

BUSINESS PLAN

INCOME GENERATING ACTIVITY–Knitting

by

VIJAY -Self Help Group



SHG/CIG Name	::	VIJAY
VFDS Name	::	Kadel
Range	::	Kotkhai
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 VIJAY SHG will be located at village Kadel. 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	::	Vijay
2.2	VFDS	::	Kadel
2.3	Range	::	Kotkhai
2.4	Division	::	Theog
2.5	Village	::	Kadel
2.6	Block	::	Gohach
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10
2.9	Date of formation	::	26-04-2022
2.10	Bank a/c No.	::	42910107103
2.11	Bank Details	::	HP State Co-operative Bank Pragati Nagar
2.12	SHG/CIG Monthly Saving	::	Rs100/-
2.13	Total saving	::	Rs 6100/-
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

4. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Education	Category	Income Source	Address
1.	Hemlata (9459178050)	Mangat Ram Verma	51	10 th	General	Agriculture	Kadel
2.	Usha (9418699897)	Baldev	51	10 th	General	Agriculture	Kadel
3.	Meera Verma (6283454763)	Gyan Verma	46	8 th	General	Agriculture	Kadel
4.	Bimla Verma (9459246864)	Dev Singh	60	8 th	General	Agriculture	Kadel
5.	Kala Shayam (9418014103)	Ram Singh Shayam	60	10 th	General	Agriculture	Kadel
6.	Shweta Verma (7876006082)	Sushil	27	BA	General	Agriculture	Kadel
7.	Preeti Shayam (8988025361)	Ankush	28	MA	General	Agriculture	Kadel
8.	Pushpa Verma (7876304260)	Rajesh Verma	45	10 th	General	Agriculture	Kadel
9.	Pushpa Shayam 9459876764)	Amarchand	50	10 th	General	Agriculture	Kadel
10.	Anita (7876827245)	Ashok Verma	33	12 th	General	Agriculture	Kadel

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	85km
3.2	Distance from Main Road	::	17km
3.3	Name of local market & distance	::	20Km Gumma
3.4	Name of main market & distance	::	27 Km Kotkhai
3.5	Name of main cities & distance	::	35Km Theog
3.6	Name of places/locations where product will be sold/ marketed	::	Shimla, Theog, Chaila, Kotkhai

6. Management

Knitting centre by Vijay SHG Kadel has 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 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.

A. CAPITAL COST				
Sr. No.	Particulars of machinery.	Quantity	Rate per unit	Total Amount
1.	Punch card knitting machine	2	37600	75200
2.	Knitting machine (simple)	8	7250	58000
3.	Knitting design book		3000	3000
4.	Gola making machine	5	600	3000
5.	Working table	10	1200	12000
6.	Plastic chairs	10	500	5000
Total capital cost				156200

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	Per month	84000	84000

	different colour and quality	L/S		
4.	Lubricating oil & pipette	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 is 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	156200	117150	39050
Recurring cost	89300		89300
10% depreciation on capital cost/ month	15620	-	
Other expenditure per month	89300	-nil-	
Total	350420		

Total sale in a month (500*50) = 25000

However an amount of rupees 117150 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.

13.Fund flow in the group:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	156200	117150	39050
2	Total Recurring Cost	89300	0	89300
3	Training	45000	45000	0
	Total outlay	290500	162150	128350

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

14. 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 	

15. 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

16. 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.





17. 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.	Hemlata	 A portrait of a woman with a bindi on her forehead, wearing a white shawl over a green top. She is smiling slightly.
2.	Usha	 A portrait of a woman wearing a dark, patterned headscarf and a dark jacket over a light-colored top. She is looking to the right.

3.	Meera Verma	 A portrait of a woman with dark hair, wearing a white shawl with a floral pattern, standing in front of a stone building with a wooden balcony.	
4.	Bimla Verma	 A portrait of a woman wearing a red top, a black vest, and a purple headscarf, standing in front of a stone wall and a wooden door.	
5.	kala Shayam	 A portrait of a woman wearing a pink floral top and a grey vest, standing in front of a green wall and yellow curtains.	
6.	Shweta Verma	 A portrait of a woman wearing a pink sweater and a black headscarf with a floral pattern, looking directly at the camera.	

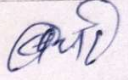
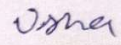
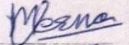
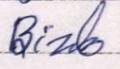
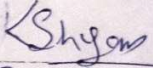
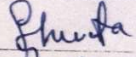

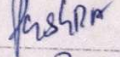
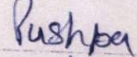
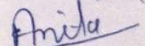
7.	PreetiShayam		
8.	Pushpa Verma		
9.	Pushpa Shayam		
10.	Anita		

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

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group.....Vijay..... 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:

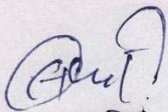
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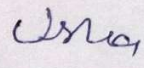
Business Plan Approval by VFDS

..Vijay.. 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. 290500 has been submitted by this
group on Dated. 22/9/2022 and the Business Plan has been approved by VFDS
..Kadej. (Karhail)

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



Thank You

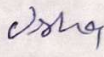
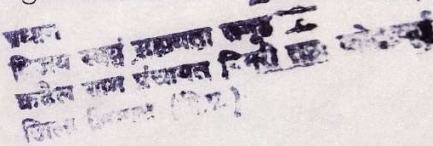

Signature of Group President
विजय स्वयं सहायता समूह
कारहैल गांव, जिला सिरमौर (हिमाचल प्रदेश)


Signature of Group Secretary
विजय स्वयं सहायता समूह
कारहैल गांव, जिला सिरमौर (हिमाचल प्रदेश)

Resolution-cum -Group-Consensus Form

It is decided in the General House Meeting of the groupVijay.....
Held on 22/9/2022 at Kadel (Karbail).....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)


Signature of Group President



Signature of Group Secretary


<p>1. Rajesh Kumar. VFDS</p> <p>President</p> <p><i>[Signature]</i> President VFDS Kadai</p>	<p>2. Hemlata.....SHG</p> <p>President</p> <p><i>[Signature]</i> प्रधान विजय स्वयं सहायता समूह कडेल गांव प्रयागसिंह विन्नी का कोटवाड़ा जिला (विन्नी)</p>
<p>3. Ashwani Kumar.....VFDS</p> <p>Secretary</p> <p><i>[Signature]</i> Ashwanikumar</p>	<p>4. Usha.....SHG</p> <p>Secretary</p> <p><i>[Signature]</i> प्रधान विजय स्वयं सहायता समूह कडेल गांव प्रयागसिंह विन्नी का कोटवाड़ा जिला (विन्नी)</p>

Submitted to DMU through FTU

Name and Signature of FTU officer

Manu...

 Signature of Secretary	 Signature of SHG President
<i>Ashwini Kumbhar</i> Signature of VFDS Secretary	<i>1842</i> President..... Signature of VFDS President
 Signature of Forest Guard	 Signature of Block Officer
<i>Manu...</i> Signature of RFO Range Forest Officer Forest Range Kotkhai	

Ashwini
Approved by DMU