

# BUSINESS PLAN

INCOME GENERATING ACTIVITY – Knitting

by

Mansi SHG - Self Help Group



SHG/CIG Name	::	<b>Mansi SHG</b>
VFDS Name	::	VFDS Sindasli
Range	::	khasdhar
Division	::	Rohru

**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 rise some saving also for the difficult times. A group of 11 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 Mansi SHG Sindasli will be located at village Sindasli Sindasli and Chamrada wards fall under Sindasli Gram Panchayat in Chauhara block of Shimla district. The selected SHG area falls under Sindasli beat of Khashdhar Range in Rohru forest Division Management Unit (DMU). Three revenue villages naming Sindasli, Shangoli and Chamrada are involved in this site.

### 3. Description of SHG/CIG

2.1	SHG/CIG Name	::	Mansi SHG
2.2	VFDS	::	Sindasli
2.3	Range	::	Khasdhar
2.4	Division	::	Rohru
2.5	Village	::	Sindasli
2.6	Block	::	Chauhara
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	11- females
2.9	Date of formation	::	Two years back
2.10	Bank a/c No.	::	89541300000593
2.11	Bank Details	::	Gramin bank of Chirgaon
2.12	SHG/CIG Monthly Saving	::	100/-
2.13	Total saving	::	4400
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

#### 4. Beneficiaries Detail:

S.No	Name Of Candidate	W/O –S/O	Category	Contact No	
1	Sunita	w/o Subesh kumar	General	9816712110	Member
2	Sunita	Sh.Pradeep	General	7807604898	President
3	Manisha	Sh.Kanish	General	9816079454	Member
4	Bhajan Devi	Sh.Manoj kumar	General	9816465448	Member
5	Jaynidri	Sh.Prem chand	General	9816842227	Secretary
6	Sunita	Sh.Manish	General	9805556844	Member
7	Darshani Devi	Sh.Satish	General	8628922674	Member
8	Satya Devi	Sh.Bhagwan Singh	General	8626908677	Member
9	Kamlesh	Sh.Bishamber	General	8091165546	Member
10	Padampati	Sh.Mohan Singh	General	-	Member
11	Ramila	Sh.Param Parvinder	General		

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	39 Km
3.2	Distance from Main Road	::	200mtr
3.3	Name of local market & distance	::	Chirgaon 25 km
3.4	Name of main market & distance	::	Rohru 39 km
3.5	Name of main cities & distance	::	Rohru 39 km
3.6	Name of places/locations where product will be sold/ marketed	::	Tikr,Chirgaon, Sindasli , Rohru

## 6. Management

Knitting centre by Mansi SHG Sindasli has 11 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 Sindasli 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 Sindasli 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.

<b>A. CAPITAL COST</b>				
<b>Sr. No.</b>	<b>Particulars of Machinery.</b>	<b>Quantity</b>	<b>Rate per unit</b>	<b>Total Amount</b>
1	Punch card knitting machine	1	24000	24000
2	Knitting machine (Simple)	11	6000	66000
3	Knitting design book	4	1500	6000
4	Gola making machine	11	600	6600
5	Working table	11	1200	13200
6	Plastic chairs	11	475	5225
<b>Total capital cost</b>				<b>121025</b>

<b>B. Recurring cost</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Rate</b>	<b>Amount</b>
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
<b>Total Recurring cost</b>				<b>89300</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 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	121025	90768	30256.25
<b>Recurring cost</b>			
10% depreciation on capital cost/ month	1077	-	1077
Other expenditure per month	89300	-nil-	89300
<b>Total</b>	<b>90377</b>		<b>90377</b>

Total sale in a month  $(500 \times 400) = 200000$

Total expenditure in first month  $(121025 + 90377) = 211402$

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:

<b><u>Capital cost</u></b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capital cost	<b>121025</b>	30256.25
<b><u>Recurring expenditure</u></b>		
i) 10% depreciation on capital cost per month	1077	
i) Other expenditure on material cost etc.	89300	
Total	90377	90377
<b>Total cost</b>	<b>32325+90377=122702</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>200000</b>	
<b>Net profit</b>	<b>77298</b>	

#### 14. **Sharing of the profit**

The members of SHG has mutually agreed with consent voice that in the 1<sup>st</sup> month Rs. 2750 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:**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Total Amount (Rs)</b>	<b>Project contribution</b>	<b>SHG contribution</b>
1	Total capital cost	<b>121025</b>	90768	30256.25
2	Total Recurring Cost	89300	0	89300
3	Trainings	45000	45000	0
	<b>Total outlay</b>	<b>255,325</b>	<b>135,768</b>	<b>119,556</b>

#### 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"><li>• 75% 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 formalities.
SHG contribution	<ul style="list-style-type: none"><li>• 25% 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:

- 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.

## 20. **Remarks**

**Group members Photos-**



Pinki devi



reeta devi



lalita devi



nisha devi



Meera devi



reena devi



sarojani devi



sumitha devi



anita devi

## BUSINESS PLAN APPROVED BY VFDS

Self help 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)  
has been submitted by this group on dated \_\_\_\_\_ and this business plan has been approved  
by *Maneish VFDS Sindasli*

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

Thank you

President *[Signature]*  
Vill. Forest Development Society  
Sindasli G. P. Sindasli  
Teh. Chirgaon Distt. Shimla H.P.  
Signature Of VFDS President

Secretary *[Signature]*  
Vill. Forest Development Society  
Sindasli G. P. Sindasli  
Teh. Chirgaon Distt. Shimla H.P.  
Signature Of VFDS Secretary

## RESOLUTION-CUM-GROUP CONSENSUS

It is decided in the General House Meeting of the group *Mansi SHG* held on *10/02/2021* at *Sindolasi* 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).

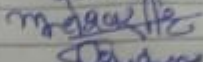
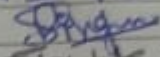
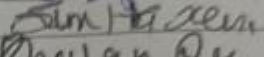
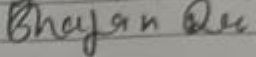
Signature of Group President

*Smt. Anjali*

Signature of Group Secretary

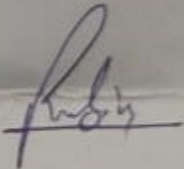
*Bhajan Devi*

### NAME & SIGNATURE OF AUTHORIZED SIGNATORIES

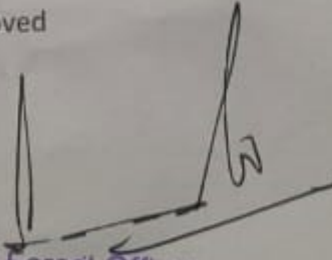
S.No.	NAME	DESIGNATION	SIGNATURE
1.	Bhureshwar Singh	Vfds president	
2.	Rajesh Singh	Vfds Secretary	
3.	Sumita Devi	Shg president	
4.	Bhajan Devi	Shg secretary	

Submitted to DMU through FTU

  
 Range Officer  
 Ghazipur  
 Name & Signature of FTU Officer

Robin Singh -   
 Name & Signature of FTU Co-ordinator

Approved

  
 Divisional Forest Officer  
 Rohru Forest Division, Rohru

Name & Signature of DMU Officer



