

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Handloom (Knitting)

By

Mahila SHG Dhara



SHG/CIG Name-----Mahila SHG Dhara

VFDS Name----- VFDS Jakha

Range-.....Dodra Kewar

Division-----Rohru

Prepared under:



Project for Improvement of Himachal Pradesh Forest Ecosystems
Management & Livelihoods (JICA Assisted)

Table of Contents

Sl. No.	Particulars	Page/s
1.	Introduction	3-4
2.	Description of SHG/CIG	6
3.	Beneficiaries Detail	6-7
4.	Geographical details of the Village:	7
5.	Management	7-8
6.	Primary Action Plan	8
7.	Customers	8
8.	Target of the center	8
9.	The reason to start this business	8
10.	SWOT Analysis	8-9
11.	Machinery, tools and other equipment's	9-10
12.	Total production and sale amount in month	10-11
13.	Sharing of the profit	11
14.	Sources of funds and procurement	12
15.	Trainings/capacity building/skill up-gradation	12
16.	Loan Repayment Schedule	12
17.	Monitoring Method	13
18.	Remarks	13
	Group members Photos	13-16

1. Introduction

Himachal Pradesh is a State in the Northern part of the India and is situated in the western Himalayas. It is characterized by an extreme landscape featuring several peaks and extensive river system. Himachal Pradesh is known as “Land of God “and is also known for its scenic beauty. Himachal Pradesh is rich in flora and fauna.

The state has diverse ecosystem, rivers and valleys, and has a population of 7.5 million and covers 55,673 sq.km ranging from foothills of Shivalik to the mid hills (300 - 6816 MT above MSL), high hills and cold dry zones of the upper Himalayas. It is spread across valleys with many perennial rivers flowing through them. Almost 90% of the state’s population lives in rural areas. Agriculture, horticulture, hydropower and tourism are important constituents of the state's economy.

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 wellwhile 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 17 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.

center by Mahila SHG Dhara will be located at village Dhara and jakha wards fall under Dhara Gram Panchayat in Jakha block of Shimla district. The selected SHG area falls under jiskoon beat of Dodra Kewar Range in Rohru forest Division Management Unit (DMU).

2. Description of SHG/CIG

3.1	SHG/CIG Name	::	Mahila SHG Dhara
3.2	VFDS	::	VFDS Jakha
3.3	Range	::	Dodra kewar
3.4	Division	::	Rohru
3.5	Village	::	Dhara
3.6	Block	::	Jakha
3.7	District	::	Shimla
3.8	Total No. of Members in SHG	::	17– females
3.9	Date of formation	::	01/04/2022
3.10	Bank a/c No.	::	41010107893
3.11	Bank Details	::	HP State Co-Operative Bank Dodra kewar
3.12	SHG/CIG Monthly Saving	::	50/-(held to meeting every 15 th day of month)
3.13	Total saving	::	21000- /
3.14	Total inter-loaning	::	
3.15	Cash Credit Limit	::	--
3.16	Repayment Status	::	--

3. Beneficiaries Detail:

Sr.No	Name (Sh/Smt.)	Father/Husband Name (Sh.)	Age	Category	Address	Income Source
1	Anila devi	Sher singh	40yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
2	Bharti Devi	Naval kishor	27yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
3	Sapna kumari	Jimu ram	20yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
4	Sumila Devi	Suni lal	39yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
5	Mandra Devi	Suresh Kumar	43yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
6	Monika Devi	Mehar singh	26yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
7	Bivisha devi	Jagdeep Kumar	43yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
8	Bal krishni	Bala nand	37yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
9	Lagan Devi	Barju ram	48yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
10	Sena devi	Reema nand	50yr	General	Vill-Dhara ,PO-Jakha	Agriculture

					Teh –Kewar ,Dist-Shimla	
11	Ram kumari	Vikas ram	36yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
12	Birkali Devi	-	58yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
13	Surendra Devi	Prem Raj	34yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
14	Sanjota Devi	Goverdhan singh	45yr	General	Vill-Dhara ,PO-Jakha Teh – Kewar ,Dist-Shimla	Agriculture
15	Utesha Devi	Denash Kumar	36yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
16	Lalita Devi	Pandu Ram	32yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture
17	Person Devi	Mismi Nand	45yr	General	Vill-Dhara ,PO-Jakha Teh –Kewar ,Dist-Shimla	Agriculture

Geographical details of the Village:

4.1	Distance from the District HQ	::	110 Km
4.2	Distance from Main Road	::	50 km
4.3	Name of local market & distance	::	Chirgaon ,Rohru ,100 km from Dhanderwari
4.4	Name of main market & distance	::	Chirgaon ,Rohru ,100 km from Dhanderwari
4.5	Name of main cities & distance	::	Shimla , 250 km From shimla to dodra kewar
4.6	Name of places/locations where product will be sold/ marketed	::	Dodra kewar ,Chirgaon, Rohru ,Theog , Shimla ,

4. Description of product related to income generating activity

1	Name of the Product		Full design Sweater and Cardigan knitting along with knitting socks, mufflers, scarf, caps, gloves etc.
2	Method of product identification		This activity has been decided by SHG members. Further, one of the members of the SHG is doing this activity. There is heavy demand in the local market which will enhance the additional income.
3	Consent of SHG/ CIG / cluster members		Yes

1. **Management**

Knitting centre by Mahila SHG Dhara has 17 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.

2. **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 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.

3. **Customers**

The primary customers of our centre will mostly be local people around village Sindasli 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 Dhara 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

13. Description of potential challenges and measures to mitigate them:

Sr.no	Description of Risks	::	Measures for Risk Mitigation
13.2	It might be possible that there can be short demand in the market which will affect the sale and income.	::	For Marketing purpose additional market should be explored.
13.3	Due to decline in quality of production the sales may go down.	::	In order to maintain the quality of product, the SHG members has to follow strict guidelines.

14. Machinery, tools and other Equipment's

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	2	24000	48000
2	Knitting machine (Simple)	17	6000	102,000
3	Knitting design book	8	1500	12000
4	Gola making machine	17	600	10200
5	Working table	17	1200	20400
6	Plastic chairs	22	475	10,450
Total capital cost				203,450

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 & pippet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
Total Recurring cost				89300

12. 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 if presumed to be Rs. 500 each therefore the total income per month is worked as under:

13. Fund flow in the group:

Particulars	Total Amount (Rs.)	Project Contribution (75%)	SHG contribution (25%)
Total capital cost	203,450	1,52,587	50,862.5
Recurring cost	89300	00	89300

Training	100,000	100,000-	00
Total	415,750	2,69,837	145,912

Total sale in a month (500*400) = 200000

Total expenditure in first month (121025+ 90377) = 211402

However an amount of rupees 2,69,837 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:

15. 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.

16. Sharing of the profit

The members of SHG have mutually agreed with consent voice that in the 1st month Rs. 10,000 will be paid to each member as income and the remaining profit of will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

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

- The self-help group shall be imparted training local trainer available at Bari. The payment will be released to the trainer only after the entire satisfaction of the training.

17. 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 	

18. 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

19. 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

21. 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-



List of Rules of the House of Interest

1. Group work: handloom;
2. Total members of the group: 20
3. Interest will be Rs.2 for every Rs.100 in the group.
4. Monthly meeting of the group will be held on 15th of every month.
5. All the members of the group will deposit the amount saved every month in the group.

6. All the members will have to attend the meeting of the Self Help Group.

Self help group account will be opened in HP State Co-Operative Bank Dodra Kewar

7. In order to be present in the group meeting, permission will have to be taken by telling the principal and secretary the proper work.

In the group who does not deposit the amount of savings or remains absent from the group for 3 meetings, then that person will be removed from the group.

8. The person who remains present in the group without giving reasons, then the next meeting will be held in the house of that person whose expenses will have to be paid by that person himself, if there are two members, then the expenses will have to be paid together.

9. The head and the secretary of the Self Help Group will be elected by consensus.

10. Principal and Secretary can do transactions with the bank, this post will be valid for one year.

11. The head, secretary or member will not do any work against the group and will always use the amount of the group.

12. If the member wants to leave the group due to any reason, if this person has taken the loan, then the group has to be returned, only then he is able to leave the group otherwise not

13. The purpose of the loan, the time of repayment of the amount, the instalment of the loan and the rate of interest will be decided in the meeting.

14. In case of emergency, the principal and the secretary should have at least Rs 10

15. The register of SHGs should be read and written in front of all the members.

16. Large borrowers will have to give a week's advance notice.

17. Loans should be available to all the members in times of need.

18. If the member wants to leave the group without any reason, then the deposits of that member will be divided in the group.

BUSINESS PLAN APPROVED BY VFDS

Self help group will undertake the *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 *13 June 2023* and this business plan has been approved by *JAKHA* VFDS

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

Thank you

Signature of VFDS President

[Signature]
प्रधान
ग्रामीण वन विकास समिति
जाखा तह० डोडरा-क्वार

Signature Of VFDS Secretary

[Signature]
सचिव
ग्रामीण वन विकास समिति
जाखा तह० डोडरा-क्वार

RESOLUTION-CUM-GROUP CONSENSUS

It is decided in the General House Meeting of the group ^{L.S.H.G. DHARA} held on 27-05-2022,
at JAKHA 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).

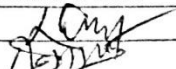
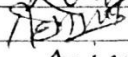
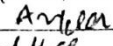
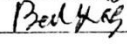
Signature of Group President

प्रधान / AW
महिला स्वयं सहायता समूह
धारा तै० डोडरा-क्वार

Signature of Group Secretary

सचिव / AW
महिला स्वयं सहायता समूह
धारा तै० डोडरा-क्वार

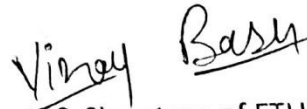
NAME & SIGNATURE OF AUTHORIZED SIGNATORIES

S.No.	NAME	DESIGNATION	SIGNATURE
1.	HEMRAJ NEGI	Vfds president	
2.	HIRA SINGH	Vfds Secretary	
3.	ANILA DEVI	Shg president	
4.	BAL KRISHNI	Shg secretary	

Submitted to DMU through FTU



Name & Signature of FTU Officer



Name & Signature of FTU Co-ordinator

Approved



Name & Signature of DMU Officer