

# BUSINESS PLAN

## INCOME GENERATING ACTIVITY –Knitting

By



### Swasthani Maa-Self Help Group

SHG/CIG Name	::	Swasthani Maa
VFDS Name	::	Chaplah Jhikla
Range	::	Dehra
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 rise some saving also for the difficult times. A group of 13 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 Swasthani Maa will be located at village Chaplah Jhikla P.O Chaplah Jhikla, District. Kangra HP. The total households in village are 66 and 4 to 5 small villages surrounding Chaplah Jhikla 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	::	Swasthani Maa
2.2	VFDS	::	Chaplah Jhikla
2.3	Range	::	Dehra
2.4	Division	::	Dehra Division
2.5	Village	::	Chaplah Jhikla
2.6	Block	::	Pragpur
2.7	District	::	Kangra
2.8	Total No. of Members in SHG	::	13
2.9	Date of formation	::	06/09/22
2.10	Bank a/c No.	::	50100604065782
2.11	Bank Details	::	HDFC Dehra
2.12	SHG/CIG Monthly Saving	::	100rs
2.13	Total saving	::	1300rs
2.14	Total inter-lending	::	2000rs
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.	POONAM SHARMA (PRESIDENT)	W/O Dinesh kumar sharma	37	GRADUATION	GEN	Agriculture	VILL-CHAPLAH JHIKLA
2.	USHA (SECERETARY)	W/O Somnath Sharma	35	8TH	GEN	Agriculture	VILL- CHAPLAH JHIKLA
3.	LALITA SHARMA (TREASURER)	W/O Pardeep Kumar Sharma	38	+2	GEN	Agriculture	VILL-CHAPLAH JHIKLA
4.	KUSUM LATA	W/O Arvind Kumar	34	+2	GEN	Agriculture	VILL-CHAPLAH JHIKLA
5.	SHABNAM DEVI	W/O Abhishek	30	GRADUATION	GEN	Agriculture	VILL-CHAPLAH JHIKLA
6.	SONAL SHARMA	W/O Akshay KUMAR	41	+2	GEN	Agriculture	VILL-CHAPLAH JHIKLA
7.	MANVI DEVI	D/O Kasmir singh Dhiman	21	GRADUATION	OBC	Agriculture	VILL-CHAPLAH JHIKLA
8.	MAMTA DEVI	W/O Anoop Sharma	40	8TH	GEN	Agriculture	VILL-CHAPLAH JHIKLA
9.	KRISHNA KUMARI	W/O Anil kumar	47	10TH	GEN	Agriculture	VILL-CHAPLAH JHIKLA
10.	SEEMA DEVI	W/O Late Rampal	48	10TH	GEN	Agriculture	VILL-CHAPLAH JHIKLA
11.	BANDANA KUMARI	W/O Manish kumar	37	GRADUATION	OBC	Agriculture	VILL-CHAPLAH JHIKLA
12.	NEENA DEVI	W/O Pawan Kumar	48	10th	GEN	Agriculture	VILL-CHAPLAH JHIKLA
13.	SAPNA SHARMA	W/O Arun Sharma	28	12th	GEN	Agriculture	VILL-CHAPLAH JHIKLA

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	65 Km
3.2	Distance from Main Road	::	6 km
3.3	Name of Local market & distance	::	Rakkar & 6 km
3.4	Name of main market & distance	::	Pragpur & 12 km
3.5	Name of main cities & distance	::	Naduan-20 Km, Dehra-25, Pragpur-12 Km
3.6	Name of places/locations where Product will be sold/ marketed	::	Naduan, dehra, Kangra.

## 6. Management

Chaplah Jhikla has 13 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 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 hand stove venture into to this activity 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 Chaplah Jhikla but later on this business can be scaled up by catering to nearby small town ships.

## 9. Target of the centre

The centre primarily aims at to provide unique modern and high class knitting service to the residents of Chaplah jhikla village in particular and all other residents of near by villages.

This centre will ensure to become the most renowned 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 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	01	28000	28000
2.	Knitting machine (simple)	13	9000	117000
3.	Knitting design book	1	1500	1500
4.	Gola making machine	5	800	4000
5.	Working table	13	1200	15600
6.	Plastic chairs	13	800	10400
<b>Total capital cost</b>				<b>176500</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	84000	84000
4.	Lubricating oil & pipet	Per month	2000	2000
5.	Wear & tear	Per month L/S	2000	2000
<b>Total Recurring cost</b>				<b>92000</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 13 items can be made available for sale. Keeping in view this production rate of approximately 325 finished items will be ready for sale in one month. As per inner the item rate on an average if presumed to be Rs.500 each there for the total income per month is worked asunder:

Particulars	Total Amount(Rs.)	Project contribution (75%)	SHG contribution(25%)
Total capital cost	176500	132375	44125
<b>Recurring cost</b>			
10% depreciation on capital cost/month	1470	-	1470
Other expenditure per month	92000	-nil-	92000
<b>Total</b>	<b>93470</b>		93470

Total sale in a month  $(500 \times 325) = 162500$

Total expenditure in first month  $(1470 + 92000) = 93470$

However an amount of rupees 132375 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 / Month</u></b>	
<b>Particulars</b>	<b>Amount</b>
i) 10% depreciation on capital cost monthly	1470/-
ii) Total Recurring Cost	92000/-
iii) Total Knitted Sweater / Month	325
iv) Selling Price/ Sweater	Approx 500 Rs
v) Income Generation (500*325)	162500/-
<b>Net profit (Income Generation – Total Expenditure / Month)</b>	<b>69030/-</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. 17030 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	176500	132375	44125
2	Total Recurring Cost	92000	0	92000
3	Trainings	50000	50000	0
	<b>Total outlay</b>	<b>318500</b>	<b>182375</b>	<b>136125</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

## 21. GROUP PHOTO





## Individual Photo;-



### Prepared by:

Mr.Madan Lal Sharma (Retd.HPFS)

Ms. Deeksha (SMS)

Ms. Shivani (FTU Co-Ordinator)

**Resolution - cum - Group Consensus Form**

It is decided in the General House meeting of the group .....Swasthani Maa..... held on  
06/09/2022 at Chapla, Jhikla 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 ) .

Poonam Sharma.  
Signature of Group Pradhan  
- Udit  
ge Forest Dev. Society  
Chapla, Jhikla,  
S.H.S. Swasthani Maa

Usha  
Signature of Group secretary  
Member Secretary  
Swasthani Maa

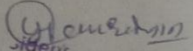
**Business Plan Approval by VFDS & DMU**

Swasthani Group will undertake 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. 3,18,500/- has been submitted by group on 21/12/2022 and the business plan has been approved by the VFDS, Chapla, Jhikla

Business plan is submitted through FTU for further action please.

Thank you

Poojini Sharma  
Signature of Group President  
S.H.S. Swasthani mad

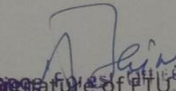
  
Signature of President VFDS  
Himachal Pradesh Forest Dev. Society  
Chapla, Jhikla

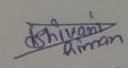
Usha  
Signature of Group Secretary  
S.H.S. Swasthani mad

Usha  
Approved  
DFO  
DMU - CUM-Dehra




Submitted to DMU through FTU

  
Name & Signature of FTU Officer  
DEHRA, Kangra

  
Name & Signature of FTU Coordinator

Approved

  
Name & Signature of DMU Officer