

# BUSINESSPLAN

INCOME GENERATING ACTIVITY –Knitting

By

Bhagour-2 =Self Help Group



SHG/CIG Name	::	Bhagour-2
VFDS Name	::	Ghallian
Range	::	Jawalamukhi
Division	::	Dehra Divison

**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 16 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

SHG Bhagour-2 will be located at village Bhagour P.O Ghallour, District. Kangra HP. The total households in village are 29 and 4 to 5 small villages surrounding Ghallian for which this cutting and tailoring 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	::	Bhagour-2
2.2	VFDS	::	Ghallian
2.3	Range	::	Jawalamukhi
2.4	Division	::	Dehra Division
2.5	Village	::	Bhagour
2.6	Block	::	Jawalamukhi
2.7	District	::	Kangra
2.8	Total No. of Members in SHG	::	16
2.9	Date of formation	::	02/09/22
2.10	Bank a/c No.	::	50100530476769
2.11	Bank Details	::	HDFC Dehra
2.12	SHG/CIG Monthly Saving	::	50rs
2.13	Total saving	::	800rs
2.14	Total inter-loaning	::	1000rs
2.15	Cash Credit Limit	::	1% interest rate
2.16	Repayment Status	::	-

**4. Beneficiaries Detail:**

Sr. No	Name	Father/Husb And Name	Age	Education	Category	Income Source	Address
1.	MEERA DEVI (PRESIDENT)	W/O KAKA RAM	41	10th	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
2.	SARITA DEVI (SECERETARY)	W/O FARMAJI RAM	48	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
3.	RANIDEVI (TREASURER)	W/O SAKIN CHAND	33	8TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
4.	RAJKUMARI	W/O BISAN DAS	36	8TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
5.	NIRMLA DEVI	W/O HARNAM SINGH	52	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
6.	NEEMO DEVI	W/O SURESH KUMAR	44	8TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
7.	SUMANA DEVI	D/O FOJU RAM	42	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
8.	RENU BALA	W/O MULAKHRAJ	29	8TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
9.	KANTA DEVI	W/O MEHAR CHAND	55	5th	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
10.	KAMLESH DEVI	W/O JAI CHAND	46	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
11.	RANIDEVI	W/O PHUMAN RAM	38	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
12.	VEENA DEVI	W/ODILBAGH SINGH	49	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
13.	SANTOSH KUMARI	W/O VINOD KUMAR	37	8TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
14.	NEELAM KUMARI	W/O OM PARKASH	32	8TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
15.	BHARTIDEVI	W/O SUSHIL KUMAR	25	10TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR
16.	LATA DEVI	W/O JATINDER SINGH	35	5TH	SC	Agriculture	VILL-BHAGOUR P.O-GHALLOUR

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	65Km
3.2	Distance from Main Road	::	400m
3.3	Name of local market & distance	::	Ghallour & 2km
3.4	Name of main market & distance	::	Jawalamukhi & 8km
3.5	Name of main cities & distance	::	Jawalamukhi - 8km, Dehra - 12km
3.6	Name of places/locations where Product will be sold/ marketed	::	Jawalamukhi, Naduan, dehra, Kangra.

## 6. Management

Bhagour-2 has 16 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 larger scale and in a planned manner. The division of labour between the members has been planned carefully so that each contributes towards strengthening the IGA and resulting in additional money into their pockets.

## 8. Customers

The primary customers of our centre will mostly be local people around village Bhagour-2 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 Bhagour-2 village in particular and all other residents of nearby villages.

This centre will ensure to become the muster owned knitting centre with quality working 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 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	01	28000	28000
2.	Knitting machine (simple)	16	9000	144000
3.	Knitting design book	2	1500	3000
4.	Gola making machine	6	800	4800
5.	Working table	16	1200	19200
6.	Plastic chairs	16	800	12800
<b>Total capital cost</b>				<b>211800</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	3000	3000
2.	Water & electricity	Per month	1000	1000
3.	Knitting yarn of different colour and quality	Per month L/S	96000	96000
4.	Lubricating oil & pippet	Per month	2000	2000
5.	Wear & tear	Per month L/S	2000	2000
<b>Total Recurring cost</b>				<b>104000</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 16 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	211800	158850	52950
<b>Recurring cost</b>			
10% depreciation on capital cost/month	1765	-	1765
Other expenditure per month	104000	-nil-	104000
<b>Total</b>	<b>105765</b>		105765

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

Total expenditure in first month  $(104000 + 1765) = 105765$

However an amount of rupees 158850 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 them on this re-cast as under:

<b>Capital cost / Month</b>	
<b>Particulars</b>	<b>Amount</b>
i) 10% depreciation on capital cost monthly	1765/-
ii) Total Recurring Cost	104000/-
iii) Total Knitted Sweater / Month	400
iv) Selling Price/ Sweater	Approx 500 Rs
v) Income Generation (500*400)	200,000/-
<b>Net profit (Income Generation – Total Expenditure / Month)</b>	<b>94235/-</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.4000 will be paid to each member as income and the remaining profit of Rs.30235 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	211800	158850	52950
2	Total Recurring Cost	104000	0	104000
3	Trainings	50000	50000	0
	<b>Total outlay</b>	<b>365800</b>	<b>208850</b>	<b>156950</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>• UptoRs.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

### 21. GROUP MEMBER PHOTO



## Group members Photos-



**Prepared by:** Mr.Madan Lal Sharma (Retd.HPFS)

Ms. Deeksha (SMS)

Ms. Savita (FTU Co-ordinator)

Ms. Shivani (FTU Co-ordinator)



Resolution -CUM-Group Consensus Form

It is decided in the General House meeting of the group...Bhagaur-2...  
held on 07-09-2022 at Grahlyan...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).

मीरा देवी  
Signature of Group President

सविता देवी  
Signature of Group Secretary

Business Plan Approval By VFDS & DMU

.....Bhagaur - 2.....Group will undertaken the Knitting.....as livelihood income Generation Activity under the project for implementation of Himachal Pradesh forest ecosystem Management and livelihood (JICA assisted). In this regard business plan of amount Rs. 365800/-.....has been submitted by group on 22/12/2022..... and the business plan has been approved by the VFDS Grahlyan.....

Business plan is submitted through FTU for further action please.

Thank you

मीरा देवी

Signature of Group President

सविता देवी

Signature of Group Secretary

केहर सिंह

Signature of President VFDS  
V.F.D.S.....

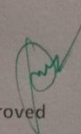
[Signature]

Approved  
DMU-CUM-Dehra

Submitted to DMU through FTU

  
Range Officer  
& Signature of FTU Officer  
Jawalankeri (F.T.U.)

Savita Devi Savita Devi  
Name & Signature of FTU Coordinator

  
Approved  
Name & Signature of DMU Officer