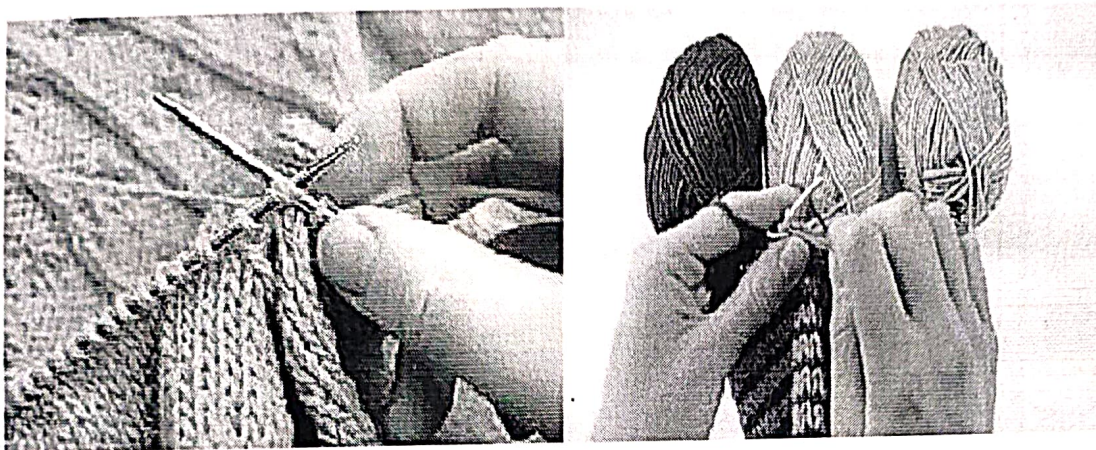


# BUSINESSPLAN

INCOME GENERATING ACTIVITY–Handloom (Knitting)

By

Dhrov SHG



SHG/CIGName-----Dhrov

VFDS Name----- Giri Ganga VFDS Shilli

Range-Jubbal

Division-----Rohru

**Prepared under:**



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

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## 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, hydro power 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 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 09 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. Description of SHG/CIG

3.1	SHG/CIG Name	::	Dhrov
3.2	VFDS	::	Giri Ganga VFDS Shili
3.3	Range	::	Jubbal
3.4	Division	::	Rohru
3.5	Village	::	Sanaba
3.6	Block	::	Jubbal
3.7	District	::	Shimla
3.8	Total No. of Members in SHG	::	8
3.9	Date of formation	::	6 march 2025
3.10	Bank a/c No.	::	45910102625
3.11	Bank Details	::	SBI Kharapathar
3.12	SHG/CIG Monthly Saving	::	100
3.13	Total saving	::	4000
3.14	Total inter-lending	::	
3.15	Cash Credit Limit	::	--
3.16	Repayment Status	::	--



**3. BeneficiariesDetail:**

<b>Sr.No</b>	<b>Name(Sh/Smt.)</b>	<b>Father/Husband Name(Sh.)</b>	<b>Age</b>	<b>Category</b>	<b>Address</b>	<b>IncomeSource</b>
1	SmtSuman Verma	w/o Praveen Kumar	43	GEN	Sanaba	Agriculture
2	Kavita	W/o Dharamender	29	Sc	Sanaba	Agriculture
3	Prabha Kumari	W/o Manmohan	32	Sc	Sanaba	Agriculture
4	Sandheera	W/o Hemraj	49	GEN	Sanaba	Agriculture
5	Ambika	W/o Prem Majta	35	Sc	Sanaba	Agriculture
6	Ganni Devi	W/o Jodh Ram	55	Sc	Sanaba	Agriculture
7	Dimple	w/o SurendermSingh	35	Sc	Sanaba	Agriculture
8	Shanta	W/o Inder Singh	60	Sc	Sanaba	Agriculture

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

4.1	Distance from the District HQ	::	80
4.2	Distance from Main Road	::	24
4.3	Name of local market&distance	::	Kharapathar 3km,Jubbal 8km, sawara 20km,
4.4	Name of main market &distance	::	Rohru 28km Shimla 80km
4.5	Name of main cities & distance	::	Shimla , 80 km and Rohru 28km
4.6	Name of places/locations where product Will be sold/marketed	::	Rohru kharapathar and Shimla

#### 5. 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 by Dhrov SHG having 8 members. They will hire a room in the village to begin their Knitting related activities and purchase a few knitting machines. Before starting the actual work, all members will be imparted a short-term capsule training course in knitting under the guidance of 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 they 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..

3. **Customers**

The primary customers of will mostly be local people around village Sanaba and kharaptahar

## **9. Target of the centre**

The centre primarily aim to provide unique modern and high class knitting service to the residents of Sanaba village in particular and all other residents of nearby villages.

## **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 toward 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 Market in 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	32000	64000
2	Working table	10	1200	12000
3	Plastic chairs	10	475	4750
4	Miscellaneous			5000
Total capital cost				85750

B.	Recurring cost
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Sr. No.	Particulars	Unit	Rate	Amount
1.	Roomrent	Per month	1500	1500
2.	Water&electricity	Per month	1000	1000
3.	Knittingyarnofdifferent colourand quality	Per month L/S	84000	84000
4.	Lubricatingoil&pipet	Permonth	1400	1400
5.	Wear&tear	Per month L/S	1400	1400
<b>TotalRecurring cost</b>				<b>89300</b>

#### Analysis of Income and expenditure (Monthly)

Sr.no	Particulars	Expenditure/Month (Rs)	Income per month (Rs)
1	10% Depreciation on Capital cost	714	
2	Total Recurring cost	89300	
3	Total	90014	
4	Net Profit (400 × 500)200000-90014	109986	
5	Distribution of Profit	Profit will be distributed equally among all the members.	

#### 12. Total production

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:

#### 13. Fund flow in the group:



Particulars	Total Amount( Rs.)	Project Contribution (75%)	SHG contribution (25%)
Totalcapitalcost	85750	64312	21437
Recurringcost	89300	00	89300

Total sale in a month  $(500 \times 400) = 200000$

Net profit per month  $200000 - 90014 = 109986$

However an amount of rupees 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 this 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**

Profit will be distributed equally among all members of SHG.

**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 Sanaba. 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"> <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/skillup-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>	

#### 18. Trainings/capacity building/skillup-gradation

Trainings/capacity building/skillup-gradation cost will be borne by project.

Following are some trainings/capacity building/skillup-gradation proposed/needed:

- Teamwork
- 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.



Shanti devi



Shanta devi



Suman



Sandhira



Dimple



Dimple



Prabha Kumari



Kavita



Ambika



## Rules of the House of Interest

1. Groupwork: handloom;
2. Total members of the group:

Monthly meeting of the group will be held on 15th of every month.

3. All the members of the group will deposit the amount saved every month in the group.
4. All the members will have to attend the meeting of the Self Help Group



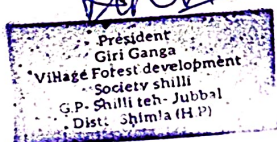
**Business Plan Approval by VFDS**

..... Dhroov SHG ..... 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) ..... 85750 ..... has been submitted  
by this group on dated ..... 13/05/2025 ..... and this business plan has been  
approved by ..... Giri Ganga VFDS ..... Shilli .....

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

Thank You

Signature of VFDS President



Signature of VFDS Secretary

Yashwant

### Resolution-Cum-Group Consensus

It is decided in the General House Meeting of the group.....*Dhruv*.....  
held on...*13/05/2025*...at...*Sanaba*... 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 ).

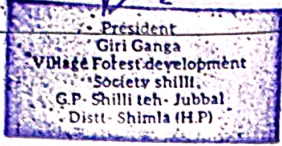
Signature of Group President

*Suman*  
Pradhan  
*Kavita*  
Secretary  
Dhruv SHG Sanaba  
G.P. Shilli Jubbal

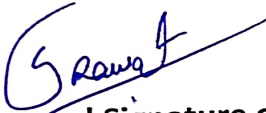
Signature of Group Secretary

*Suman*  
Pradhan  
*Kavita*  
Secretary  
Dhruv SHG Sanaba  
G.P. Shilli Jubbal

## Name and Signature of Authorize Signatories


	<p style="text-align: center;"> <i>Suman</i>      <i>Kavita</i>  <b>Pradhan</b>      <b>Secretary</b>  <b>Dhruv SHG Sanaba</b>  <b>G.P. Shilli Jubbhal</b> </p>
	<p style="text-align: center;"> <i>Suman</i>      <i>Kavita</i>  <b>Pradhan</b>      <b>Secretary</b>  <b>Dhruv SHG Sanaba</b>  <b>G.P. Shilli Jubbhal</b> </p>

Submitted to DMU through FTU

  
 Name and Signature of FTU Officer

  
 Name and Signature of FTU Coordinator

Approved

  
 Divisional Forest Officer  
 Rohru Forest Division  
 Name and Signature of DMU Officer