

BUSINESS PLAN

INCOME GENERATING ACTIVITY–Knitting

by

Krishak -Self Help Group



SHG/CIG Name	::	Krishak
VFDS Name	::	Baghi-I
Range	::	Kotkhai
Division	::	Theog

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 10 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 KrishakSHG will be located at village Baghi. 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	::	Krishak
2.2	VFDS	::	Baghi-I
2.3	Range	::	Kotkhai
2.4	Division	::	Theog
2.5	Village	::	Bagi
2.6	Block	::	Kotkhai
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10
2.9	Date of formation	::	8-07-2022
2.10	Bank a/c No.	::	42910107231
2.11	Bank Details	::	HP State Co-operative Bank Pragati Nagar
2.12	SHG/CIG Monthly Saving	::	Rs100/-
2.13	Total saving	::	7000/-
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

4. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Education	Category	Income Source	Address
1.	Jamna Devi	Mohan Lal	55	10 th	SC	Agriculture	Baghi-I
2.	Dimple	Sapan Kumar	35	BA	SC	Agriculture	Baghi-I
3.	Reena	Dayanand	46	10 th	SC	Agriculture	Baghi-I
4.	Minakshi	Bhag Chand	30	10 th	SC	Agriculture	Baghi-I
5.	Shanti Devi	Kishore Lal	38	10 th	SC	Agriculture	Baghi-I
6.	Sunehru Devi	Roshan Lal	55	---	SC	Agriculture	Baghi-I
7.	Kanta Devi	Budhi Ram	67	---	SC	Agriculture	Baghi-I
8.	Sheela	Pardeep	37	8 th	SC	Agriculture	Baghi-I
9.	Radhi Devi	Bansi Lal	51	---	SC	Agriculture	Baghi-I
10.	Asha Justa	Laiq Ram	56	5 th	SC	Agriculture	Baghi-I

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	80km
3.2	Distance from Main Road	::	7km
3.3	Name of local market & distance	::	11Km Gumma
3.4	Name of main market & distance	::	17Km Kotkhai
3.5	Name of main cities & distance	::	35 Km Theog
3.6	Name of places/locations where product will be sold/ marketed	::	Shimla, Theog, Kotkhai, Gumma

6. Management

Knitting centre by Krishak SHG of Baghi-I has 10 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 center 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 member 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 the village 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 the 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.

A. CAPITAL COST				
Sr. No.	Particulars of machinery.	Quantity	Rate per unit	Total Amount
1.	Punch card knitting machine	6	37600	225600
3.	Knitting design book		3000	3000
4.	Gola making machine	6	600	3600
5.	Working table	6	1200	7200
6.	Plastic chairs	6	500	3000
Total capital cost				2,42,400

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 & pipet	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 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 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	2,42,400	1,81,800	60,600
Recurring cost	89300		89300
10% depreciation on capital cost/ month	24240	-	
Other expenditure per month	89300	-nil-	
Total	445240		

Total sale in a month (500*50) = 25000

However an amount of rupees 1,81,800 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.

13.Fund flow in the group:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	2,42,400	1,81,800	60,600
2	Total Recurring Cost	89300	0	89300
3	Training	45000	45000	0

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

14. 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 	

15. 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




16. 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.




17. 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.

Group members Photos-

Sr.No	Name	Photo
1.	Jamna Devi	
2.	Dimple	
3.	Reena	

4.	Minakshi	
5.	Shanti Devi	
6.	Sunehru Devi	

7.	Kanta Devi	 A photograph of an elderly woman, Kanta Devi, sitting on a concrete step. She is wearing a white headscarf, a maroon vest over a pink long-sleeved shirt, and a pink and white floral patterned skirt. She has a bindi on her forehead and is looking directly at the camera. The background shows a metal gate and a hillside.
8.	Sheela	 A photograph of a woman, Sheela, standing in front of a yellow wall with a window. She is wearing a grey vest over a light-colored floral patterned dress and green leggings. She has a bindi on her forehead and is looking at the camera. There are some items on the ground near her feet.
9.	Radhi Devi	 A photograph of a woman, Radhi Devi, sitting on a concrete step. She is wearing a colorful patterned headscarf, a grey vest over a red long-sleeved shirt, and a light-colored skirt. She has a bindi on her forehead and is looking at the camera. The background shows a metal gate and a hillside.

10.	Asha Justa		
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Prepared by: SHG members in consultation with DMU Theog, FTU Kotkhai Forest Range and JICA staff.

Resolution-cum -Group-Consensus Form

It is decided in the General House Meeting of the group Krishak

Held on 20/2/2023 at Baghi Village that our group will undertake the Machine Knitting as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted)

Jam
Signature of Group President
कृषक स्वयं सहायता समूह बागी-1
गा. प. देवगढ़ तह: कोटखाई
जिला शिमला हि. प्र.

Dimple
Signature of Group Secretary
कृषक स्वयं सहायता समूह बागी-1
गा. प. देवगढ़ तह: कोटखाई
जिला शिमला हि. प्र.

Business Plan Approval by VFDS

Krishak Group will undertake the Machine 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 20/2/2023 and the Business Plan has been approved by VFDS. Bahi-I

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

Thank You

Jamn
Signature of Group President
कृषक स्वयं सहायता समूह बागी-1
गा. प. देवगढ़ तह: कोटखाई
जिला शिमला हि. प.

Dimpal
Signature of Group Secretary
कृषक स्वयं सहायता समूह बागी-1
गा. प. देवगढ़ तह: कोटखाई
जिला शिमला हि. प.

Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group.....KRISHAK..... as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

Sr.No.	Name (Phone number)	Father/Husb and Name	Age	Education	Category	Income Source	Address
1	Jamna Devi	Mohan Lal	55	10 th	SC	Agriculture	Vill - Baghi I
2	Dimple	Sapan Kumar	35	BA	SC	Agriculture	Vill - Baghi I
3	Reena	Dayanand	46	10 th	SC	Agriculture	Vill - Baghi I
4	Minakshi	Bhag Chand	30	10 th	SC	Agriculture	Vill - Baghi I
5	Shanti Devi	Kishore Lal	38	10 th	SC	Agriculture	Vill - Baghi I
6	Sunehru Devi	Roshan Lal	55	—	SC	Agriculture	Vill - Baghi I
7	Kanta Devi	Budhi Ram	67	—	SC	Agriculture	Vill - Baghi I
8	Shobha	Pandeep	37	8 th	SC	Agriculture	Vill - Baghi I
9	Rodhi Devi	Bansi Lal	51	—	SC	Agriculture	Vill - Baghi I
10	Ashq Jasta	—	56	5 th	SC	Agriculture	Vill - Baghi I
11		Laig Ram					
12							

Jam
Dimple
Reena
Minakshi
Shanti
Sunehru
Kanta
Shobha
Rodhi
Aashq Jasta
Laig Ram

<p>प्रधान सचिव स्वयं सहायता समूह बागी-1 कोटखाई तह: कोटखाई जिला सिमला हि. प्र...</p> <p>Signature of Secretary</p>	<p>प्रधान सचिव स्वयं सहायता समूह बागी-1 कोटखाई तह: कोटखाई जिला सिमला हि. प्र...</p> <p>Signature of SHG President</p>
<p>K. S. Sharma</p> <p>Signature of VFDS Secretary</p>	<p>Signature of VFDS President</p>
<p>Signature of Forest Guard</p>	<p>Signature of Block Officer</p>
<p>Signature of RFO Range Officer Forest Range Kotkhaj</p>	<p>Treasurer</p>

Wacub

Approved by DMU
Division Management Officer
Theog, Forest Division, Theog

<p>1. Baghi-I VFDS</p> <p><i>[Signature]</i> President President..... VFDS Baghi-I</p>	<p>2. Krishak SHG</p> <p><i>[Signature]</i> सचिव President कृषक स्वयं सहायता समूह बागी-1 या. प. देवगढ़ तह: कोटखाई जिला शिमला हि. प्र.</p>
<p>3. Baghi-I VFDS</p> <p>Secretary <i>[Signature]</i></p>	<p>4. Krishak SHG</p> <p>Secretary <i>[Signature]</i> सचिव कृषक स्वयं सहायता समूह बागी-1 या. प. देवगढ़ तह: कोटखाई जिला शिमला हि. प्र.</p>

Submitted to DMU through FTU

Name and Signature of FTU officer

[Signature]
Range Forest Officer
Forest Range Kotkhai