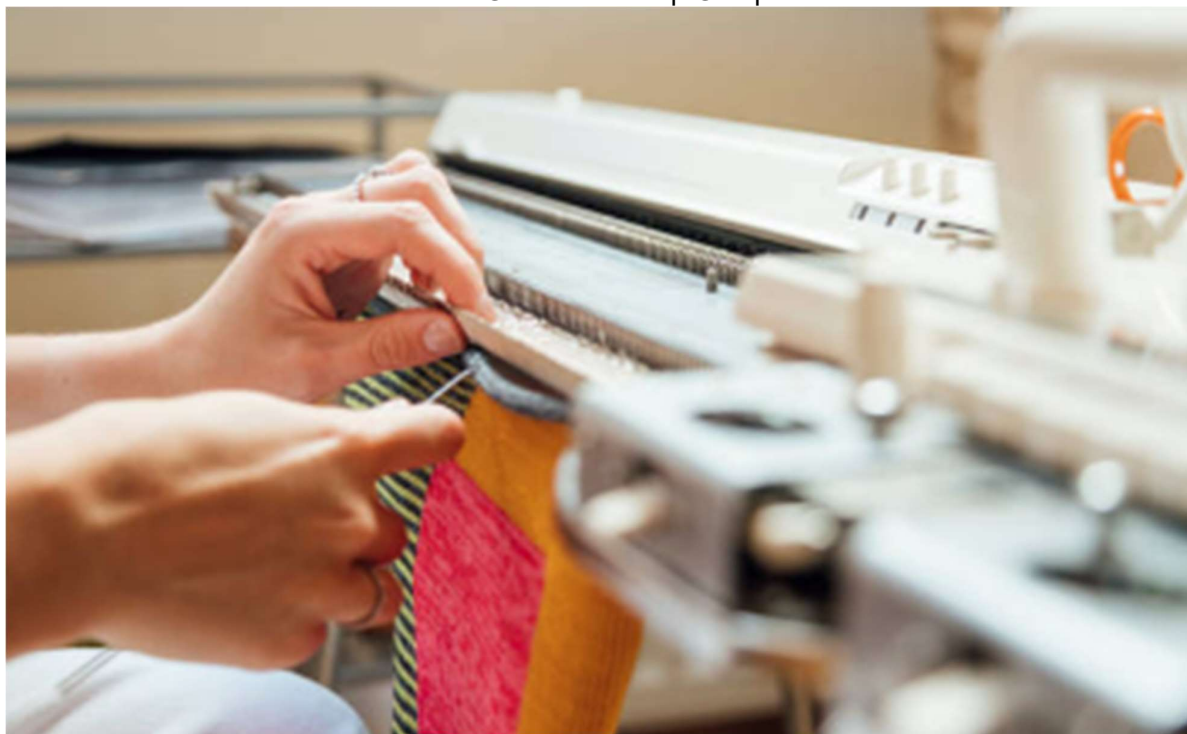


## BUSINESS PLAN

INCOME GENERATING ACTIVITY – Knitting

by

Sita Gouri - Self Help Group



SHG/CIG Name	::	Sita Gouri
VFDS Name	::	Kothi
Range	::	Manali
Division	::	Kullu

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 Sita Gouri SHG Kothi will be located at village Kothi. 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

1	SHG/CIG Name	::	Sita Gouri
2	VFDS	::	Kothi
3	Range	::	Manali
4	Division	::	Kullu
5	Village	::	Kothi
6	Block	::	Naggar
7	District	::	Kullu
8	Total No. of Members in SHG	::	10
9	Date of formation	::	30-03-2021
10	Bank a/c No.	::	
11	Bank Details	::	
12	SHG/CIG Monthly Saving	::	Rs 100/- (Total combined contribution of each Member)
13	Total saving	::	Rs 5000/- (Total combined contribution of each Member)
14	Total inter-loaning	::	--
15	Cash Credit Limit	::	--
16	Repayment Status	::	--

### 4. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address
1.	Mamta	Rakesh	31	Gen	Agriculture	Village Kothi PO Ha Bahang Manali
2.	Nirmala	Narender	31	Gen	Agriculture	Village Kothi PO Ha Bahang Manali
3.	Nirmala	Devinder	36	Gen	Agriculture	Village Kothi PO Ha Bahang Manali
4.	Babli	Ludar Chand	42	Gen	Agriculture	Village Kothi PO Ha Bahang Manali
5.	Purna Devi	Bintu Ram	25	Gen	Agriculture	Village Kothi PO Ha Bahang Manali
6.	Chandra Devi	Raj Kumar	28	Gen	Agriculture	Village Kothi PO Ha Bahang Manali
7.	Raina	Roshal Lal	28	Gen	Agriculture	Village Kothi PO Ha

						Bahang Manali
8.	Anuradha	Kamlesh Thakur	25	Gen	Agriculture	Village Kothi PO Bahang Manali

#### 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	56km
3.2	Distance from Main Road	::	1km
3.3	Name of local market & distance	::	Marhi (7.5km); Palchan (2km)
3.4	Name of main market & distance	::	Marhi (7.5m)
3.5	Name of main cities & distance	::	Manali (13.2Km)
3.6	Name of places/locations where product will be sold/ marketed	::	Marhi (7.5km); Palchan (2km)

### 6. Management

Knitting centre by 8 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 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 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 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

## 1. 12. 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.

<b>A.</b>		<b>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	1	28000	28000
2.	Knitting Machine Simple	8	6000	48000
3.	Knitting Design Book	1	1500	1500
4.	Gola Making Machine	5	600	3000
5.	Working table	10	1200	12000
6.	Plastic chairs	20	500	10000
<b>Total capital cost</b>		<b>102500</b>		

<b>B.</b>		<b>Recurring cost</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Rate</b>	<b>Amount</b>
1.	Raw Material Yarn	Per month	5000	40000
2.	Lubricating Oil		1400	1400
3.	Wear & tear	Per month L/S	1400	1400
<b>Total Recurring cost</b>		<b>42800</b>		

## 1. 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 8 items can be made available for sale. Keeping in view this production rate of approximately 200 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:

<b>Particulars</b>	<b>Total Amount (Rs.)</b>	<b>Project contribution (75%)</b>	<b>SHG contribution (25%)</b>
Total capital cost	102500	76875	25625
<b>Recurring cost</b>			
10% depreciation on capital cost/ month	854	-	854
Other expenditure per month	42800	-nil-	42800
<b>Total</b>	<b>43654</b>		43654

Total sale in a month (500\*200) = 100000

Total expenditure in first month (102500 + 43654) = 146154

However, an amount of rupees 76845 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>Capital cost</b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capital cost	102500	25625
<b>Recurring expenditure</b>		
i. i) 10% depreciation on capital cost per month	854	
i. i) Other expenditure on material cost etc.	42800	
Total	43654	43654
<b>Total cost</b>	<b>25625+43654=69279</b>	
<b>Total sale in 1st month</b>	<b>100000</b>	
<b>Net profit</b>	<b>56346</b>	

#### 1. 14. Sharing of the profit

The members of SHG has mutually agreed with consent voice that in the 1st month Rs. 32000 will be paid to each member as income and the remaining profit of Rs. 24346 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	102500	76875	25625
2	Total Recurring Cost	43654	0	43654
3	Trainings	40000	40000	0
	<b>Total outlay</b>	186154	116875	69279

#### 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-gradations 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.



**Group members Photos-**


Sr.No	Name	Photo
1.	Nirmala W/o Devinder	
2.	Babli W/o Luder Chand	

3.	<b>Chandra Devi W/o Raj Kumar</b>	
4.	Purna Devi W/o Bintu Ram	
5.	Nirmala W/o Narender	

6.	Bimla Devi	
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7.	Mamta W/o Rakesh	
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8.	Anuradha W/o Kamlesh Thakur	
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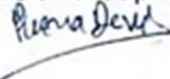
**Prepared by:** SHG members in consultation with DMU Kullu, FTU Manali Forest Range and JICA staff.

## Resolution-Cum-Group-Consensus-Form

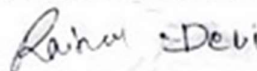
It is decided in the general house meeting of the group Sita Gaurii.....

Held on 20.06.2023 at Kotli that our group will undertake the knitting..... Livelihood income generation activity under the project for implementation of Himachal Pradesh Forest eco system management and livelihood (Jica assisted)

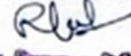
Signature of Group President



Signature of Group Secretary



Signature of President VFDS

  
प्रधान  
ग्राम जन विकास समिति कोठी  
ग्राम पंचायत बलवान  
तहसील मनाली जिला कुल्लु हि.प्र.


Signature of FTU-Cum-RFO

  
Range Forest Officer  
Forest Range Mandal

## Approval

Business plan knitting..... of SHG/CIG Sita Gaurii..... VFDS/VMC Kotli.....

Approved by divisional management unit cum Divisional Forest Officer Kullu on dated 19.09.2023

  
DMU-cum DFO Kullu,  
Kullu Forest Division Kullu