

BUSINESSPLAN

INCOMEGENERATINGACTIVITY–KNITTING

by

Jai Ma Murari-SelfHelpGroup



SHG/CIGName	::	Jai Ma Murari
GP/BMCName	::	Bobbar
BMC Sub Committee		Fagla
Range	::	Sundernager 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 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 Jai Ma Murari SHG Sudernagar will be located at village Fagla P.O. Maloh Tehsil Sudernagar, Distt. Mandi HP. The total households in village 55 is small village surrounding Fagla and Fagla 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/CIGName	::	Jai Ma muari
2.2	VFDS/BMC	::	Fagla
2.3	Sub-Committee		Fagla
2.4	Range	::	Sundernager (WL)
2.5	Division	::	Kullu (WL)
2.6	Village	::	Fagla
2.7	Block	::	Sundernager
2.8	District	::	Mandi
2.9	TotalNo.ofMembersin SHG	::	08-females
2.10	Dateofformation	::	27-06-2022
2.11	Banka/cNo.	::	055301000024141
2.12	BankDetails	::	PNB Maloh
2.13	SHG/CIGMonthlySaving	::	50
2.14	Totalsaving	::	1000
2.15	Totalinter-loaning	::	--
2.16	CashCreditLimit	::	--
2.17	Repayment Status	::	--

4. BeneficiariesDetail:

S.No	NameofCandidate	Daughter/Husband Name	Category	ContactNo	Designation
1	Kushanlata	Lekh Raj	General	7807416324	Pradhan
2	Tara Devi	Ram Saran	General	8544761334	Secetary
3	Guma Devi	Baldev	General	9816955095	Member
4	Rupa Devi	ShyamLal	General	9857718225	Member
5	Bimla Devi	Lakshman	General	9459186836	Member
6	Sita Devi	Sanju Ram	General	8219548846	Member
7	Shiv deyi	Mani Ram	General	70181071141	Member
8	Himachli Devi	Premlal	General	8894563553	Member

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	36 KM
3.2	Distance from Main Road	::	13 KM
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 Sundernager ,33 KM,
3.6	Name of places/locations where Product will be sold/ marketed	::	Mandi,Sundernager

6. Management

Knitting center Jai Ma Murari SHG Fagla has 08 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 labor 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 Fagla but later on this business can be scale 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 Fagla village in particular and all other residents of nearby villages.

This centre will ensure to be come 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	07	24000	168,000
2	Knitting machine (Simple)	-	6000	0
3	Knitting design book	-	1500	0
4	Golamaking machine	01	600	600
5	Working table	-	1200	0
6	Plastic chairs	-	475	0
Total capital cost				1,68,600

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 color 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	TotalAmount (Rs.)	Project Contribution (75%)	SHGcontribution (25%)
Totalcapitalcost	168600	1,26450	42150
Recurringcost			
10%depreciationon capitalcost/month	1405	-	1405
Other expenditure per month	89,300		89,300
Total	90705		60705

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>Capitalcost</u>		
Particulars	Amount	SHG contribution
Capitalcost	168600	42150
<u>Recurringexpenditure</u>		
i) 10% depreciation on capitalcostpermonth	1405	1405
i) Otherexpenditureon material cost etc.	89300	89300
Total	90705	90705
Totalcost	90705- 132000	
Totalsale in1stmonth	132000	
Netprofit	41295	

14. **Sharingoftheprofit**

The members of SHG has mutually agreed with consent voice that in the 1st month Rs. 5000 will be paid to each member as income and the remaining profit of Rs. 1295 will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

Sr.No.	Particulars	TotalAmount (Rs)	Project contribution	SHG contribution
1	Totalcapitalcost	16,8600	1,26450	42150
2	TotalRecurring Cost	89,300	0	89,300
3	Trainings	45,000	45,000	0
	Total outlay	3,02,900	1,71,450	1,31,450

Note-

- **CapitalCost**-75%of the total capital cost will be borne by the Project
- **RecurringCost**–The entire cost will be borne by the SHG/CIG.
- **Trainings/capacitybuilding/skillup-gradation**–Total cost to be borne by the Project

15. Sources of funds and procurement:

Projects 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 code 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	

16. 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

17. 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 payment 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.

18. 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 view he 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.

19. 19.Remarks

Resolution-CUM-Group-consensus Form

It is decided in the General house meeting of the Group SHG Tajma murari held on 3-12-2022 at Fagla that our group will undertake the KHINDI as Livelihood Income Generation Activity under the project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

प्रधान Kusham lala सचिव
Signature of Group President
वाव फागला, मलौह, सुन्दरभगर (डि०प्र०)

Tara Devi सचिव
Signature of Group Secretary
वाव फागला, मलौह, सुन्दरभगर (डि०प्र०)

Signature of President BMC
President Cashier
The Fagla Bio-Diversity
Mgmt Sub Committee
P.O. Maloh, Sundamagar

Signature of FFI-CUM-RFO
Range For
Wildlife
Sundamagar

Chand
Treasurer
B.O. Bober
Pras
ACF(WL) Kullu

Approved

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

20. Groupmembers Photos

 <p>Kushumlata (Member)</p>	 <p>Himachli (Member)</p>	 <p>Rupadevi (Member)</p>
 <p>Tara Devi (Member)</p>	 <p>Sita Devi (Member)</p>	 <p>Bimla Devi (Member)</p>
 <p>Shivdei (Member)</p>	 <p>Guma Devi (Member)</p>	

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Premlata (FTU CO-ordinator)