



Business Plan
On
Income Generation Activity
– Knitting
For
Self Help Group – Jai Maa Sakraini



SHG/CIG name	Jai Maa Sakraini
VFDS name	Fihad
Range	Kamlah
Division	Jogindernagar

Prepared Under-

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

TABLE OF CONTENTS

Sr.No.	Particulars	Page no.
1.	Introduction	3
2.	Description of SHG/CIG	4
3.	Beneficiaries Detail	5
4.	Geographical details of the Village	6
5.	Market Potential	6
6.	Executive Summary	7
7.	Description of product related to income generating Activity	7
8.	Description of Production Process	7
9.	Risk analysis	7-8
10.	Description of management among members	8
11.	Description of Economics	8-9
12.	Fund flow arrangement in SHG	10
13.	Sources of fund	10-11
14.	Training/capacity building/ skill up-gradation	11
15.	Computation of break-even point	11
16.	Bank Loan Repayment	11-12
17.	Monitoring Method	12
18.	Remarks	12
19.	Group member photos	13
20.	Group photo	14
21.	Resolution-cum Group consensus form	15
22.	Business approval by VFDS and DMU	16

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 rise some saving also for the difficult times. A group of 14 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 a collective manner and raise their additional income.

After discussing about the market potential and different aspects very carefully before getting into this IGA (Income Generation Activity). The Jai Maa Sakraini SHG group has collectively decided of knitting as their Income Generation Activity(IGA). Jai Maa Sakraini SHG was formed in the year 2012 and has also been included under Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted), which falls under VFDS Fihad. This SHG consists of 14 females. These females already had little experience of knitting and now with the help of this project funding, training and assistance they will develop this skill and become professional. They will be able to do knitting in large scale and will become self independent and generate income. The detailed business plan of this SHG have been crafted according to its investment capacity, marketing & promotional strategy and the detailed action plan will be discussed hereunder:

2. Description of SHG/CIG

1.	SHG/CIG Name	Jai Maa Sakraini
2.	VFDS	Fihad
3.	Range	Kamlah
4.	Division	Joginder Nagar
5.	Village	Fihad
6.	Block	Dharampur
7.	District	Mandi
8.	Total no. of members in SHG	14 females
9.	Date of formation	01-01-2012
10.	Bank a/c No.	33410102173
11.	Bank details	HPSCB Longani
12.	SHG/CIG monthly savings	3000(200 per person)
13.	Total saving	1,15,000
14.	Total inter loaning	-
15.	Cash Credit Limit	-
16.	Repayment status	-

3. Beneficiaries Detail

S.no.	Name	M/ F	Father/ Husband name	Category	Designation	Contact no.
1	Champa Devi	F	Vinod Kumar	General	President	9816868210
2	Satya Devi	F	Hari chand	General	Secretary	9459322142
3	Meenu Kumari	F	Sushil Kumar	General	Member	9418319339
4	Babli Devi	F	Sombir Guleria	General	Member	9816340671
5	Bintla Devi	F	Yogender Pal	General	Member	9459069816
6	Arti Devi	F	Virender Kumar	General	Member	8628899748
7	Kanchna Devi	F	Rajesh Kumar	General	Member	8628802663
8	Julfi Devi	F	Ramesh Chand	General	Member	7018796347
9	Nisha Devi	F	Bhutto ram	General	Member	9805370145
10	Rita Devi	F	Biri singh	General	Member	9459902088
11	Subhdra Kumari	F	Ashok Kumar	General	Member	8894581094
12	Jyoti Devi	F	Basant Singh	General	Member	8580700348
13	Meera Devi	F	Mahender Pal	General	Member	8988265459
14	Sheetla Devi	F	Rakesh Kumar	General	Member	9805158709

4. Geographical details of the Village

1	Distance from the District HQ	115 Km
2	Distance from Main Road	2 Km
3	Name of local market & distance	Dharampur- 10 Km
4	Name of main market & distance	Sarkaghat - 30 Km
5	Name of main cities & distance	Dharampur - 10 Km Sarkaghat - 30 Km Mandi - 115 Km
6	Name of main cities where product will be sold/ marketed	Dharampur & Sarkaghat

5. Market Potential-

After learning the skill of knitting, this Jai Maa Sakraini SHG will target the local population of their area and nearby villages. There is a huge market potential with the increase and change of fashion at a rapid pace; the demand of new design sweaters or woolen cardigans will be there in winter season.

Initially the primary customers of the SHG will mostly be local people around village Fihad but later on this business can be scaled up by catering to nearby small townships. Winter is significant in this area and remain for 4 - 5 months.

1	Potential market places/locations	Village covered - Fihad
2	Stitching work demand	Throughout the year and high demand in winter season.
3	Process of identification of market	Group members will contact nearby villagers/ households/ institutions.
4	Marketing Strategy	SHG members will directly take orders(individual levels/ group level) from nearby villagers/ households/ institutions.

6. Executive Summary-

Knitting income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. This business activity will be carried out yearly by group members. The members are doing this activity in isolation but now they have joined hands to venture into this activity at a bit larger scale and in a planned manner after getting the proper training to enhance their skill. Different types of woolen products will be made by this group. They will target all age group and genders. The division of labour between the members have been planned carefully so that each member contributes towards strengthening the IGA and resulting in the additional money into their pockets. This SHG will ensure to become the most renowned knitting centre with quality work in its area of operation in coming years.

7. Description of product related to Income Generating Activity-

1	Name of the Product	Woolen cardigans
2	Method of product identification	Has been decided by group members
3	Consent of SHG/ CIG / cluster members	Yes

8. Description of Production Processes-

1	Time taken	1 sweater takes around 5-6 hours to complete.
2	Number of ladies involved	All ladies
3	Source of raw material	Local market/ Main market
4	Source of other resources	Local market/ Main market
5	Expected sweaters per day	14 sweaters initially

9. 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

❖ Weakness

- Lack of technical know-how.

❖ Opportunity

- Increasing demand for good products with latest design.

□

❖ Threats & Risks

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

10. Description of Management among members

By mutual consent SHG group members will decide their role and responsibility to carry out the work. Work will be divided among members according to their mental and physical capabilities. 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 final finished product and daily 14 items can be made available for sale.

11. Description of Economics -

A. Capital Cost				
S. No.	Particulars	Quantity	Unit Price	Amount (Rs)
1	Punch card knitting Machine	1	24000	24000
2	Knitting machine (Simple)	14	6000	84000
3	Knitting design book	1	1500	1500
4	Gola Making machine	14	600	8400
5	Working table	14	1500	21000
6	Plastic Chairs	14	600	8400
Total Capital Cost (A) =Rs 1,47,300				

B. Recurring Cost

S. No.	Particulars	Unit	Total Amount (Rs)
1	Water & Electricity	Month	1000
2	Room rent	Month	1500
3	Wear & Tear	Month	1400
4	Lubrication oil & pipette	Month	1400
5	Knitting yarn of different color and quality	Month	70,000
Total Recurring cost			= 75,300

Note- The group members will do the work themselves and therefore labour cost has not been included and the members will manage between them the working schedule to be followed.

C. Cost of production (Monthly)		
S. No.	Particulars	Amount
1	Total recurring cost	75300
2	10% depreciation annually on capital cost (1,47,300)	14730
Total = 90,030		

D. Selling price calculation			
S. No.	Particulars	Unit	Amount
1	Simple sweaters	1	500
2	Long sweaters, sweaters with buttons.	1	700

Cost Benefit Analysis (Monthly)

Cost benefit analysis (monthly)		
S. No.	Particulars	Amount
1	10% depreciation annually on capital cost	14730
2	Total Recurring Cost	75300

3	Total knitted sweater per month	420
4	Selling Price of sweater	420×500
5	Income generation	2,10,000
6	Net profit (Income generation - Recurring cost)	2,10,000 - 75,300 =1,34,700
7	Distribution of net profit	<ul style="list-style-type: none"> ✓ Profit will be distributed equally among members monthly/yearly basis. ✓ Profit will be used for further investment in IGA

12. Fund flow arrangement in SHG -

Sr. No.	Particulars	Total Amount (Rs)	Project Contribution	SHG contribution
1	Total capital cost	1,47,300	1,10,475	36,825
2	Total Recurring Cost	75,300	0	75,300
3	Training/capacity building/skill up-gradation.	60,000	60,000	0
Total		2,82,600	1,70,475	1,12,125

Note:

- i) Capital cost- 75% capital cost will be borne by the project as the group is of females and they are poor and 25% by the SHG.
- ii) Recurring cost- to be borne by the SHG.
- iii) Training and capacity building/ skill up gradation to be borne by the project.

13. Sources of Fund -

Project support	<ul style="list-style-type: none"> ✧ 75% of capital cost will be provided by project if members belong to SC/ST/Poor women. If the members belong to general then 50% capital cost is will be borne by project. ✧ Up to Rs 1 lakhs will be parked in the SHG bank account. ✧ Training/capacity building/ skill up-gradation cost. ✧ The subsidy of 5% interest rate will be deposited directly to the 	Procurement of machines/equipment will be done by respective DMU/FCCU after following all codal formalities.
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14.

	Bank/Financial Institution by DMU and this facility will be only for three years. SHG have to pay the installments of the Principal amount on regular basis.	
SHG Contribution	<ul style="list-style-type: none"> ✧ 50% or 25% of capital cost to be borne by SHG for general category and other categories respectively. ✧ All the members are females and belongs to low income group and they can contribute 25% and project has to bear remaining 75%. ✧ Recurring cost to be borne by SHG. 	

ni14. Training /capacity building/skill up-gradation -

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

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

- ✧ Cost effective procurement of raw material
- ✧ Quality control
- ✧ Packaging and Marketing
- ✧ Financial Management

15. Computation of break-even point -

$$= \text{Capital Expenditure} / (\text{selling price (per sweater)} - \text{cost of production (per sweater)})$$

$$= 1,47,300 / (500 - 420)$$

$$= 1842$$

In this process break-even will be achieved after knitting 1842 sweaters.

16. Bank Loan Repayment-

If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is not 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.

- ❖ Project support - The subsidy of 5% interest rate will be deposited directly to the Bank/Financial Institution by DMU and this facility will be only for three years. SHG/CIG has to pay the installments of the Principal amount on regular basis.

17. Monitoring Method-

- ❖ Social Audit Committee of the VFDS will monitor the progress and performance of the IGA and suggest corrective action if needed 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 needed to ensure operation of the unit as per projection.

Some key indicators for the monitoring are as:

- ❖ Size of the group
- ❖ Fund management
- ❖ Investment
- ❖ Income generation
- ❖ Quality of product

18. Remarks

All the members are females and belongs to low income group and they can contribute 25% and project has to bear remaining 75%.

19. Group Member Photos:



Champa Devi

Satya Devi

Babli Devi

Subhadra Devi



Sheetla Devi

Aarti Devi

Monu Devi

Nisha Devi



Meera devi

Rita Devi

Jyoti Devi

Julfi Devi



Bhintla Devi Kanchna Devi

20.Group Photo:



21. Resolution-cum-Group-consensus Form:

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Jai Maa Sakraini held on 02-07-2022 at Fihad that our group will undertake the knitting as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

सचिव
सखी देवी
Signature Of group secretary

Signature Of group President

Signature of President VFDS

ग्राम पंचायत
तहसील, धर्मपुर, जिला मण्डी (हि.प्र.)

Signature

Signature

Signature Of group secretary

22. Business Plan Approval by VFDS and DMU:

Business Plan Approval by VFDS and DMU.

Jai Maa Sakraini Group will undertake the knitting as Livelihood Income Generation Activity under the Project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted). In this regard business Plan of Amount Rs. 2,82,600 has been submitted by the group on 02-07-2022 and the Business Plan has been approved by VFDS Fihad.

Business Plan is submitted to DMU through FTU for further action please.

Thank You.

Signature Of group President

Signature Of group secretary

Signature of President VFDS
ग्राम वन विकास समिति फिहड़
ग्राम पंचायत सरी
तहसील, धर्मपुर, जिला सण्डी (हि०प्र०)

Champagnevi सत्या देवी
सचिव
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Approved

DMU cum DFO Joginder Nagar

Divisional Forest Officer
Joginder Nagar

Approved

DMU cum DFO Joginder Nagar

