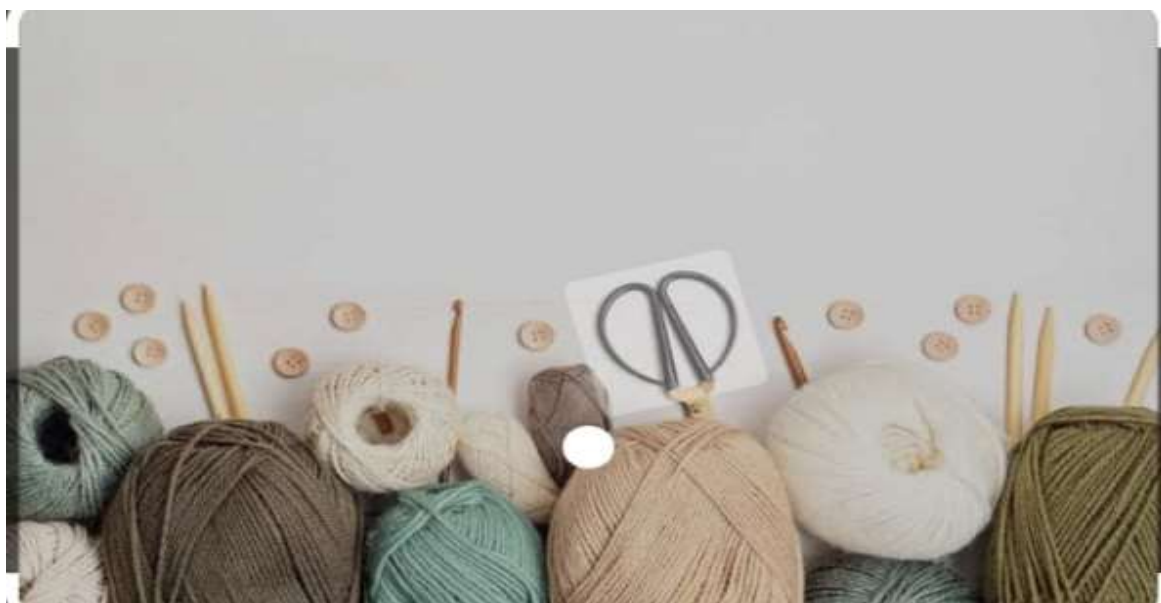


BUSINESS - PLAN

INCOME GENERATING ACTIVITY –**Knitting**

By

Chauda Mata-Self Help Group



SHG/CIG Name	::	Chauda Mata
VFDS Name	::	Dodun Brahmna
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 raise some saving also for the difficult times. A group of 11 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 Chauda Mata will be located at village Dodun Brahmna P.O Chamukha District. Kangra HP. The total households in village are 41 and 4 to 5 small villages surrounding Chaplah Jhikla for which this cutting and tailoring center will cater for. This center 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	::	Chauda Mata
2.2	VFDS	::	Dodun Brahmna
2.3	Range	::	Dehra
2.4	Division	::	Dehra Division
2.5	Village	::	Dodun Brahmna
2.6	Block	::	Pragpur
2.7	District	::	Kangra
2.8	Total No. of Members in SHG	::	11
2.9	Date of formation	::	07/09/22
2.10	Bank Details	::	HDFC Bank Dehra
2.11	Bank A/C No.	::	50100603161910
2.12	SHG/CIG Monthly Saving	::	50 Rs
2.13	Total saving	::	550 Rs
2.14	Total inter-loaning	::	1500 Rs
2.15	Cash Credit Limit	::	1% interest rate
2.16	Repayment Status	::	-

4. Beneficiaries Detail:

Sr. No	Name	Father/Husb And Name	Age	Category	Income Source	Address
1.	VARSHA SHARMA (PRESIDENT)	W/O DVINOD KUMAR	47	GEN	Agriculture	VILL-DODUN BRAHMNA
2.	PUSHPA DEVI (SECRETERARY)	W/O HANSRAJ	66	GEN	Agriculture	VILL-DODUN BRAHMNA
3.	NEENA DEVI (TREASURER)	W/O SHESHPAUL	52	GEN	Agriculture	VILL-DODUN BRAHMNA
4.	MEENA KUMARI	W/O VIJAY KUMAR	43	GEN	Agriculture	VILL-DODUN BRAHMNA
5.	RAMTA DEVI	W/O ASHWANI KUMAR	36	GEN	Agriculture	VILL-DODUN BRAHMNA
6.	RANJANA	W/O NARESH KUMAR	35	GEN	Agriculture	VILL-DODUN BRAHMNA
7.	SUNITA DEVI	D/O ARJUN KUMAR	31	OBC	Agriculture	VILL-DODUN BRAHMNA
8.	VIPINA KUMARI	W/O JOGINDER KUMAR	53	GEN	Agriculture	VILL-DODUN BRAHMNA
9.	KUSAM LATA	W/O SURENDER KUMAR	43	GEN	Agriculture	VILL-DODUN BRAHMNA
10.	MADHU BALA	W/O SANJAY KUMAR	46	GEN	Agriculture	VILL-DODUN BRAHMNA
11.	VIPINA KUMARI	W/O VIRENDER KUMAR	36	OBC	Agriculture	VILL-DODUN BRAHMNA

5. Geographical details of the Village:

3.1	Distance from the District HQ	::	75 Km
3.2	Distance from Main Road	::	500 m
3.3	Name of Local market & distance	::	Pirsaluhi & 5 km
3.4	Name of main market & distance	::	Rakkar & 13km
3.5	Name of main cities & distance	::	Naduan-18 Km, Dehra-22 km, Rakkar-13Km
3.6	Name of places/locations where Product will be sold/marketed	::	Naduan, Dehra, Rakkar, Kangra

6. Management

Dodun Brahmna has 11 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 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 center will mostly be local people around village Dodun Brahmna but later on this business can be scaled up by catering to nearby small town ships.

9. Target of the centre

The center primarily aims at to provide unique modern and high-class knitting service to the residents of Dodun Brahmna village in particular and all other residents of nearby villages.

This center will ensure to become the most renowned knitting center 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.

A. CAPITAL COST				
Sr. No.	Particulars of Machinery.	Quantity	Rate per unit	Total Amount
1.	Punch card knitting machine	01	28000	28000
2.	Knitting machine (simple)	11	9000	99000
3.	Knitting design book	1	1500	1500
4.	Gola making machine	4	800	3200
5.	Working table	11	1200	13200
6.	Plastic chairs	11	800	8800
Total capital cost				153700

B. Recurring cost				
Sr. No.	Particulars	Unit	Rate	Amount
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	71000	71000
4.	Lubricating oil & pippet	Per month	2000	2000
5.	Wear & tear	Per month L/S	2000	2000
Total Recurring cost				79000

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 11 items can be made available for sale. Keeping in view this production rate of approximately 275 finished items will be ready for sale in one month. As per inner the item rate on an average is presumed to be Rs.500 each there for the total income per month is worked as under:

Particulars	Total Amount(Rs.)	Project Contribution (75%)	SHG contribution(25%)
Total capital cost	153700	115275	38425
Recurring cost			
10% depreciation on capital cost/month	1280	-	1280
Other expenditure per month	79000	-nil-	79000
Total	80280		80280

Total sale in a month $(500 \times 275) = 137500$

Total expenditure in first month $(79000 + 1280) = 80280$

However, an amount of rupees 115275 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 / Month</u>	
Particulars	Amount
i) 10% depreciation on capital cost monthly	1280/-
ii) Total Recurring Cost	79000/-
iii) Total Knitted Sweater / Month	275
iv) Selling Price/ Sweater	Approx. 500 Rs
v) Income Generation (500*275)	137500/-
Net profit (Income Generation – Total Expenditure / Month)	57220/-

14. **Sharing of the profit**

The members of SHG have mutually agreed with consent voice that in the 1st month Rs.4000 will be paid to each member as income and the remaining profit of Rs. 13220 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	153700	115275	38425
2	Total Recurring Cost	79000	0	79000
3	Trainings	50000	50000	0
	Total outlay	282700	165275	117425

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">• 75% of capital cost will be utilized for purchase of machines.• Up to 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	

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



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