280	18780	158	120
4	Palazzo Suit	90	12375	1710	14085	158	90
<b>Total</b>		525	61875	18994	80850	-	-

- Note:**

- The quantity of finished products is symbolic and will be decided based on actual work availability.
- The maximum production capacity is near its limit, which will depend on the availability of work.

**(E) Cost per Unit and Estimated Profit**

S.No.	Product Name	Number of Units	Cost per Unit (₹)	Total Cost (₹)
1	Ladies' Suit Lining	90	257	23085
2	Ladies' Suit (Made) Lining	225	111	24900
3	Jeans, Pants, and Shirts	120	157	18780
4	Palazzo Suit	90	157	14085
<b>Total</b>		525	-	80850

**Estimated Profit and Income from Activities**

Product	Number of Units	Cost (₹) (Cost + Expenses)	Profit %	Profit (₹)	Total Amount (₹)
Ladies' Suit Lining	90	257	75%	450	40500
Ladies' Suit (Made) Lining	225	111	125%	250	56250
Jeans, Pants, and Shirts	120	157	240%	500	60000
Palazzo Suit	90	157	90%	300	27000
<b>Total</b>	330	-	-	-	<b>183750</b>

## 12. Cost-Benefit Analysis for Production (for one set)

S.No.	Item	Amount (₹)
1	Capital expenses (10% depreciation)	841
2	Expenses for one month	
2.1	Rent	1200
2.2	Wages	61875
2.3	Thread, button, zip, hook, etc.	5250
2.4	Other expenses (electricity, stationery, etc.)	1500
2.5	Transportation	1000
2.6	Suit Lining (material)	9000
2.7	Packaging (envelopes, bags, newspapers)	1500
<b>Total Expenses</b>		<b>82166</b>

### 12.2 Profit Calculation

S.No.	Item	Amount (₹)
3	Total expenses for one set ( $\Sigma$ )	82166
3.1	Estimated total production quantity	525
3.2	Income from production (per month)	183750
3.3	Total profit = Income from production - (Capital + Total expenses)	102059
3.4	Gross profit from production including wages and rent	$102059 + 61875 + 1200 = 165134$
3.5	Available funds for member distribution (after returning principal and interest)	164775

- **Note:**

- This amount is above the wages and rent.
- The profit will be distributed to members based on an agreed-upon ratio.

### 13. Financial Requirement for the Group

S.No.	Item	Amount (₹)
1	Capital expenses	101000
2	Expenses for one month	18900
<b>Total</b>		<b>119900</b>

### 14. Financial Resources of the Group

S.No.	Resource Description	Amount (₹)
1	Capital expenses (Project assistance)	75750
2	Profit share	25250
3	Internal savings of the group	11750
<b>Total</b>		<b>112750</b>

**Additional required amount** =  $119900 - 112750 = 7150$

**Note:**

1. As the additional amount is less, the group will cover this amount from available cash and deposit funds.
2. The project will provide the additional amount from the 100,000 ₹ (Reserve Fund).

### 15. Break-Even Point Calculation

**Break-Even Point** = Capital Expenses / Savings per Set Stitching  
=  $101000 / 818 = 124$  days

At this rate, stitching **525 sets** in the given ratio will achieve the break-even point in **124 days**.

Thus, the capital investment in this activity can be recovered in approximately **four months**.

## 16. Fund Arrangement:

- a) The women of the group will collect the **beneficiary's share of the capital cost** in cash.
- b) As they receive stitching work, they will **deposit the working capital** in cash and make purchases from the market accordingly.

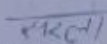
## Rules of the Self-Help Group

S. No.	Rule Description
1	The group's work includes stitching and tailoring.
2	The group's address: Village Sujahani, Post Office Tayloo, District Kullu, Himachal Pradesh.
3	Total number of group members: 15.
4	Date of the group's first meeting: 10.01.2020.
5	A loan of ₹100 will carry an interest of ₹2.
6	The group's monthly meeting will be held on the 5th of every month.
7	All members must deposit their monthly savings into the group fund.
8	All members must attend the self-help group meetings.
9	The group's bank account is opened at <b>Kangra Central Cooperative Bank, Bajaura Branch</b> , with account number <b>50072940641</b> .
10	If a member is unable to attend a meeting, they must inform the President or Secretary and seek approval.
11	A member who fails to deposit savings or remains absent for three meetings will be removed from the group.
12	If a member frequently remains absent, the next meeting will be held at their house, and they must bear the meeting expenses. If two members are absent, they will share the cost.

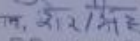
S. No.	Rule Description
13	The group's President and Secretary will be elected with unanimous consent.
14	The President and Secretary can withdraw and deposit money from the bank account. Their term will be <b>one year</b> .
15	The President, Secretary, or any member shall not misuse the group's funds, ensuring they are used only for the group's benefit.
16	If a member wants to leave the group and has taken a loan, they must repay the amount before exiting.
17	The purpose of the loan will be discussed in meetings, and the loan interest rate will be decided accordingly.
18	The President and Secretary must maintain a <b>minimum cash balance of ₹1,000</b> for emergency purposes.
19	The group register must be read and signed by all members.
20	Members seeking a large loan must give <b>one week's prior notice</b> .
21	In case of loan demand, all members should be consulted.
22	If a member wants to leave the group without reason, their deposited amount will be forfeited.
23	The group must submit its <b>monthly report</b> to the <b>Field Technical Unit (FTU) office</b> .


समूह का सहमती पत्र एवं स्वीकृति

आज दिनांक 31.12.2021 को पराशर श्रमि (श्रीगी उप-समिति) स्वयं सहायता समूह की बैठक हुई। बैठक में प्रधान श्रीमती पार्वती देवी की अध्यक्षता में हुई जिसमें समूह के सदस्यों ने सर्व सहमती से निर्णय लिया कि आज बकाने के लिए मिलाई व कटाई करने के लिए हिमाचल प्रदेश वन परिक्षेत्र के तत्त्व प्रबंधन और आजीविका सुधार परियोजना (जाईका वित्तपोषित) से जुड़ने की सहमती प्रदान करते हैं तथा उपरोक्त परियोजना की सहायता से सभी सदस्यों द्वारा बर्तमान की गई गतिविधियों कि मिलाई व कटाई है, को इसकी व्यवसाय योजना के अनुसार या बाजार की मांग के अनुसार सभी सदस्य मिलजुल कर सफल बनायेंगे।

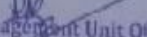
  
समूह के सचिव के हस्ताक्षर

पार्वती देवी  
समूह के प्रधान के हस्ताक्षर  
Pradhan  
BMC Sub Committee  
Shogi

  
प्रधान, श्री 2/मि. दे.  
श्री विविधता उपसमिति  
शोगी

  
सिआर जे. प्र. यु. (FTU)  
नगरपालिका, कुल्लु।

रबीन्द्र

  
Divisional Management Unit Officer  
कुल्लु, पश्चिमी हिमाचल प्रदेश  
वन विभाग, वन विभाग, कुल्लु



स्वयं सहायता समूह पराशर ऋषि (शोभी उप- समिति ) सदस्यों के फोटोग्राफ

 Smt. Parvati Devi-President	 Smt. Sarla Devi-Secretary	 Smt. Durga Devi-Cashier	 Smt. Bhavna Devi
 Smt. Kirna Devi	 Smt. Chuni Devi	 Smt. Devkala Devi	 Smt. Jasvindra Devi
 Smt. Binla	 Smt. Sagna Devi	 Smt. Gokli Devi	 Smt. Lata Devi
 Smt. Bhimkali Devi	 Smt. Santoshi	 Smt. Bimla Devi	