

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Knitting

by

Jai Maa Durge - Self Help Group



SHG/CIG Name	::	Jai Maa Durge
VFDS Name	::	Upper 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 10 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 Durge SHG Upper Mundu will be located at village 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 Durge
2.2	VFDS	::	Upper Mundu
2.3	Range	::	Balson
2.4	Division	::	Theog
2.5	Village	::	Mundu
2.6	Block	::	Ghodna
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10
2.9	Date of formation	::	30-03-2021
2.10	Bank a/c No.	::	2196000100054578
2.11	Bank Details	::	Punjab National Bank
2.12	SHG/CIG Monthly Saving	::	Rs 500/- (Total combined contribution of each Member)
2.13	Total saving	::	Rs 2006/- (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.	Roshni Devi	Bhagat Ram	39	10 th	SC	Agriculture	Village Mundu PO Mundu
2.	Banita Devi	Keshaw Ram	27	9 th	SC	Agriculture	Village Mundu PO Mundu
3.	Sushma	Manish	26	12 th	SC	Agriculture	Village Mundu PO Mundu
4.	Shyama Devi	Shyamlal	53	8 th	SC	Agriculture	Village Mundu PO Mundu
5.	Kanchan	HemRaj	24	12 th	SC	Agriculture	Village Mundu PO Mundu
6.	Bimla Devi	Jagat Ram	40	8 th	SC	Agriculture	Village Mundu PO Mundu
7.	Nisha Devi	DilaRam	38	9 th	SC	Agriculture	Village Mundu PO Mundu
8.	Murto Devi	Hari Singh	37	8 th	SC	Agriculture	Village Mundu PO Mundu
9.	Mamta Devi	Naresh	36	10 th	SC	Agriculture	Village Mundu PO Mundu
10.	Archana Verma	Hem Raj	39	12 th	General	Agriculture	Village Mundu PO Mundu

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	80km
3.2	Distance from Main Road	::	8km
3.3	Name of local market & distance	::	Balag (9km); Sainj (16km)
3.4	Name of main market & distance	::	Theog (39km)
3.5	Name of main cities & distance	::	Theog (39km)
3.6	Name of places/locations where product will be sold/ marketed	::	Balag (9km); Sainj (16km)

6. Management

Knitting centre by 10 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 and 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 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.

A. CAPITAL COST				
Sr. No.	Particulars of machinery.	Quantity	Rate per unit	Total Amount
1.	Punch card knitting machine	01	28000	28000
2.	Knitting machine (simple)	10	6000	60000
3.	Knitting design book	1	1500	1500
4.	Gola making machine	5	600	3000
5.	Working table	10	1200	12000
6.	Plastic chairs	10	500	5000
Total capital cost				1,09500

B. Recurring cost				
Sr. No.	Particulars	Unit	Rate	Amount
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 & pipet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
Total Recurring cost				89300

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:

Particulars	Total Amount (Rs.)	Project contribution (75%)	SHG contribution (25%)
Total capital cost	109500	82,125	27,375
Recurring cost			
10% depreciation on capital cost/ month	1077	-	1077
Other expenditure per month	89300	-nil-	89300
Total	90377		90377

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

Total expenditure in first month $(109500+ 90377) = 199877$

However an amount of rupees 82,125 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:

<u>Capital cost</u>		
Particulars	Amount	SHG contribution
Capital cost	1,09,500	27,375
<u>Recurring expenditure</u>		
i) 10% depreciation on capital cost per month	1077	
i) Other expenditure on material cost etc.	89300	
Total	90377	90377
Total cost	32325+90377=122702	
Total sale in 1st month	200000	
Net profit	82248	

14. Sharing of the profit

The members of SHG has mutually agreed with consent voice that in the 1st 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	109500	82,125	27,375
2	Total Recurring Cost	90377	0	90377
3	Trainings	45000	45000	0
	Total outlay	2,44,877	127125	117752

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

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.	Roshni Devi	 A photograph of a woman standing outdoors in a field. She is wearing a dark vest over a light-colored top and a brown skirt. She has a bindi on her forehead.
2.	Banita Devi	 A photograph of a woman standing indoors. She is wearing a purple and white checkered top with a red shawl draped over her shoulders and red pants. She has a red headband.
3.	Sushma	 A photograph of a woman standing indoors. She is wearing a grey vest over a yellow top and a yellow skirt. She has a bindi on her forehead.
4.	Shyama Devi	 A photograph of a woman standing indoors. She is wearing a grey vest over a blue top with green floral patterns. She has a bindi on her forehead and is wearing a headband.
5.	Kanchan	 A photograph of a woman standing outdoors. She is wearing a dark blue top with a red shawl draped over her shoulders and red pants. She has a bindi on her forehead.

6.	Bimla Devi	
7.	Nisha Devi	
8.	Murto Devi	
9.	Mamta Devi	
10.	Archana Verma	

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.	Roshni Devi	Bhagat Ram	39	10 th	SC	Agriculture	Roshni
2.	Banita Devi	Keshaw Ram	27	9 th	SC	Agriculture	Banita
3.	Sushma	Manish	26	12 th	SC	Agriculture	Sushma
4.	Shyama Devi	Shyamlal	53	8 th	SC	Agriculture	श्यामा देवी
5.	Kanchan	HemRaj	24	12 th	SC	Agriculture	Kanchan
6.	Bimla Devi	Jagat Ram	40	8 th	SC	Agriculture	Bimla Devi
7.	Nisha Devi	DilaRam	38	9 th	SC	Agriculture	Nisha
8.	Murto Devi	Hari Singh	37	8 th	SC	Agriculture	मुरतो देवी
9.	Mamta Devi	Naresh	36	10 th	SC	Agriculture	Mamta
10.	Archana Verma	Hem Raj	39	12th	General	Agriculture	Archana

<p>1. <u>Ranjit Verma</u> VFDS President President VFDS Upper Mundu</p>	<p>2. <u>रीशना</u> SHG President <u>Rishana</u> प्रधान सचिव जय माँ दुर्गे स्वयं सहायता समूह अ.मुण्डू ग्राम पंचायत मुण्डू, तह. डिपोग (दि.प्र.)</p>
<p>3. <u>Geeta B.</u> VFDS Secretary <u>Geeta B.</u></p>	<p>4. <u>वीनता</u> SHG Secretary <u>Banita</u> प्रधान सचिव जय माँ दुर्गे स्वयं सहायता समूह अ.मुण्डू ग्राम पंचायत मुण्डू, तह. डिपोग (दि.प्र.)</p>

Submitted to DMU through FTU

[Signature]
Name and Signature of Forest Officer
Range Officer
Balson, Theog Division

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group... Jai Maia Durga.....
Held on 3/12/2021 at Panchayat Bhawan, Uffis, Munda 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).

Roshan

Signature of Group President

प्रधान
जय माँ दुर्गे स्वयं सहायता समूह
ग्राम पंचायत मुण्डू, तह. त्रियोग (हि.प्र.)
सचिव
मुण्डू

Barnita

Signature of Group Secretary

प्रधान
जय माँ दुर्गे स्वयं सहायता समूह अ. मुण्डू
ग्राम पंचायत मुण्डू, तह. त्रियोग (हि.प्र.)
सचिव

Business Plan Approval by VFDS

Jai maa Durga 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) 294877 has been submitted by this group on dated 3/12/2021 and the Business plan has been approved by VFDS Upper Munda

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

Thank you.

प्रधान सचिव
जय माँ दुर्गे स्वयं सहायता समूह अ. मुण्ड
ग्राम पंचायत मुण्ड, तह. ठियोग (हि.प्र.)
Signature of Group President

Darita
Signature of Group Secretary
प्रधान सचिव
जय माँ दुर्गे स्वयं सहायता समूह अ. मुण्ड
ग्राम पंचायत मुण्ड, तह. ठियोग (हि.प्र.)

Baneta
Signature of SHG Secretary

प्रधान *Reshori* सचिव
जय माँ तुम स्वयं सहायता समूह अ. मुण्डू
ग्राम पंचायत मुण्डू, तहसील विरेवा (बिरेवा)
Signature of SHG President

Member Secretary SCIA.....
Signature of VFDS Secretary

President.....
VFDS Upper Mundu
Signature of VFDS President

[Signature]
Signature of Forest Guard

[Signature]
Signature of Block Officer
VFDS Upper Mundu

[Signature]
Signature of BEO Officer
Range, Theog Division
Balson, Theog Division

[Signature]
Approved by DMU