

BUSINESSPLAN

INCOME GENERATING ACTIVITY– KNITTING

by

Ma Murari-Self Help Group (Maloh-II)



SHG/CIGName	::	Ma Murari
GP/BMCName	::	Maloh
BMC Sub committee		Maloh-II
Range	::	Sundernagar (WL)
Division	::	Kullu (WL)

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 8 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 Ma Murari SHG Sundernager will be located at village Maloh-II P.O. Maloh-II Tehsil Sundernager, Distt. Mandi HP. The total households in village 55 is small village surrounding Maloh-I and Maloh-II for which this Knitting centre will cater for. 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	::	Ma Murari
2.2	VFDS/BMC	::	Maloh-II
2.3	Sub-Committee		Maloh-II
2.4	Range	::	Sundernagar (WL)
2.5	Division	::	Kullu (WL)
2.6	Village	::	Maloh-II
2.7	Block	::	Sundernager
2.8	District	::	Mandi
2.9	Total No. of Members in SHG	::	08-females
2.10	Date of formation	::	24-06-2022
2.11	Bank a/c No.	::	7314000100032973
2.12	Bank Details	::	PNB Maloh
2.13	SHG/CIG Monthly Saving	::	100
2.14	Total saving	::	6000
2.15	Total inter-loaning	::	--
2.16	Cash Credit Limit	::	--
2.17	Repayment Status	::	--

4. BeneficiariesDetail:

S.No	NameofCandidate	Daughter/Husband Name	Category	ContactNo	Designation
1	Poonam	Amrit kumar	General	8219006681	President
2	Vimla Devi	Surender Kumar	General	8629012431	Secretary
3	Kirshna Devi	Dharm singh	General	6230193750	Cashier
4	Reena Devi	Dawkinandn	General	9816602663	Member
5	Kala vati	Gyan singh	General	8629869487	Member
6	Shanta Devi	Amar singh	General	7876237038	Member
7	Nibhadevi	Inder singh	General	9459676359	Member
8	Nirjla Devi	Nilam kumar	General	9418478970	Member

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	33 KM
3.2	Distance from Main Road	::	8KM
3.3	Name of local market & distance	::	Mandi , 33 KM
3.4	Name of main market & distance	::	8 Km
3.5	Name of main cities & distance	::	Mandi 33km Sundernagar 8km
3.6	Name of places/locations where Product will be sold/ marketed	::	Mandi, Sundernagar

6. Management

Knitting centre by Ma Murari SHG Maloh-II has 8 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 Maloh-II but later on this business can be scaled up by catering to near by 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 Maloh 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 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 toward 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	07	24000	168,000
2	Knitting machine(Simple)		6000	0
3	Knitting design book		1500	0
4	Gola making machine	01	600	600
5	Working table		1200	0
6	Plastic chairs		475	0
Total capital cost				168,600

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 & Pippet	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 to start with it is estimated that each 3 member will stitch one Sweater in a day, 3 Member will make socks in a Day and 2 Member will make baby sets complete in all respect. The charges as on today for simple sweter is approximately 700 per Sweater. On an average the 3 members of group may stitch 90 sweater in a month Therefore the total output of the group is estimated $90 \times 800 = \text{Rs } 72000/-$ only. The charges as on today for woolen Socks is approximately 200 per socks. On an average the 3 members of group may stich 180 woolen Socks in a month Therefore the total output of the group is estimated $180 \times 200 = \text{Rs } 36000/-$ only. The charges as on today for baby sets is approximately 400 per set. On an average the 2 members of group may stich 60 baby set in a month Therefore the total output of the group is estimated $60 \times 400 = \text{Rs } 24000/-$ only

Therefore the total output of the group is estimated Rs 1,32,000/- only.

Particulars	Total Amount (Rs.)	Project Contribution (75%)	SHG contribution (25%)
Total capital cost	168,600	1,26,450	42,150
Recurring cost			
10% depreciation on capital cost/month	1405	-	1405
Other expenditure per month	89,300	-nil-	89,300
Total	2,59,305		1,32,855

However an amount of rupees 1,26,450 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	168,600	42150
<u>Recurring expenditure</u>		
i) 10% depreciation on capital cost per month	1,405	1,405
i) Other expenditure on material cost etc.	89,300	89,300
Total	90,705	90,705
Total cost	21,075+90,705=1,11,780	
Total sale in 1st month	1,32,000	
Net profit	20,220	

14. Sharing of the profit

The members of SHG has mutually agreed with consent voice that in the 1st month Rs. 2000 will be paid to each member as income and the remaining profit of Rs. 4220 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	168,600	126450	42150
2	Total Recurring Cost	89,300	0	89,300
3	Trainings	45,000	45,000	0
	Total outlay	3,02900	17,1450	13,1450

Note-

- **Capital Cost**-75%ofthetotalcapitalcostwill 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

13. 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	

14. 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
- Financial Management

15. Loan Repayment Schedule-

If the loan is availed from bank it will be in the form of cash 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.

16. Monitoring Method–

- Social Audit Committee of the VFDS/BMC 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.

17. Remarks

Resolution-CUM-Group-consensus Form

It is decided in the General house meeting of the Group SHG Ma Musasi
held on 24-06-2022 at Maloh-II that our group will undertake
the KWITNIG as Livelihood Income Generation Activity under the project for
Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Branaw सचिव
प्रधान
मौ मुससी स्वयं सहायता समूह
Signature of Group President
मलोह-II, सुन्दरनगर (हि०प्र०)

प्रधान Bimbakhi
मौ मुससी स्वयं सहायता समूह
Signature of Group Member
मलोह-II, सुन्दरनगर (हि०प्र०)

प्रधान [Signature]
मौ मुससी स्वयं सहायता समूह
Signature of Group Member
मलोह-II, सुन्दरनगर, मण्डी (हि०प्र०)

[Signature]
Signature of Forest Officer
Wildlife Range
Sundernagar

[Signature]
Treasurer
B.D. Bober

[Signature]
A. C. F.
Wild Life Division
Kullu [H.P.]

Approved

[Signature]
Divisional Management Unit Officer-CUM -
Divisional Forest Officer, Wild Life Division,
Kullu, District Kullu .

GroupmembersPhotos-



Reema Devi



Bimala Devi



Kalavati



Poonam



Krishna devi



Shanta Devi

