



Income generating activity
business plan
Cutting , Sewing and Knitting of Sweaters and Socks
2022



| | | |
|--------------|---|-----------------------|
| SHG/Name | - | Goonj self help group |
| VFDS Name | - | Prakriti |
| FTU/Range | - | Jhanduta |
| DMU/Division | - | Bilaspur |
| FCCU/Circle | - | Bilaspur |

| | |
|------------------------------------|--|
| sponsored by P.I.H.P.F.E.M. & L | prepared by:- DMU Bilaspur , F.T.U. jhanduta and Goonj SHG |
|------------------------------------|--|

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Introduction

Himachal Pradesh is a majestic , mythical land and is famous for its beauty and serenity , rich culture and religious heritage. The state has diverse ecosystems , rivers and valleys , and has a population of 7.5 million and covers an area of 55,673 sq km ranging from the foothills of the Shivalik mountains to the middle hills (300 - 6816 m above MSL) , high hills and the cool arid regions of the upper Himalayas . It is spread over valleys in which several perennial rivers flow. About 90% of the state's population lives in rural areas. Agriculture , horticulture , hydropower and tourism are important components of the state's economy. The state has 12 districts and has a high population density.

The district is situated along the border of Punjab and is the gateway for its tourist destinations and Himalayan tours , the routes for Himalayan tours from Bilaspur district connects Mandi, Kullu , Shimla, Solan , Hamirpur and Kangra districts .

This district is famous for its ancient settlements and traditional agriculture, with the Sutlej river as its main lifeline. And after the construction of Bhakra Dam , most of the fertile land area of this district has become submerged .

Forests and forest ecosystems are repositories of rich biodiversity , and play a vital role in preserving fragile sloping lands and were the primary sources of livelihood for the rural population. Rural people are directly dependent on forest resources for their livelihood and socio-economic development. The harsh reality is that these resources are continuously depleting due to overexploitation such as for fodder , fuel , NTFP extraction, grazing , fire and drought etc.

self help groups have been formed to implement livelihood improvement activities under Ghandhir Forest Rural Development Committee . One of these , "Ghoonj" self help group, is engaged in cutting , stitching and knitting of sweaters and socks . The group members belong to the weaker sections of the society and have small land holdings. To enhance her socio-economic status , she decided to take up cutting , tailoring and knitting of sweaters and socks. Technical support for preparing the business plan was provided by Dr. Pankaj Sood , Principal Scientist , Dr. Kavita Sharma and DS Yadav , Krishi Vigyan Kendra, Sunder Nagar , Mandi . The team comprising Vijay Kumar , subject expert , Office of Forest Division Suket , Anita Sharma, Field Technical Unit Coordinator, Jhanduta Range, Narendra Kumar, Forest Guard , Ghandir Beat and Gyan singh, Block Forest Officer, Block Forest Gochar contributed in preparing the business plan under the constant supervision and guidance of Ved Prakash Pathania, retired H.P.F.S.

executive Summary

Prakriti Van Gramin Vikas Samiti:-

Prakriti Forest Rural Development Committee is organized in Malangan Revenue District . This Forest Rural Development Committee has been formed in Gram Panchayat , Malangan . It is located in Jhanduta block of Bilaspur district in Himachal Pradesh , Prakriti Van Gramin Vikas Samiti Bilaspur Forest Division Management Unit(DMU) It falls under Ghandir beat of Gocharvan block under Jhanduta forest range of ,

| | |
|--------------------|------------|
| Number of families | 49 |
| BPL Families | 12 =20.33% |
| total population | 230 |

Details of Self Help Group

Informal Goonj Self Help Group was formed in March 2021 under Prakriti Van Gramin Vikas Samiti to provide livelihood improvement support by upgrading skills and capacities . The group comprises of poor and marginal farmers. Goonj Self Help Group is a women's group (8 women) consisting of marginal and financially weak sections of the society with less land resources. Though all the members of the group grow seasonal vegetables etc. but since the land holdings of these members are very small and irrigation facilities are less and the production level has reached near saturation , to meet their financial requirements they decided to take up cutting , tailoring and knitting which can increase their income. There are 08 members in this group and their monthly contribution is Rs 50 /- per month. The details of the group members are as follows:-

Self Help Group Members Details with Photo

| Cross | Name | Post | Social class | Age | Educational qualification | Mobile Number |
|-------|----------------|-----------|--------------|-----|---------------------------|---------------|
| 1. | kamlesh kumari | Prime | General | 41 | 10th | 98 05811035 |
| 2. | Babli Devi | Secretary | General | 32 | 10th | 8580538751 |
| 3. | Neelam Kumari | Member | General | 26 | +2 | 7807173576 |
| 4. | Meera Devi | Member | General | 41 | 10th | 8580533998 |
| 5. | Rachna Devi | Member | General | 39 | 10th | 7018726336 |
| 6. | Sunita Devi | Members | ordinary | 47 | 5 th | 9817164515 |

| | | | | | | |
|----|--------------|---------|----------|----|------------------|------------|
| 7. | Phula Devi | Members | ordinary | 42 | 8 th | 9805819533 |
| 8. | Aarti Thakur | Members | ordinary | 32 | 10 th | 7303112623 |



Kamlesh Kumari (Principal)



Babli Devi (Secretary)



Mira Devi (Member)



Rachna Devi (Member)



Sunita Devi (Member)



Neelam Kumari (Member)



Aarti Thakur (Member)



Phula Devi (Member)

Goonj self-help group

| | | |
|------------------------------------|---|--------------------------------|
| Name of SHG | - | Goonj |
| SHG/CIG MIS Code Number | - | , |
| VFDS | - | Prakriti |
| Enclave | - | jhanduta |
| Forest Division | - | Bilaspur |
| Village | - | Malangan |
| Section | - | jhanduta |
| District | - | Bilaspur |
| Total number of members in the SHG | - | 08 |
| Date of formation | - | March 20 21 |
| Name and details of the bank | - | HP STATE CO-OP BANK Berthin |
| Bank account number | - | 10410120158 |
| SHG/Monthly Savings | - | Rs. 50/- per month |
| Total savings | - | 6000/- |
| Total Inter-Loan | - | Yes |
| cash credit limit | - | , |
| Repayment Status | - | quarterly basis |

Geographical description of the village

| | | |
|---|---|--|
| away from district headquarter | - | 35 Km |
| away from the main road | - | 0 Km (but 100 to 200 mts from main road) approx |
| Local market and distant name | - | Jhanduta 20 Km , Barthi 17 Km Bilaspur 45 km approx. |
| Names and distances of major cities | - | Jhanduta 20 Km , Barthi 7 Km Bilaspur 35 km approx. |
| Names of major cities where The products will be sold/marketed | - | Jhanduta , Barthi , Bilaspur |
| Backward and Forward Linkage status | - | The back link lies in training (Agricultural Science Centres) and the front link lies in market suppliers etc. |
| | - | |

Description of the product related to the income generating activity

| | | |
|----------------------------------|----|--|
| Product Name | - | Stitched Suit |
| Method of product identification | :: | However the entire group members grow seasonal vegetables and traditional crops. Since their land holding is small , saturation point of production has been reached , they are not able to meet their financial needs , hence it was decided by the group member that cutting , tailoring and weaving will increase their income. |
| Consent of SHG/CIG/ Group | - | The consent is attached as annexure. |

Description of the production plan

| | | |
|---------------------------------|---|--|
| It takes time | - | 1 suit takes approximately 3-4 hours to complete |
| The number of women involved | - | all women. |
| Source of raw materials | - | Local Market / Main Market / Local People |
| Source of other resources | - | Local Market / Main Market |
| Required stitched suits per day | - | 5 suits in the beginning |

Marketing /Sales Details

| | | |
|-----------------------------------|---|---|
| Potential Market Place / Location | - | Embedded Village - Sarua Dhar |
| | - | Nearby Institutions - Schools , Colleges etc |
| demand for sewing work | - | High demand throughout the year and during festive and wedding occasions. |
| market identification process | - | Group members will contact nearby villagers/households/institutions. |

| | | |
|--------------------|---|---|
| marketing strategy | - | SHG members will take orders (individual level/group level) directly from nearby villagers/households/institutions. |
|--------------------|---|---|

risk analysis

- skill based
- as per need
- Highly competitive market

Management details among members

By mutual consent the members of the SHG group will decide their roles and responsibilities for carrying out the work. Work will be divided among the members according to their mental and physical capabilities.

- Some group members will be involved in the pre-production process (i.e. procurement of raw materials, etc.)
- Some group members will be involved in the production process.
- Some members of the group will be involved in packaging and marketing.

Economics details of:

| Capital Cost | | | |
|--------------------------|--------|------------|--------------------|
| Description | amount | Unit Price | Total Amount (Rs.) |
| Sewing Machine | 05 | 8000 | 40000 |
| Interlock Machine | 1 | 6000 | 6000 |
| Tailor scissors | 10 | 400 | 4000 |
| Sewing Ruler (Lace) Set | 10 | 600 | 6000 |
| Sewing Tailor Tap | 10 | 100 | 1000 |
| Iron Press | 2 | 500 | 1000 |
| wardrobe | 3-4 | About | 5000 |
| Fork | 2 sets | 400 | 800 |
| chairs , tables etc | About | About | 5000 |
| Total capital cost (A) = | | | 68800 |

| B. | recurring cost | | | | |
|---------------|--|-------------------|--------|-------|--------------------|
| Serial Number | Description | Unit | amount | price | Total Amount (Rs.) |
| 1 | sewing threads | Reels/Suits/Month | 180 | 10 | 1800 |
| 2 | Other finishing materials (bookram , collars , etc.) | Suit/Month | About | About | 4000 |

| | | | | | |
|---------------------------------|---|-------|--|--|-------------|
| 3 | Rent | month | | | 1000 |
| 4 | Others (stationary , electricity bill , transport , machine repair) | month | | | 1000 |
| Total Recurring Cost (B) | | | | | 7800 |

| Cost of Production (Monthly) | |
|---|---------------------|
| Description | Amount (Rs.) |
| Total recurring cost | 7800 |
| Depreciation at 10% per annum on capital cost | 600 |
| Total | 8400 |

| Stitched Suit Cost (Per Suit) | | | | |
|--------------------------------------|-------------|---------------|---------------------|--|
| Description | Unit | amount | Amount (Rs.) | |
| Ordinary suit | 1 | 1 | 250-300 | |
| Others(Plazo , Lining etc) | 1 | 1 | 300-350 | |

income and expenditure Of Analysis (Monthly):

| Description | Amount (Rs.) |
|---|--|
| Depreciation at 10% per annum on capital cost | 600 |
| Total recurring cost | 7800 |
| Total suits stitched per month | 150 (approx. qty) |
| tailored suits Selling Price (per suit) | 250 |
| Income Generation (150*250) | 37,500 |
| Net Profit (37,500 – 8700) | 28,800 |
| distribution of net profit | <ul style="list-style-type: none"> The profit will be distributed equally among the members on monthly/yearly basis. Profits will be used for further investments in IGA |

Finance requirement:

| Description | Total Amount (Rs.) | Project contributions | SHG Contribution |
|----------------------|---------------------------|------------------------------|-------------------------|
| total capital cost | 68800 | 34,400 | 34,400 |
| Total recurring cost | 7800 | 0 | 7800 |

| | | | |
|--------------|---------------|--------------|--------------|
| Training | 50000 | 50000 | 0 |
| Total | 126600 | 84400 | 42200 |

Pay attention–

- **Capital Cost** – 50% of the capital cost to be covered under the project
- **recurring cost** – To be borne by SHG/CIG.
- **Training/Capacity Building/Skill Upgradation** – will be borne by the project

Finance Source:

| | | |
|------------------------------|---|--|
| Project Support | <ul style="list-style-type: none"> • 50% of the capital cost will be used for purchasing machines. • 1 lakh will be deposited in the SHG bank account. • Training/Capacity Building/Skill Upgradation costs. | The machines will be purchased by the respective DMU/FCCU after following all the codal formalities. |
| Self Help Group Contribution | <p>50% of the capital cost will be borne by the SHG.</p> <p>Recurring costs to be borne by the Self Help Group</p> | |

Training/Capacity Building/Skill Upgradation

Training/capacity building/skill upgradation cost will be borne by the project.

Following are some of the training/capacity building/skill upgradation proposed/required:

- Teamwork
- Quality Control
- Packaging and marketing
- financial management

Loan Repayment Schedule– If the loan is taken from a bank it will be in the form of cash credit limit and there is no repayment schedule for CCL ; however , monthly savings and repayment receipts from the members should be sent through CCL.

- In CCL , the outstanding principal of the SHGs should be paid in full to the banks once a year. The interest amount should be paid on a monthly basis.
- In term loans , the repayment should be done as per the repayment schedule in banks.

Monitoring method –

- The Social Audit Committee of VFDS will monitor the progress and performance of the IGA and suggest corrective actions, if necessary, to ensure the operation of the unit as per projections.

- The SHG should review the progress and performance of each member's IGA and suggest corrective actions, if necessary, to ensure the operation of the unit as per projections.

Comment:

Keeping in view the future income of the group the second proposed activity by the group is Sweater and Socks knitting. As it was decided in principle during the review mission that more than one activity should be included in a business plan, hence the second proposed activity is enclosed below.

Bussiness plan

Sweater and Sock Knitting

By

goonj self help group

executive Summary

Production of sweaters and socks is a method through which people will get economic benefits and villagers can increase their livelihood by producing sweaters and socks at low cost. Through this, poor families can increase their income substantially . But the problem in running this activity in rural areas is that sweater and sock production is being done in traditional way in villages due to which production is very low. To overcome this problem and to produce good quality at low cost, advanced knitting machines have been developed with new scientific technology. With the help of which the people of the village can prepare good quality products in less time and can earn income.

Expense details :-

| Capital Cost | | | |
|-----------------------------|--------|------------|--------------------|
| Description | amount | Unit Price | Total Amount (Rs.) |
| Knitting Machine | 0 2 | 8000 | 16,000 |
| Thread Roller | 01 | 6000 | 6,000 |
| knitting machine (carded) | 01 | 50000 | 50,000 |
| Small scissors | 05 | 150 | 750 |
| weighing machine | 1 | 2000 | 2,000 |
| Storage Box | 01 | 5000 | 5000 |
| Total capital cost = | | | 79750 |

| recurring cost | | | | |
|---|----------|--------|-------|--------------------|
| Description | Unit | amount | price | Total Amount (Rs.) |
| Woollen Yarn (Oswal) | kg/month | 78 | 700 | 54600 |
| 2 ply fleece | kg/month | 24 | 400 | 9600 |
| Others (paper , electricity , water Bill for repair of machine) | month | 1 | 1000 | 1000 |
| recurring cost | | | | 65200 |

| Cost of Production (Monthly) | |
|---|--------------|
| Description | Amount (Rs.) |
| Total recurring cost | 65200 |
| Depreciation at 10% per annum on capital cost | 700 |
| Total | 65900 |

Cost of production :-(per month)

Average production of sweaters by a member in a month = 8 nos.

(if working for 3-4 hours per day)

Average production of group sweaters per month = 130 nos.

Average production of socks by a member in a month = 15 pairs

(if working for 3-4 hours per day)

Average production of group per month = 240 No. of pairs

Wool requirement for 130 nos. of sweaters = 78 kg

Average market price of wool = Rs 54600/-

Wool yarn required for 240 pairs of socks = 24 kg

Market value of sock threads = Rs 9600/-

Income per month :-

Average production of the group in a month (sweaters) = 130 nos.

a sweater = Rs 800/-

Average income of the group = Rs.1,04,000/-

Average production of the group (socks) in a month = 240 pairs

Average market price of a pair of socks = Rs 150/-

Average income of the group = Rs.36,000/-

Profit per month :-

Group profit per month = Average income – Average cost

$$= (104000 + 36000) - (54600 + 9600)$$

$$= 75800/- \text{ Rs.}$$

Benefit per person per month = Rs 9475

This also includes the wages of the group members

The total cost of the project is

Capital cost = 68800/-

Recurring cost = 7800/-

Total for cutting , stitching = 76600/-

The cost of sweater and sock knitting project is

Capital Cost = 79750/-

Recurring cost = 65200/-

Total for sweater and sock knitting project = 144950/-

The total sum of the business plan is Rs. Only **Rs 221550/-**

| Serial Number | business plan | capital cost | recurring cost | Part of the project | Beneficiary Contribution | Total Cost |
|---------------|---------------------------|---------------|----------------|---------------------|--------------------------|---------------|
| 1. | cutting , sewing | 68800 | 7800 | 34400 | 34400 | 76600 |
| 2. | Sweater and Sock Knitting | 79750 | 65200 | 39875 | 105075 | 144950 |
| | Total | 148550 | 73000 | 74275 | 139475 | 221550 |

Annexation

We all group members have given consent to actively participate in the IGA activity selected by the group (Cutting , Tailoring and Sweater & Sock Knitting) as per the guideline of JICA project for HP Ecosystem Management and Livelihood Improvement and coordination with VFDS.

The details of the members are as follows

| Cross | Name | Position | Class | Age | Signature |
|-------|----------------|-----------|---------|-----|-----------|
| 1. | Kamlesh Kumari | Chief | General | 41 | |
| 2. | Babli Devi | Secretary | General | 32 | |
| 3. | Neelam Kumari | Member | General | 26 | |
| 4. | Meera Devi | Member | General | 41 | |
| 5. | Rachna Devi | Member | General | 39 | |
| 6. | Sunita Devi | Member | General | 47 | |
| 7. | Phula Devi | Member | General | 42 | |
| 8. | Aarti Thakur | Member | General | 32 | |
| 9. | Kamlesh Kumari | Chief | General | 41 | |

Signature
Secretary Self Help Group

Signature
Pradhan self help group

Signature
Secretary ,Forest Rural Development
Committee

Signature
Pradhan ,Forest Village Development
Committee

Signature
Forest Guard

Signature
Division forest officer

Signature
forest range officer

Accepted by DMU