

# BUSINESSPLAN

INCOME GENERATING ACTIVITY-KNITTING

by

Prena-Self Help Group



SHG/CIGName	::	Prena
Vfds Name	::	Brehin
Range	::	Sainj
Division	::	Seraj

Prepared under:



Project for Improvement of Himachal Pradesh Forest Eco systems 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 income generating activity and they do it 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 income generating activity so that they can earn extra money to meet their expenses and raise some saving also for the difficult times. A group of 09 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 income generating activity in collective manner and raise their additional income.

## 2. Background

Knitting center by Prena SHG will be located at village Brehin P.O. Brehin Tehsil Sainj Distt. Kullu HP. The total households in village 75 is small village surrounding 4 to 5 small villages. This centre will provide excellent service and guide to 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	::	Prena
2.2	VFDS	::	Brehin
2.3	Committee	::	Brehin
2.4	Range	::	Sainj
2.5	Division	::	Seraj
2.6	Village	::	Brehin
2.7	Block	::	Banjar
2.8	District	::	Kullu
2.9	Total No. of Members in SHG	::	09-females
2.10	Date of formation	::	15-02-22
2.11	Bank a/c No.	::	50075190514
2.12	Bank Details	::	KCC Bank
2.13	SHG/CIG Monthly Saving	::	100
2.14	Total saving	::	2000
2.15	Total inter-lending	::	
2.16	Cash Credit Limit	::	--
2.17	Repayment Status	::	--

#### 4. Beneficiaries Detail:

S.No	Name of Candidate	Daughter/Husband Name	Category	Contact No	Designation
1	Divya Soni	Kham Raj	General	7807391003	President
2	Hira Devi	Gopal Krishan	General	9816487600	Secretary
3	sunita Devi	Chaman Lal	General	8626813254	Member
4	Bibla Devi	Mahinder singh	S.C	7807170609	Treasurer
5	Roshani Devi	Tek Singh	General	7807014367	Member
6	Anita sharma	Khem raj	General	8627830103	Member
7	Bimla Devi	Kehar Singh	General	8894984660	Member
8	Sandhya Devi	Roshan Lal	General	86278830103	Member
9	Ganga Devi	Krishan Kumar	General	9817062434	Member

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	75 KM
3.2	Distance from Main Road	::	3 KM
3.3	Name of local market & distance	::	Sainj Bhuntar , 3 KM
3.4	Name of main market & distance	::	Sainj , 9 KM
3.5	Name of main cities & distance	::	Sainj 7 KM, Kullu 75 KM Bhuntar 65 km approx.
3.6	Name of places/locations where Product will be sold/ marketed	::	Kullu, Sainj, Bhuntar

## 6. Management

Knitting centre by Prena SHG has 09 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 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 contributes towards strengthening the IGA and resulting the additional money into their pockets.

## 8. Customers

The primary customers of the centre will mostly be local people around village Brehn 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 Brehin 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 near by markets
- Manufacturing process is simple
- Proper packing and easy to transport
- Other family members will also co operate 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	9	25000	225000
2	Knitting design book	2	1500	3000
3	Gola making machine	9	600	5400
	Total capital cost=			233400

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	30000	30000
4.	Lubricating oil & pippet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
<b>Total Recurring cost</b>				<b>35300</b>



### 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 (Sweater, Babt Sets) per day as finally finished product and daily 22 items can be made available for sale. Keeping in view this production rate of approximately 660 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 (50%)	SHG contribution (50%)
Total capital cost	233400	116700	116700
<b>Recurring cost</b>			
10%depreciationon capital cost/month	1945		1945
Other expenditure per month	35300	-nil-	35300
<b>Total</b>	<b>270645</b>		<b>153945</b>

Total sale in a month  $(500 \times 660) = 3,30,000$

Total expenditure in first month = **270645**

However 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:

<b>Capital cost</b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capital cost	233400	116700
<b>Recurring expenditure</b>		
i) 10% depreciation on capital cost per month	1945	
i) Other expenditure on material cost etc.	35300	
<b>Total</b>	<b>37245</b>	
<b>Totalcost</b>	<b>116700+37245=153945</b>	
<b>Totalsale in1<sup>st</sup>month</b>	<b>3,30,000</b>	
<b>Netprofit</b>	<b>176055</b>	

#### 14. Sharingoftheprofit

The members of SHG has mutually agreed with consent voice that in the 1<sup>st</sup> month Rs. 6000 will be paid to each member as income and the remaining profit ofRs. 54,054 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

#### 15. Fundflowinthegroup:

<b>Sr.No.</b>	<b>Particulars</b>	<b>TotalAmount (Rs)</b>	<b>Project contribution</b>	<b>SHG contribution</b>
1	Totalcapitalcost	233400	116700	116700
2	TotalRecurring Cost	37245	0	37245
3	Trainings	50000	50000	0
	<b>Total</b>	<b>320645</b>	<b>166700</b>	<b>153945</b>

#### Note-

- **CapitalCost**-50%ofthetotalcapitalcostwill be borne by the Project
- **Recurring Cost**-The entire cost will be borne by the SHG/CIG.
- **Trainings/capacitybuilding/skillup-gradation**-Totalcosttobebornebythe

#### 16. Sources of funds and procurement:

Project support;	<ul style="list-style-type: none"><li>• 50% of capital cost will be utilized for purchase of machines.</li><li>• Upto Rs. 1 lakh will be parked in the SHG bank account as a revolving fund.</li><li>• Trainings/capacity building/skill up-gradation cost.</li></ul>	Procurement of machines will be done by respective DMU/FCCU after following all codal for malities.
SHG contribution	<ul style="list-style-type: none"><li>• 50% of capital cost to be borne by SHG.</li><li>• Recurring cost to be borne by SHG</li></ul>	

#### 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:

- Teamwork
- Quality control
- Packaging and Marketing
- Financia lManagement

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; how ever, 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.

20. **Remarks**

**GroupmembersPhotos-**



Poshani Devi



Hira Devi



Anita Sharma



Sandhya Devi



Bibla Devi



Pivya



Sunita Devi



Bimbla Devi



Ganga Devi

Prepared By S.M.S – Akash Gupta  
F.T.U- Phoola Thakur

### GROUP CONSENT LETTER

The Meeting of Prena Self Help Group was held under the Chairmanship of the Pradhan Sh Veerender Thakur on dated 15-02-22 in which the member of group collectively decided to do the work of tailoring and cutting to increase the income with the association, project for improvement of Himachal Pradesh Forest ecosystem Management and livelihoods (JICA).

The detail description of the members of the group is given below:-

Sr.No.	Name	Husband Name	Designation	Age	Phone Numer	Category	Signature
1.	Divya Soni	Kham Raj	President	25	7807391003	General	Divya Soni
2.	Hira Devi	Gopal Krishan	Secretary	33	9816487600	General	Hira Devi
3.	sunita Devi	Chaman Lal	Member	26	8626813254	General	Sunita Devi
4.	Bibla Devi	Mahinder singh	Treasurer	36	7807170609	S C	बिबला देवी
5.	Roshani Devi	Tek Singh	Member	32	7807014367	General	Roshani
6.	Anita sharma	Khem raj	Member	26	8627830103	General	Anita sharma
7.	Bimla Devi	Kehar Singh	Member	32	8894984660	General	Bimla Devi
8.	Sandhya Devi	Roshan Lal	Member	52	86278830103	General	संध्या देवी
9.	Ganga Devi	Krishan Kumar	Member	55	9817062434	General	Ganga Devi

प्रधान *Divya Soni*  
प्रेरणा मिटिंग स्वयं सहायता समूह  
बेहिण, ग्राम पंचायत भालण-11  
तह0 सैज जिला कुल्लू (हिमाचल)

सचिव  
Signature of VFDs Pradhan  
ब्रैडिंग(सैनज) जिला कुल्लू हि.प्र.

सचिव Tara Devi  
Signature of VFDs Secretary  
ग्रामीण वन विकास समिति  
ब्रैडिंग(सैनज) जिला कुल्लू हि.प्र.

Dhruv Soni  
Signature of SHG Pradhan  
प्रधान सचिव  
प्रेरणा निदिग स्वयं सहायता समूह  
ब्रैडिंग, ग्राम पंचायत भालण-11  
तह0 सैनज जिला कुल्लू (हि0प्र0)

Joshi  
Signature of SHG Secretary  
प्रधान सचिव  
प्रेरणा निदिग स्वयं सहायता समूह  
ब्रैडिंग, ग्राम पंचायत भालण-11  
तह0 सैनज जिला कुल्लू (हि0प्र0)

Soni  
Signature of Forest Guard  
11C Bhallan Road

H. H. H.  
Block Forest Officer  
Signature of B.O.  
Canji Block

Joshi  
Signature of R.O.  
Range Forest Officer  
Sainj Forest Range

DMU Seraj  
JICA  
DMU-Seraj