

BUSINESS PLAN

INCOME GENERATING ACTIVITY–Knitting

by

Majhotli 3-Self Help Group



SHG/CIG Name	::	Self Help Group Majhotli 3
VFDS Name	::	Majhotli
Range	::	Chaupal
Division	::	Chopal

Prepared under–



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

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1. Introduction

Himachal Pradesh is full of natural beauty and prosperity, culture and religious heritage. The state has diverse ecosystems, rivers and valleys. Its geographical area is 55673 square kilometers. The area from Shivalik hills to the middle Himalayas in Himachal Pradesh is a high altitude and cold zone. The main occupation of the people of the state is agriculture. Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project is being run in seven out of 12 districts of Himachal Pradesh with the cooperation of JICA. Shimla district is also included in this.

Sub-committees have been formed in this project in the Biodiversity Management Committees established in Shimla, Chaupal, Theog, Jubbal, Kotkhai forest areas in Wildlife Division Shimla and till now in the first phase of sub-committees, two self-help groups have been formed in each sub-committee, mostly women.

When Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project JICA started, a micro plan of the sub-committee has been made by the Biodiversity Management Committee. A self-help group of women has been formed in this sub-committee. In which Self Help Group Majhotli 3 is also included. The women of the group chose the activity of knitting sweaters, socks, caps, mufflers, coats etc. to increase their means of livelihood.

The main occupation of the people of the sub-committee is agriculture and horticulture, but the average land of most families is very less. Due to other resources being less and far away, the expected increase in livelihood, especially of women, is not happening. The people here mainly cultivate wheat, maize, barley and pulses along with vegetable production and cash crops like apple, plum, apricot etc. But to raise additional means of income, Majhotli 3 has decided to increase their livelihood by doing knitting work.

The Self Help Group was formed on 30/11/2023. There are total (08) members in this group and all are women. This same group was made aware of all the types of assistance given to the self-help group under the project and after discussing in detail, the women of the group decided to knit warm clothes for men, women and children made of threads as per the local trend and latest fashion.

Although most of the women are skilled in hand knitting, but with the help of the project, initially training will be given to knit on machines for sweaters, socks, caps, coats, mufflers etc., on which the project will bear the cost of one month's trial of about ₹ 4000 per member. Although all the women included in the group are from the general caste and belong to very poor families economically. Therefore, 75% of the capital expenditure will also be borne by the project. Apart from this, 1,00,000 revolving fund will be given. The revolving fund will help them in taking a loan from the bank if needed. Being financially weak, these women are hesitant to take a bank loan. Hence, they have decided to bear the required capital expenditure by depositing cash themselves. The group has decided that all the members will divide the work among themselves as per the terms and conditions and will equally divide the dividend according to the work.

The members will have sufficient time from November to March to work on this income generating activity, while in other months farming related work will be in progress. Due to which less time will be available as compared to winter months. Thus, the group members will take out an average of 5-6 hours per day to run this livelihood generating activity.

2. Description of SHG/CIG

2.1	SHG/CIG Name	::	Self Help Group Majhotli 3
2.2	VFDS	::	Majhotli
2.3	Range	::	Chopal
2.4	Division	::	Chopal
2.5	Village	::	Majhotli
2.6	Block	::	Chopal
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10
2.9	Date of formation	::	04-08-2021
2.10	Bank a/c No.	::	04110110063163
2.11	Bank Details	::	UCO Bank
2.12	SHG/CIG Monthly Saving	::	200 /-
2.13	Total saving	::	51700
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

3. Beneficiaries Detail:

S.No.	Name	Father / Husband Name	Education	Age	Category	Income Source	Address	Contact No
1.	Mrs. Kamlesh	W/O Yogeshwar	MA	43	General	Agricultural	Village Majhotli	9805805224
2.	Pushpa Sharma	W/O Kulanand	10 th	64	General	Agricultural	Village Majhotli	9459176240
3.	Bavita	W/O Arun	MA	33	General	Agricultural	Village Majhotli	7876429403
4.	Vidya	W/O Bhag Singh	10 th	47	General	Agricultural	Village Majhotli	9816694429
5.	Rincky	W/O Rajeev	10th	39	General	Agricultural	Village Majhotli	9459983214
6.	Santoshi Sharma	W/O Nikaram	MA	45	General	Agricultural	Village Majhotli	8894478508
7.	Santoshi	W/O Rameshwar	+2	39	General	Agricultural	Village Majhotli	9805149111
8.	Anjana Sharma	W/O Pankaj	MA	34	General	Agricultural	Village Majhotli	7807220957
9.	Basanti	W/O Ishwar Dutt	5 th	47	General	Agricultural	Village Majhotli	9816257048
10	Pinki	W/O Dalip	10 th	44	General	Agricultural	Village Majhotli	9816635948

4. Geographical details of the Village:

3.1	Distance from the District HQ	::	110km
3.2	Distance from Main Road	::	10km
3.3	Name of local market & distance	::	Chopal, 10km.
3.4	Name of main market & distance	::	Nerwa, Chopal, 26km and 10km
3.5	Name of main cities & distance	::	Shimla 110km
3.6	Name of places/locations where product will be sold/ marketed	::	Nerwa, Chopal

5. Formation of group as a context of activity

A. Need for a business plan

Majhotli 3 village falls in Majhotli forest area Chaupal, this village already had a women's group, the women of the group have decided to do weaving work. While talking to the people at the beginning of the project work, they were told about the arrangement of incentives by the project for such groups, and on the interest shown by the women, a self-help group was formed in the project. All the women of self-help group Majhotli 3 want to increase their livelihood by doing weaving work. Most of the women of the group already do weaving work by hand stitching, but with weaving machines it will take less time to make each item. The women do not have weaving machines, nor are they trained in machine weaving. Due to these reasons, their livelihood has not increased in proportion to the time spent in this work, so the women, through the group, have demanded weaving machines and high testing from the project.

b. Objectives of the scheme

To build the capacity of all the members of the group.

- To provide a source of sustainable income for the people.
- To link the product to the proper market.
- To motivate all the members to work in the group.
- To promote the latest and modern techniques of weaving

C. The business plan includes the following tasks

Women and men's sweaters, coats, socks, mufflers, caps, children's warm clothes etc. will be knitted on the machine.

D. Description of the functions of the business plan

- a) Community mobilization:- Under this, after creating awareness and social mobilization among the villagers, the option of livelihood enhancement is selected and the beneficiaries are shortlisted for it.
- b) Capacity building:- For capacity building of the beneficiaries, it is necessary to provide them proper training, the expenditure on which will be provided by the project.
- c) Distribution of sewing machines etc.:- Good quality machines should be made available to all the members of the group so that they can do more work in less time and the products also show saleable cleanliness.
- d) Linking to the market:- According to the women, initially they will do knitting work for the people living in their village and nearby villages and for children, which will generate income for their group. After that, according to the demand in the market, they will make warm clothes woven with threads for men, women and children in different designs and sell them in the nearby markets. To sell its product, the group is ready to establish relations with any government and private society with appropriate conditions.
- e) Linking with financial institutions and related departments:- To take the business forward, sufficient efforts will be made to link the group with financial institutions and they have been made aware of the loan facilities being given by various banks and in the event of taking a loan, the project will link them with the banks. 5% of the interest on the loan will also be paid directly to the bank by the project.
- f) Market information:- Possibilities of making knitted garments as per the demand will be explored and they will be sold in the nearby villages and nearby towns.

i. Required assistance and resources:-

- a. Since the women of the group are from very poor families, 75% of the capital expenditure will be supported by the project, the remaining part will be borne by the members. Apart

from this, the group will take forward the work by taking recurring expenses from its savings, revolving fund or by taking a bank loan.

b. Total workers 06 members.

c. Technical assistance: Provision of proper training will be made by the project by appointing a master trainer in the village itself.

6..Description of the production process

First of all, the members of the self-help group will be given training in knitting of coats, sweaters, children's sets, caps, socks etc. by any skilled organization or institute. 10 members of Majhotli 3 will do this work. After testing, the group will do this work at a higher level according to the demand.

7. Marketing

7.1	Potential work	area Nearby villages and nearby markets Nerwa, Chaupal, Shimla etc.
7.2	Estimation of potential work	Coats, sweaters, children's sets, caps, socks etc.
7.3	ssibility of work according to seasonal changes	this work will be done throughout the year although demand will be less during the 4 months of summer.
7.4	Identified customers	<input type="checkbox"/> <input type="checkbox"/> Women, men and children of villages and towns; most of the buyers of finished products will be tourists.
7.5	ategy for availability of work Direct contact	<input type="checkbox"/> will have to be established to sell the product or take up knitting work in handicraft showrooms and shops.
7.6	Priorities Coats,	sweaters, children's sets, caps, socks etc. Apart from this, knitting of mufflers, scarves etc. of warm threads will also be done as per demand.

8.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

9.Calculation/estimation of the cost of estimated machine and product for the enterprise

CAPITAL COST

Sr.No.	ACTIVITY No.	No.	ESTIMATED Cost	TOTAL EXPENSES
1	CARD MACHINE)	03	33000	99000
2	SIMPLE KNITTING MACHINE)	3	8000	24000
3	KNITTING DESIGN BOOK	5	1500	7500
4	BALL MAKING MACHINE	3	1200	3600
CAPITAL COST				134100/-

10. RECURRING COST

Sr.No	DESCRIPTION	UNIT	QUANTITY	UNIT COST	TOTAL CAPITAL
1	Punch card knitting machine	Per month	1	2000	2000
2	Knitting machine (simple)	Per month	1	1000	1000
3	knitting thread	Per month	L/S	80000	80000
4	Gola making machine	Per month	L/S	2000	2000
5	Working table	Per month		3000	3000
6	Plastic chairs	Per month		2000	2000
	TOTAL RECURRING COST				90000/-

NOTE: GROUP MEMBERS WILL DO THE WORK THEMSELVES HENCE LABOUR COST IS NOT INCLUDED AND MEMBERS WILL MANAGE THE TASK LIST TO BE FOLLOWED AMONG THEM.

11.COST OF PRODUCTION (MONTHLY)

Sr.	DESCRIPTION	AMOUNT
1	TOTAL RECURRING COST	90000/-
2	10% DEPRECIATION ON CAPITAL COST (101100)	13410/-
	GRAND TOTAL	103410/-

12. Cost Benefit Analysis (Monthly).

Sr.No	Particulars	Total Amount
1	Total Recurring Cost	134100/-
2	TOTAL SALE AMOUNT	156000/-
3	NET PROFIT	57000/-
4	STATEMENT OF NET PROFIT	<p>1. OUT OF THE TOTAL RS. 156000 IN THE FIRST MONTH, RS. 1 LAKH WILL BE KEPT FOR FUTURE RECYCLING</p> <p>2. OUT OF THE TOTAL SALES, THE REMAINING RS. 56000 WILL BE KEPT IN THE ACCOUNT OF SELF HELP GROUPS (SHGS).</p>

13.Fund flow in the group:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	134100/-	100575/-	33525/-
2	Total Recurring Cost	90000/-	0	90000/-
3	Training	40000/-	40000/-	0
	Total outlay	264100/-	140575/-	123525/-

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.

18.Group members Photos-



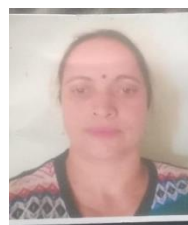
बसन्ती



अन्जना शर्मा



सन्तोषी शर्मा



सन्तोषी शर्मा



बवीता



कमलेश



पिकी



विद्या शर्मा



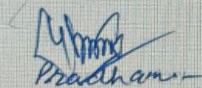
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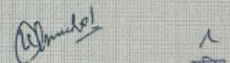


रिकी

आज दिनांक 4 जनवरी 2024 को JICA ward मसोदली की बैठक Self help group (स्वयं सहायता समूह) मसोदली-3 के साथ B.P.S. Chohan में हुई। बैठक में SHG Mangholi-3 ने प्रस्ताव रखा कि समूह को स्वीकृत Verming compost Project पर काम करना इसलिए सम्भव नहीं है कि समूह की सभी महिलाओं के घर एक-दूसरे से काफी दूरी पर हैं। अतः समूह ने यह निवेदन किया कि Verming compost Project को बदलकर बुनाई (knitting project) को स्वीकृत करने की कृपा करें।

प्रस्ताव को सूक्ष्म प्रती मूल प्रस्ताव से लिया गया है जिसे कार्यवाही रजिस्टर में लिखित रूप में संरक्षित किया गया है।


Pradham

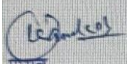

प्रधान
स्वयं सहायता समूह मसोदली (3)
ग्राम पंचायत लाणा

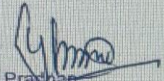
प्रमाण पत्र

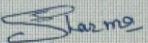
बुनाई आय सृजन गतिविधि के लिए स्वयं सहायता समूह सहायता 3 कि
व्यवसाय योजना ग्रामीण वन विकास समिति के सामान्य सदन के समक्ष मंडोली को अनुमोदन
हेतु प्राप्त विभिन्न सदस्यों द्वारा लम्बी चर्चा और विचार - विमर्श के बाद, व्यवसाय योजना को स्वयं सहायता समूह
में अपनाने और स्वयं सहायता समूह के सदस्यों द्वारा आगे कार्यान्वयन के लिए अनुमोदित किया गया।

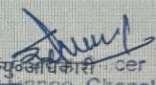
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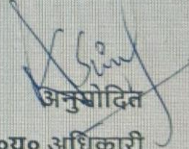
स्थान:- चौपाल


प्रधान
स्वयं सहायता समूह (3)
ग्राम सहायता समूह


Pradhan
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ग्रामीण वन विकास समिति


Treasurer
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Pradhan
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Society, Mandoli, P/O & Teh.
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ग्रामीण वन विकास समिति


अनुमोदित

डी०एम०यू० अधिकारी
वन मण्डल चौपाल