

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Knitting

by

Jagriti - Self Help Group



SHG/CIG Name	::	Jagriti
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

Knitting is a common household activity among rural women folk in Himachal. 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 Jagriti 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 Jagriti SHG 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	::	Jagriti
2.2	VFDS	::	Tikker (Ghoond)
2.3	Range	::	Balson
2.4	Division	::	Theog
2.5	Village	::	Tikker
2.6	Block	::	Theog
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	16 - females
2.9	Date of formation	::	09/05/2021
2.10	Bank a/c No.	::	1038001700012740
2.11	Bank Details	::	punjab national bank
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/Husband and Name	Age	Education	Category	Income Source	Address
1.	Babita Hetta	Sanjeev Hetta	31	12 th	General	Agriculture	Vill. Madog, PO Sainj
2.	Sushma Sharma	Balkrishna Sharma	35	10 th	General	Agriculture	Vill. Madog, PO Sainj
3.	Reena Chandel	Daleep Chandel	37	10 th	General	Agriculture	Vill. Madog, PO Sainj
4.	Sapna Rajta	Dinesh Ranta	32	10 th	General	Agriculture	Vill. Madog, PO Sainj Vill. Madog, PO Sainj
5.	Sushma Hetta	Sohan Hetta	37	10 th	General	Agriculture	Vill. Madog, PO Sainj
6.	Indra Hetta	Suresh Hetta	34	10 th	General	Agriculture	Vill. Madog, PO Sainj
7.	Uma Rajta	Padam Rajta	44	8 th	General	Agriculture	Vill. Madog, PO Sainj
8.	Anita Chandel	Devender Chandel	44	10 th	General	Agriculture	Vill. Madog, PO Sainj
9.	Kaushalya Chauhan	Sanjay Chauhan	35	8 th	General	Agriculture	Vill. Madog, PO Sainj
10.	Dimple Mehta	Ajay Kumar	31	12 th	General	Agriculture	Vill. Nora PO Sainj

11.	Babita Mehta	Nittu Mehta	31	12 th	General	Agriculture	Vill. Nora PO Sainj
12.	Suman Sharma	Jagdish Sharma	35	10 th	General	Agriculture	Vill. Gassi PO Sainj
13.	Reena Sharma	Ramesh Sharma	42	10 th	General	Agriculture	Vill. Kharmot PO Sainj
14.	Pooja Sharma	D/O Ramlal Sharma	26	Graduate	General	Agriculture	Vill. Kharmot PO Sainj
15.	Sharda Thakur	Vijay Kumar	38	8 th	General	Agriculture	Vill. Kharmot PO Sainj
16.	Nisha Sharma	Ambadutt Sharma	30	10 th	General	Agriculture	Vill. Ghasi PO Sainj
17.	Beena Pandey	Daleep Pandey	30	12 th	General	Agriculture	Vill. Ghasi PO Sainj
18.	Aanchal	D/O Devinder	23	Graduate	General	Agriculture	Vill. Madog PO Sainj
19.	Ankita	D/O Rajesh Hetta	21	Graduate	General	Agriculture	Vill. Madog PO Sainj

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 Jagriti 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 every 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 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 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 & 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	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 –



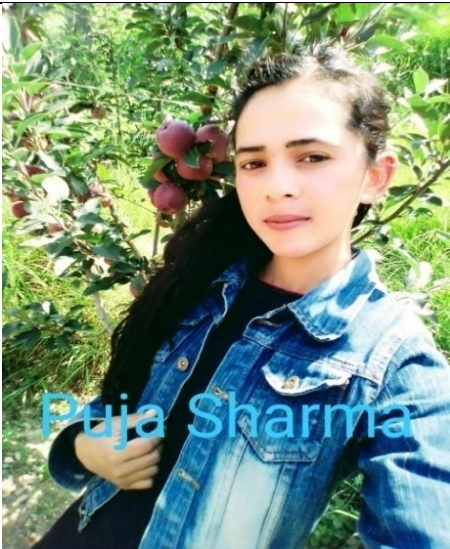
- Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if need be to ensure operation of the unit as per projection.
- SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be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





Group members Photos-

Sr.No	Name	Photo
1.	Babita Hetta	 A portrait of a woman with a red headscarf and a red vest over a white and blue striped shirt. The name 'Babita' is written in red at the bottom of the photo.
2.	Sushma Sharma	 A portrait of a woman with a dark headscarf and a dark vest over a red top. The photo is framed with a white border.
3.	Reena Chandel	 A portrait of a woman with a patterned headscarf and a grey vest over a red top. The name 'Reena Chandel' is written in green at the bottom of the photo.

4.	Sapna Rajta	
5.	Sushma Hetta	
6.	Indra Hetta	
7.	Uma Rajta	

8.	Anita Chandel	 <p>Anita Chandel</p>
9.	Kaushalya Chauhan	
10.	Dimple Mehta	
11.	Babita Mehta	

12.	Suman Sharma	 A portrait of a woman with dark hair, wearing a dark headscarf and a black top with orange sleeves. She has a bindi on her forehead and is looking slightly to the right.
13.	Reena Sharma	 A portrait of a woman wearing a purple headscarf, a grey vest over a blue top, and a colorful patterned shawl. She has a bindi on her forehead and is smiling.
14.	Pooja Sharma	 A portrait of a woman with long dark hair, wearing a blue denim jacket over a black top. She is standing in front of a tree with red fruit. The text "Puja Sharma" is overlaid in blue at the bottom of the image.

15.	Sharda Thakur	 A portrait of a woman with dark hair, wearing a dark blue quilted jacket over a pink floral patterned top. The name "Sharda" is written in large blue letters across the middle of the image.
16.	Nisha Sharma	 A portrait of a woman wearing a patterned headband, a black vest over a light-colored top, and a gold necklace with a circular pendant.
17.	Aanchal	 A portrait of a woman sitting in a dark plastic chair, wearing a dark blue textured jacket over a pink floral top and blue jeans. She is positioned in front of a white, textured wall.
18.	Ankita	 A portrait of a woman sitting in a dark plastic chair, wearing a blue long-sleeved top under a grey patterned vest and an orange patterned skirt. She is positioned in front of a white, textured wall.

19.	Beena Pandey	
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Prepared by: DMU Theog, FTU Balson Range,
Jagriti 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..... Jagrati.....
Held on 5/2/2022 at..... Madog..... 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).

Bajda
Signature of Group President
बाजुदा रजिनी
मदोग ग्राम पंचायत
सहायक नि. रिमला हिम

Ramesh मनिम
Signature of Group Secretary
प्रमोद रमेश मनिम
मदोग ग्राम पंचायत
सहायक नि. रिमला हिम

Business Plan Approval by VFDS

Jagruti 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 5/2/2022 and the Business plan has been approved by VFDS Tikka (Ghans)

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

Thank you.

Anshika

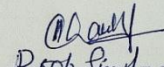
Signature of Group President
जागृति स्वयं सहायता समूह
मदोग ग्रा.पं. चौरण टिक्कर
तहसिलद्वारा जि. शिमला हि.प्र.

Reena

Signature of Group Secretary
जागृति स्वयं सहायता समूह
मदोग ग्रा.पं. चौरण टिक्कर
तहसिलद्वारा जि. शिमला हि.प्र.

1. <u>Hansuwal</u>VFDS President President..... VFDS Tikkar	2. <u>Babita</u>SHG President प्रधान सचिव जागृति स्वयं सहायता समूह मदीम ग्रा.पं. चौरण टिककर तह.टियोग जि. शिमला हि.प्र.
3. <u>Sun</u>VFDS Secretary Member Secretary..... VFDS Tikkar	4. <u>Kheera</u>SHG Secretary प्रधान सचिव जागृति स्वयं सहायता समूह मदीम ग्रा.पं. चौरण टिककर तह.टियोग जि. शिमला हि.प्र.

Submitted to DMU through FTU


 RANGE OFFICER
 Name and Signature of FTU 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.	Babita Hetta	Sanjeev	31	12 th	General	Agriculture	<u>Babita</u>
2.	Sushma Sharma	Balkrishna Sharma	35	10 th	General	Agriculture	<u>Sushma</u>
3.	Reena Chandel	Daleep Chandel	37	10 th	General	Agriculture	<u>Reena</u>
4.	Sapna Rajta	Dinesh Rajta	32	10 th	General	Agriculture	<u>Sapna</u>
5.	Sushma Hetta *	Sohan Hetta	37	10 th	General	Agriculture	<u>Sushma</u>
6.	Indra Hetta	Suresh Hetta	34	10 th	General	Agriculture	<u>Indira</u>
7.	Uma Rajta	Padam Rajta	44	8 th	General	Agriculture	<u>उमा</u>
8.	Anita Chandel	Devender Chandel	44	10 th	General	Agriculture	<u>अनीता चंदेल</u>
9.	Kaushalya * Chauhan	Sanjay Chauhan	35	8 th	General	Agriculture	<u>Kaushalya</u>
10.	Dimple Mehta	Ajay Kumar	31	12 th	General	Agriculture	<u>Dimple</u>
11.	Babita Mehta *	Nittu Mehta	31	12 th	General	Agriculture	<u>Babita</u>
12.	Suman Sharma	Jagdish Sharma	35	10 th	General	Agriculture	<u>Suman Sharma</u>
13.	Reena Sharma	Ramesh Sharma	42	10 th	General	Agriculture	<u>Reena Sharma</u>
14.	Pooja Sharma *	D/O Ramlal	26	Graduate	General	Agriculture	<u>Reena Sharma</u> <u>Pooja</u>

		Sharma					
15.	Sharda Thakur	Vijay Kumar	38	8 th	General	Agriculture	Sharda
16.	Nisha Sharma	Ambadutt Sharma	30	10 th	General	Agriculture	Nisha
# 17.	Beena Pandey	Daleep Pandey	30	12 th	General	Agriculture	Beena Pandey
# 18.	Aanchal	Devinder Chandel	23	Graduate	General	Agriculture	Chandel
# 19.	Ankita Mehta	Rajesh Mehta	21	12 th	General	Agriculture	Mehta

Note. * SHG members reluctant to participate
 # Newly added members after resolution passed in meeting held on 5/2/2022

Reems
Signature of SHG Secretary
सुनिब
जगति स्वयं सेहायता समूह
मदोन ग्रा.पं. चंरेण टिककर
उह.डिपोग जि. शिमला हि.प्र.

Babida
Signature of SHG President
जगति स्वयं सेहायता समूह
मदोन ग्रा.पं. चंरेण टिककर
उह.डिपोग जि. शिमला हि.प्र.

Sun
Signature of VFDS Secretary
Member Secy
VFDS Tikkar

Heminder
Signature of VFDS President
President.....
VFDS Tikkar

[Signature]
Signature of Forest Guard

[Signature]
Signature of Block Officer
VFDS

[Signature]
RANGE FOREST OFFICER
Signature of RFO
BALSON RANGE

18/2/19
Approved by DMU
Divisional Forest Officer
Theog Forest Division, Theog