

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Knitting

by

Aastha- Self Help Group



SHG/CIG Name	::	Aastha
VFDS Name	::	Tikker (Ghoond)
Range	::	Balson
Division	::	Theog

Prepared under:



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

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1. Introduction

Village Tikker is located at a place where temperature drops to subzero during winters. Use of woolen clothing is mandatory in this area. Villagers, especially women, traditionally use their spare time in knitting. Most of the women are well conversant with this IGA and they do it happily as well while doing other household activities. The women of Aastha 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 16 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 Aastha SHG Tikker (Ghoond) will be located at village Tikker. 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	::	Aastha SHG
2.2	VFDS	::	Tikker (Ghoond)
2.3	Range	::	Balson
2.4	Division	::	Theog
2.5	Village	::	Tikkeri
2.6	Block	::	Theog
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	16 - females
2.9	Date of formation	::	05/06/2021
2.10	Bank a/c No.	::	32910110012376
2.11	Bank Details	::	UCO Bank Ghoond, VPO Ghoond, Teh. Theog
2.12	SHG/CIG Monthly Saving	::	Rs 800/- (Total combined contribution of each Member)
2.13	Total saving	::	Rs 800/- (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.	Kala Chauhan	Kewal Ram	59	5 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
2.	Lalita Verma	Dharam Dass	50	9 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
3.	Reeta Bhandari	Ramesh	45	10 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
4.	Deepa Bhandari	Daulat Ram	60	10 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
5.	Lata Verma	Chet Ram	62	7 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
6.	Hemlata Verma	Het Ram	67	5 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
7.	Sushma Verma	Sadh Ram	55	10 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
8.	Virendra Chauhan	Beli Ram	55	7 th	General	Agriculture	Village Tikker, PO Ghoond, The.

							Theog
9.	Sarla Chauhan	Siri Ram	66	5 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
10.	Geeta Chauhan	Ganga Ram	54	8 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
11.	Krishna Bhandari	Kashi Ram	58	8 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
12.	Punita Verma	Prem Singh	57	10 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
13.	Beena Mehta	Bhagat Ram	80	10 th	SC	Agriculture	Village Tikker, PO Ghoond, The. Theog
14.	Reena Mehta	Ram Singh	48	3 rd	SC	Agriculture	Village Tikker, PO Ghoond, The. Theog
15.	Jogindra	Narendra Kumar	37	BA	General	Agriculture	Village Tikker, PO Ghoond, The. Theog
16.	Meera Verma	Suresh Verma	44	10 th	General	Agriculture	Village Tikker, PO Ghoond, The. Theog

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	65km
3.2	Distance from Main Road	::	11km
3.3	Name of local market & distance	::	Ghoond (5km); Chaila (11km)
3.4	Name of main market & distance	::	Theog (26km), Chaila (11km)
3.5	Name of main cities & distance	::	Theog (26km) , Kotkhai (37km)
3.6	Name of places/locations where product will be sold/ marketed	::	Theog (26km), Gumma (21km), Chaila (11km)

6. Management

Knitting centre by Aastha SHG Tikker (Ghoond) has 16 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 Tikker (Ghoond) 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 Tikker (Ghoond) 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	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
Total capital cost				129300

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 & pippet	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	129300	96975	32325
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 (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:

<u>Capital cost</u>		
Particulars	Amount	SHG contribution
Capital cost	129300	32325
<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	77298	

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	129300	96975	32325
2	Total Recurring Cost	89300	0	89300
3	Trainings	45000	45000	0
	Total outlay	263600	109650	153950

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.
CIG 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.	Kala Chauhan	
2.	Lalita Verma	
3.	Reeta Bhandari	

4.	Deepa Bhandari		
5.	Lata Verma		
6.	Hemlata Verma		

7.	Sushma Verma		
8.	Virendra Chauhan		
9.	Sarla Chauhan		
10.	Geeta Chauhan		

11.	Krishna Bhandari		
12.	Punita Verma		
13.	Beena Mehta		
14.	Reena Mehta		

15.	Jogindra	 A portrait of a woman wearing a colorful patterned headscarf and a brown jacket, looking slightly to the right.	
16.	Meera Verma	 A portrait of a woman with dark hair, wearing a pink top, looking directly at the camera.	

Prepared by: DMU Theog, FTU Balson Range,
Aastha SHG, Tikker VFDS, Dr. Ompal Sharma
(Retd. HPFS), Dr. Abhay Mahajan (SMS).

Resolution-cum-Group-Consensus Form

It is decided in the General House Meeting of the Group..... Aastha

Held on 21/3/2022 at Community Hall 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).

कल) - ११
Signature of Group President
प्रधान
आस्था स्वयं सहायता समूह
टिक्कर ग्रा.पं. चरैण टिक्कर
बृह.ठियोग जि. शिमला हि.प्र.

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Signature of Group Secretary
प्रधान
आस्था स्वयं सहायता समूह
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बृह.ठियोग जि. शिमला हि.प्र.

Business Plan Approval by VFDS

Aastha group will undertake the Knitting

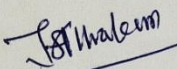
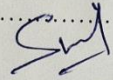
As Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted). In this regard Business Plan of amount (Rs) 244877 has been submitted by this group on dated 21/2/2022 and the Business plan has been approved by VFDS Tikka (Ghoom)

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

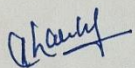
Thank you.

कल) ११
५/१२
Signature of Group President
प्रधान
आस्था स्वयं सहायता समूह
टिक्कर ग्रा. पं. चौरण टिक्कर
बह.टियोग जि. शिमला हि.प्र.

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Signature of Group Secretary
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टिक्कर ग्रा. पं. चौरण टिक्कर
बह.टियोग जि. शिमला हि.प्र.

1. VFDS President  President..... VFDS Tikkar	2. SHG President प्रधान आस्था स्वयं टिककर ग्रा.पं.चौम टिककर बृहदियोग जि. शिमला हि.प्र.
3. VFDS Secretary  Member Secretary..... VFDS Tikkar	4. SHG Secretary प्रधान आस्था स्वयं टिककर ग्रा.पं.चौम बृहदियोग जि. शिमला हि.प्र.

Submitted to DMU through FTU


 R. Singh
 Name and Signature of FTU officer
 BALSON RANGE
 DISTRICT OFFICER

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.	Kala Chauhan	Kewal Ram	59	5 th	General	Housewife	कला चौहान
2.	Lalita Verma	Dharam Dass	50	9 th	General	Housewife	ललिता वर्मा
3.	Reeta Bhandari	Ramesh	45	10 th	General	Housewife	रीता बंधारी
4.	Deepa Bhandari	Daulat Ram	60	10 th	General	Housewife	दीपा बंधारी
5.	Lata Verma	Chet Ram	62	7 th	General	Housewife	लता वर्मा
6.	Hemlata Verma	Het Ram	67	5 th	General	Housewife	हेमलता वर्मा
7.	Sushma Verma	Sadh Ram	55	10 th	General	Housewife	सुशमा वर्मा
8.	Virendra Chauhan	Beli Ram	55	7 th	General	Housewife	विरेंद्रा चौहान
9.	Sarla Chauhan	Siri Ram	66	5 th	General	Housewife	सरला चौहान
10.	Geeta Chauhan	Ganga Ram	54	8 th	General	Housewife	गीता चौहान
11.	Krishna Bhandari	Kashi Ram	58	8 th	General	Housewife	कृष्णा बंधारी
12.	Punita Verma	Prem Singh	57	10 th	General	Housewife	पुनीता वर्मा
13.	Beena Mehta	Bhagat Ram	80	10 th	SC	Housewife	बीना मेहता
14.	Reena Mehta	Ram Singh	48	3 rd	SC	Housewife	रीना मेहता
15.	Jogindra	Narendra Kumar	37	BA	General	Housewife	जोगिंदर कुमार
16.	Meera Verma	Suresh Verma	44	10 th	General	Housewife	मीरा वर्मा

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Signature of SHG Secretary
आस्था स्वयं सहायता समूह
टिककर ग्रा.पं. चौरण टिककर
तह.डियोग जि. शिमला हि.प्र.

कल ज पाएन
99
Signature of SHG President
प्रधान सचिव
आस्था स्वयं सहायता समूह
टिककर ग्रा.पं. चौरण टिककर
तह.डियोग जि. शिमला हि.प्र.

Sm
Signature of VFDS Secretary..
Member Secretary.....
VFDS Tikkar

Hambinder
Signature of VFDS President
President.....
VFDS Tikkar

Chitranjali
Signature of Forest Guard

Samra
Signature of Block Officer.....
VFDS Tikkar

Abhaya
Signature of RFO
RANGE FOREST OFFICER
BALSON RANGE

V/S 2 ney
Approved by DMU
Divisional Forest Officer
Theog Forest Division, Theog