

## **BUSINESS PLAN**

**Income Generating Activity – Knitting**  
By  
**Jai Maa Chamunda- Self Help Group**  
**(Lower Mundu)**



SHG/CIG Name	Jai Maa Chamunda
VFDS Name	Lower Mundu
Range	Balson
Division	Theog

**Prepared Under**



**Project for Improvement of Himachal Pradesh Forest  
Ecosystems Management & Livelihoods (JICA Assisted)**

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## **1. Introduction**

Sweater and Cardigan knitting along with knitting socks, mufflers, scarf, caps, gloves etc. is a common household activity mainly among the women in rural India. Most of the women are well conversant with this IGA and they do it happily in their free time and as well while doing other household works. The women in this SHG are already in activity to meet the need of their family members. Now the members have chosen this activity as IGA so that they can earn extra money to meet their expenses and raise some saving also for the difficult times. A group of 20 women of different age group came together to form a SHG under JICA project and decided to craft a business plan which can help them to take this IGA in collective manner and raise their additional income.

## **2. Background**

Knitting center by Jai Maa Chamunda will be located at village Lower Mundu. This centre will provide excellent service and guide the customers about what suits them the best to provide them the product that mark the highest level of satisfaction and comfort for them.

### 3. Description of SHG/CIG

2.1	SHG/CIG Name	::	Jai Maa Chamunda
2.2	VFDS	::	Lower Mundu
2.3	Range	::	Balson
2.4	Division	::	Theog
2.5	Village	::	Lower Mundu
2.6	Block	::	Ghodna
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	20
2.9	Date of formation	::	7-07-2021
2.10	Bank a/c No.	::	2196000100054639
2.11	Bank Details	::	Punjab National Bank
2.12	SHG/CIG Monthly Saving	::	Rs 1800/-(Total combined contribution of each Member)
2.13	Total saving	::	Rs 8000/-(Total combined contribution of each Member)
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

#### 4. Beneficiaries Detail:

Sr. No	Name	Father/Husb and Name	Age	Education	Category	Income Source	Address
1.	Vidya Thakur	Atma Ram	44	10 <sup>th</sup>	General	Agriculture	Bhalya
2.	Seema	Surender	38	12 <sup>th</sup>	General	Agriculture	L.Mundu
3.	Anita	Madan	49	8 <sup>th</sup>	General	Agriculture	Jeha
4.	Gopi	Hari Singh	44	10 <sup>th</sup>	General	Agriculture	L. Mundu
5.	Leela	Joginder	38	12 <sup>th</sup>	General	Agriculture	Bhalya
6.	Anjana	Bhupinder	23	12 <sup>th</sup>	General	Agriculture	Bhalya
7.	Monika	Prem Lal	32	12 <sup>th</sup>	General	Agriculture	Bhalya
8.	Kalpna	Sunil	29	12 <sup>th</sup>	General	Agriculture	Jeha
9.	Rekha	Amar Singh	34	12 <sup>th</sup>	General	Agriculture	Jeha
10.	Narda	Jia lal	46	5 <sup>th</sup>	General	Agriculture	L. Mundu
11.	Sangeeta	Kewal Ram	41	12 <sup>th</sup>	General	Agriculture	L. Mundu
12.	Sevti	Balak Ram	58	3 <sup>rd</sup>	General	Agriculture	L. Mundu
13.	Geeta	Raghuveer	50	8 <sup>th</sup>	General	Agriculture	Jeha
14.	Shyama	Layak Ram	50	7 <sup>th</sup>	General	Agriculture	Bhalya
15.	Reena	Atma Ram	51	8 <sup>th</sup>	General	Agriculture	Jeha
16.	Krishna	Om Parkash	59	5 <sup>th</sup>	General	Agriculture	Jeha
17.	Reeta 1	Sohan Lal	44	BA	General	Agriculture	Jeha
18.	Reeta2	JatiRam	39	10 <sup>th</sup>	General	Agriculture	Bhalya
19.	Reena	Rajender	50	8 <sup>th</sup>	General	Agriculture	Jeha
20.	Surendra	Het Ram	50	5 <sup>th</sup>	General	Agriculture	Jeha

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	75km
3.2	Distance from Main Road	::	05km
3.3	Name of local market & distance	::	Mundu, Balag (4km)
3.4	Name of main market & distance	::	Theog 40km
3.5	Name of main cities & distance	::	Chaila (22km)
3.6	Name of places/locations where product will be sold/ marketed	::	Shimla, Theog, Chaila, Balag, Deha (Balson)

## 6. Management

Knitting centre by Jai Maa Chamunda SHG Lower Mundu has 20 women members and they will have individual knitting machines and will hire a room in the village to execute their plan and work in a collective manner. Before the start of the actual work in the centre all the members will be imparted a short term capsule course for training them in knitting under some professional trainers.

## 7. Primary Action Plan

The members of this SHG have very clear vision of this IGA and after careful and thoughtful discussion within the group decided to take up this activity for additional income. The members are doing this activity in isolation but now they have joined hands to venture into to this activity at a bit larger scale and in a planned manner. The division of labour between the members have been planned carefully so that each member contributes towards strengthening the IGA and resulting the additional money into their pockets.

## 8. Customers

The primary customers of our centre will mostly be local people around the village but later on this business can be scaled up by catering to nearby small townships.

## 9. Target of the centre

The centre primarily aims at to provide unique modern and high class knitting service to the residents of the village in particular and all other residents of nearby villages.

This centre will ensure to become the most renowned knitting centre with quality work in its area of operation in coming years.

## 10. The reason to start this business

Due to the prior experience of the members of this SHG who are already doing same work here and there this IGA has been selected and therefore the SHG is starting this business. This is an effort to combine the skill of various members and scale up their activity to earn more livelihoods.

## 11. SWOT Analysis

### ❖ Strength

- ➔ Activity is being already done by some SHG members
- ➔ Raw material easily available from nearby markets
- ➔ Manufacturing process is simple
- ➔ Proper packing and easy to transport
- ➔ Other family members will also cooperate with beneficiaries
- ➔ Product self-life is long

### ❖ Weakness

- ➔ Lack of technical know-how

### ❖ Opportunity

- ➔ Increasing demand for good products

### ❖ Threats/Risks

- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation

## 12. Machinery, tools and other equipments

The traditional knitting along with the mechanical knitting will go hand in hand so that a value product is made available for marketing and making it competitive both in quality and price tag. Some of the items will be produced in traditional manner and others in mechanical manner depending upon the demand in the targeted area. The following machinery and tools need to be procured.

<b>A. CAPITAL COST</b>				
<b>Sr. No.</b>	<b>Particulars of machinery.</b>	<b>Quantity</b>	<b>Rate per unit</b>	<b>Total Amount</b>
1.	Punch card knitting machine	01	24000	24000
2.	Knitting machine (simple)	14	5500	77000
3.	Knitting design book		1500	1500
4.	Gola making machine	5	600	3000
5.	Working table	14	1200	16800
6.	Plastic chairs	14	500	7000
<b>Total capital cost</b>				<b>129300</b>

<b>B. Recurring cost</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Rate</b>	<b>Amount</b>
1.	Room rent	Per month	1500	1500
2.	Water & electricity	Per month	1000	1000



3.	Knitting yarn of different colour and quality	Per month L/S	84000	84000
4.	Lubricating oil & pippet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
<b>Total Recurring cost</b>				<b>89300</b>

### 13. Total production and sale amount in month

Since it is an additional activity in the SHG apart from their routine household work the outcome will be proportionate to the working hours of each member. It is always better initially to keep the production on conservative side which can always be scaled up with passage of time and work experience. Therefore, it is presumed that each member will produce one item per day as finally finished product and daily 14 items can be made available for sale. Keeping in view this production rate of approximately 400 finished items will be ready for sale in one month. As beginner the item rate on an average if presumed to be Rs. 500 each therefore the total income per month is worked as under:

<b>Particulars</b>	<b>Total Amount (Rs.)</b>	<b>Project contribution (75%)</b>	<b>SHG contribution (25%)</b>
Total capital cost	129300	96975	32325
<b>Recurring cost</b>			
10% depreciation on capital cost/ month	1077	-	1077
Other expenditure per month	89300	-nil-	89300
<b>Total</b>	<b>90377</b>		<b>90377</b>

Total sale in a month (500\*400) = 200000

Total expenditure in first month (129300+ 90377) = 219677

However an amount of rupees 96975 is the project support therefore for calculation purpose this amount can safely be deducted from the expenditure column and the net income can be re-cast again. More over the members of SHG will be doing the job collectively therefore their wages have not been taken into account. The net income at the end of the month is re-cast as under:

<b><u>Capital cost</u></b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capital cost	129300	32325
<b><u>Recurring expenditure</u></b>		
i) 10% depreciation on capital cost per month	1077	
i) Other expenditure on material cost etc.	89300	
Total	90377	90377
<b>Total cost</b>	<b>32325+90377=122702</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>200000</b>	
<b>Net profit</b>	<b>77298</b>	

#### 14. Sharing of the profit

The members of SHG has mutually agreed with consent voice that in the 1<sup>st</sup> month Rs. 4000 will be paid to each member as income and the remaining profit of Rs. 21298 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

#### 15. Fund flow in the group:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	129300	96975	32325
2	Total Recurring Cost	89300	0	89300
3	Trainings	45000	45000	0
	<b>Total outlay</b>	<b>263600</b>	<b>109650</b>	<b>153950</b>

**Note-**

- **Capital Cost** - 75% of the total capital cost will be borne by the Project
- **Recurring Cost** –The entire cost will be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** –Total cost to be borne by the Project

#### 16. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none"> <li>• 75% of capital cost will be utilized for purchase of machines.</li> <li>• Upto Rs. 1 lakh will be parked in the SHG bank account as a revolving fund.</li> <li>• Trainings/capacity building/skill up-gradation cost.</li> </ul>	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
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IGA contribution	<ul style="list-style-type: none"> <li>• 25% of capital cost to be borne by SHG.</li> <li>• Recurring cost to be borne by SHG</li> </ul>	
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**17. Trainings/capacity building/skill up-gradation**

Trainings/capacity building/ skill up-gradation cost will be borne by project.

Following are some trainings/capacity building/ skill up-gradation proposed/needed:

- Team work
- Quality control
- Packaging and Marketing
- Financial Management





**18. Loan Repayment Schedule-**If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is no repayment schedule; however, the monthly saving and repayment receipt from members should be routed through CCL.





- In CCL, the principal loan outstanding of the SHG must be fully paid to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans, the repayment must be made as per the repayment schedule in the banks.





**19. Monitoring Method –**

- Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

## Group members Photos-


Sr.No	Name	Photo
1.	Vidya Thakur	 A portrait of a woman with dark hair, wearing a dark blue jacket and a black headscarf. She is standing indoors, possibly in a room with a bed and some items in the background.
2.	Seema	 A portrait of a woman wearing a blue top and a patterned headscarf. She is looking slightly to the side.
3.	Anita	 A portrait of a woman wearing a colorful patterned top and a headscarf. She is outdoors, with a natural, hilly background.
4.	Gopi	 A portrait of a woman wearing a white top with orange sleeves and a purple headscarf. She is outdoors, standing on a path with greenery in the background.

5.	Leela	 A photograph of a woman with a grey headscarf and a red and blue patterned shawl, smiling slightly. The background is a blurred outdoor setting with green foliage.	
6.	Anjana	 A close-up photograph of a woman wearing a red and black patterned headscarf and a grey vest over a yellow top. She has a serious expression. The background shows some green leaves.	
7.	Monika	 A close-up photograph of a woman wearing a red and black patterned headscarf and a white top. She has a serious expression. The background is slightly blurred.	
8.	Kalpana	 A photograph of a woman wearing a grey patterned headscarf and a blue face mask. She is wearing a green and white patterned top and has a red bangle on her wrist. She is looking towards the camera. Other people are partially visible in the background.	

9.	Rekha		
10.	Narda		
11.	Sangeeta		
12.	Sevti		

13.	Geeta		
14.	Shyama		
15.	Reena1		
16.	Krishna		



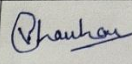
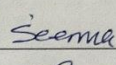
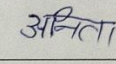
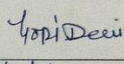

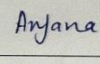
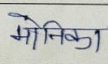
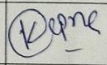


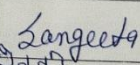

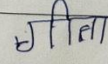
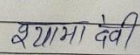
17.	Reeta Chauhan		
18.	Reeta		
19.	Reena2		
20.	Surendra		

**Prepared by:** SHG members in consultation with DMU Theog, FTU Balson Forest Range and JICA staff.

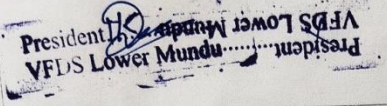

### Annexure

We the member of group hereby consented to actively participate in the IGA activity Opted by the group (Knitting) as per the guideline of JICA Project For Improvement of HP Forest Ecosystems Management and Livelihood and coordination with the VFDS.

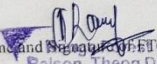
The details of the members is as under:

Sr. No	Name	Father/Husb and Name	Age	Education	Category	Income Source	Signature
1.	Vidya Thakur	Atma Ram	44	10 <sup>th</sup>	General	Agriculture	
2.	Seema	Surender	38	12 <sup>th</sup>	General	Agriculture	
3.	Anita	Madan	49	8 <sup>th</sup>	General	Agriculture	
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14.	Shyama	Layak Ram	50	7 <sup>th</sup>	General	Agriculture	

15.	Reena	Atma Ram	51	8 <sup>th</sup>	General	Agriculture	रीना देवी
16.	Krishna	Om Parkash	59	5 <sup>th</sup>	General	Agriculture	कृष्णा देवी
17.	Reeta 1	Sohan Lal	44	BA	General	Agriculture	Dattarik
18.	Reeta2	JatiRam	39	10 <sup>th</sup>	General	Agriculture	वीणा देवी
19.	Reena	Rajender	50	8 <sup>th</sup>	General	Agriculture	रीना देवी
20.	Surendra	Het Ram	50	5 <sup>th</sup>	General	Agriculture	सुरेंद्र

1. ... <u>Krishan dutt</u> ... VFDS President 	2. ... <u>Udya. Devi</u> ... SHG President प्रधान <u>Udya Devi</u> सचिव जय माँ चामुण्डा स्वयं सहायता समूह लो.अर मुण्डू ग्राम पंचायत मुण्डू, तह. वियोग (हि.प्र.)
3. ... <u>Akhina Ram</u> ... VFDS Secretary 	4. ... <u>Seemra</u> ... SHG Secretary प्रधान <u>Seemra</u> सचिव जय माँ चामुण्डा स्वयं सहायता समूह लो.अर मुण्डू ग्राम पंचायत मुण्डू, तह. वियोग (हि.प्र.)

Submitted to DMU through FTU

  
 Name and Designation of FTU Officer  
 Raision, Theog Division

## Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group Jai maq Chamunda  
Held on 3/12/2021 at Ranchayat Bhawan, that our group will  
undertake the Knitting as Livelihood Income Generation Activity under the  
Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA  
Assisted).

Bhawan  
Signature of Group President

प्रधान  
अथ यौ चामुण्डा स्वयं स्थायता समूह लोअर मुण्डू  
ग्राम पंचायत मुण्डू, तह. त्रियोग (हि.प्र.)

Seema  
Signature of Group Secretary

प्रधान सचिव  
अथ यौ चामुण्डा स्वयं स्थायता समूह लोअर मुण्डू  
ग्राम पंचायत मुण्डू, तह. त्रियोग (हि.प्र.)

## Business Plan Approval by VFDS

Jai Maan Chamunda group will undertake the Knitting

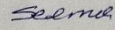
As Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted). In this regard Business Plan of amount (Rs) 263600 has been submitted by this group on dated 3/12/2021 and the Business plan has been approved by VFDS Lower Mundu

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you.

  
Signature of Group President

प्रधान  
श्री माँ चामुण्डा स्वयं सहायता समूह लोपर मुण्डू  
ग्राम पंचायत मुण्डू, तह. डियोग (हि.प्र.)

  
Signature of Group Secretary

सचिव  
श्री माँ चामुण्डा स्वयं सहायता समूह लोपर मुण्डू  
ग्राम पंचायत मुण्डू, तह. डियोग (हि.प्र.)

*Seema*

Signature of SHG Secretary

प्रधान सचिव  
जय माँ चामुण्डा स्वयं सहायता समूह लो.पर मुण्डू  
ग्राम पंचायत मुण्डू, तह. डियोग (हि.प्र.)

Signature of SHG President

प्रधान सचिव  
जय माँ चामुण्डा स्वयं सहायता समूह लो.पर मुण्डू  
ग्राम पंचायत मुण्डू, तह. डियोग (हि.प्र.)

Member Secretary. *AKSain*

VFDS Lower Kundu  
Signature of VFDS Secretary

President. *AKSain*

VFDS Lower Mundu  
Signature of VFDS President

*AKSain*

Signature of Forest Guard

*AKSain*

Signature of Block Officer  
VFDS Lower Mundu

*AKSain*

Signature of RFO  
Range Forest Officer  
Balson, Theog Division

*AKSain*  
Approved by DMU