

BUSINESS PLAN

INCOME GENERATING ACTIVITY– Crochet

by

Lakshmi- Self Help Group



SHG/CIG Name	::	Lakshmi
VFDS Name	::	Nasogi
Range	::	Manali
Division	::	Kullu

Prepared under –



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

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1. Description of SHG/CIG

1	SHG/CIG Name	::	Lakshmi
2	VFDS	::	Nasogi
3	Range	::	Manali
4	Division	::	Kullu
5	Village	::	Nasogi
6	Block	::	Naggar
7	District	::	Kullu
8	Total No. of Members in SHG	::	10 - females
9	Date of formation	::	01/02/2022
10	Bank a/c No.	::	110039828270
11	Bank Details	::	Canara Bank Manali
12	SHG/CIG Monthly Saving	::	200
13	Total saving	::	26000
14	Total inter-loaning	::	--
15	Cash Credit Limit	::	--
16	Repayment Status	::	--

2. Beneficiaries Detail

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address
1	Tikmi Devi	Managl chand	31	General	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
2	Ram Pyari	Yugal Kishor	41	General	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
3	Thakri Devi	Roop lal	49	OBC	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
4	Tejji Devi	Raj kumar	40	OBC	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
5	Gaytri	Hari krishan	38	OBC	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
6	Aillu Devi	Chanm Lal	55	General	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
7	Seema Devi	Naresh thakur	31	General	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
8	Yuva	Maan chand	33	SC	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
9	Beena Devi	Bishan dass	36	OBC	Agriculture	Vill Nasogi PO & The Manali District Kullu HP
10	Ranu	Fathe Chand	25	OBC	Agriculture	Vill Nasogi PO & The Manali District Kullu HP

3. Geographical details of the Village

1	Distance from the District HQ	40.6 Kms
2	Distance from Main Road	2 Kms
3	Name of local market & distance	Manali 2 Kms
4	Name of main market & distance	Manali 2 Kms Hadimba Temple 1 Kms
5	Name of main cities & distance	
6	Name of main cities where product will be sold/ marketed	Manali

4. Executive Summary

Crochet making income generation activity has been selected by Lakshami Self Help Group. This IGA will be carried out by all ladies of this SHG. Crochet making will be made by this group initially. This activity is being already done by some ladies of this group. This business activity will be carried out whole year by group members. The process of making Knitting takes around 10-14 days. Approximately one sweater will be manufactured by 1000 – 3,500 yards of yarn depending on thickness of wool. Production process includes process like knitting via crochet, stitching if needed, washing and drying etc. Initially group will manufacture crochet products but in future group will manufacture other products which follow same process. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially. Selling price of 1 sweater of Crochet will be around 500 per piece depending on quality of yarn.

5. Description of Product related to Income Generating Activity

1	Name of the Product	::	Knitting (Wheat seeds)
2	Method of product identification	::	This product is being already made by some SHG ladies
3	Consent of SHG/ CIG / cluster members	::	Yes

6. Description of Production Processes

- Group will make crochet products. This business activity will be carried out whole year by group members.
- The process of making Knitting takes around 7-14 days.
- Based on assumption -1 piece of 40 size of sweater will be manufactured by 1000- 3500 Yards of yarn. (700-1000 grams)
- Production process includes process like crochet knitting, stitching if required, washing and drying etc.
- Initially group will manufacture 50-100 crochet products such as caps, mufflers, poncho, scarfs, sweaters per month and in future, group will manufacture as per demand and will also make other products which follow same production process.

7. Description of Production Planning

1	Production Cycle (in days)	::	10-14 days
2	Manpower required per cycle (No.)	::	All SHG Women
3	Source of raw materials	::	Local market
4	Source of other resources	::	Main market
5	Quantity required per cycle (Kg)	::	100 kg Yarn (initially)
6	Expected production per cycle (Kg)	::	100 Products (initially)

Requirement of raw material and expected production

Sr.no	Raw material	unit	Time	Quantity	Amount per kg (Rs)	Total amount	Expected production (Kg)
1	Yarn	Kg	Monthly	50	1000	50000	50

8. Description of Marketing/ Sale

1	Potential market places	::	Manali Mall- 2, Hadimba- 1Km,
2	Distance from the unit	::	
3	Demand of the product in market place/s	::	Daily demand

4	Process of identification of market	::	Group members, according to their production potential and demand in market, will select/list retailer/wholesaler. Initially product will be sold in near markets.
5	Marketing Strategy of the product		SHG members will directly sell their product through village shops and from manufacturing place/shop. Also by retailer, wholesaler of near markets. Initially product will be sold in 1 Kg packaging.
6	Product branding		At CIG/SHG level product will be marketed by branding CIG/SHG. Later this IGA may required branding at cluster level
7	Product "slogan"		"A product of SHG"

9. SWOT Analysis

❖ Strength –

- Activity is being already done by some SHG members
- Raw material easily available
- Manufacturing process is simple
- Proper packing and easy to transport
- Product shelf life is long

❖ Weakness –

- Effect of temperature, humidity, moisture on manufacturing process/product.
- Highly labor intensive work.
- In winter and rainy season product manufacturing cycle will increase

❖ Opportunity –

- Location of markets
- Daily/weekly consumption and consume by all buyers in all seasons

❖ Threats/Risks –

- Effect of temperature, moisture at time of manufacturing and packaging particularly in winter and rainy season.
- Suddenly increase in price of raw material
- Competitive market

10. Description of Management among members

By mutual consent SHG group members will decide their role and responsibility to carry out the work. Work will be divided among members according to their mental and physical capabilities.

- Some group members will involve in Pre-Production process (i.e- procuring of raw material etc)
- Some group members will involve in Production process.
- Some group members will involve in Packaging and Marketing.

11. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Crochet Tools	10	1200	12000
3	Design Books	10	300	3000
	Charis Table		LS	5000
Total Capital Cost (A) =				20000

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material (wheat seeds)	Kg/month	50	1000	50000
2	Rent	Month	1	200	200
3	Labour	5 hour	150	50	7500
4	Packaging material	Month	1	200	200
5	Transportation	Month	1	100	100
6	Other (stationary, electricity, water bill, machine repair)	Month	1	300	300
Recurring Cost					58300
Total Recurring Cost (B) = (Recurring cost- Labour cost) as work/labour will be done by SHG members.					50800

C. Cost of Production (Monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	50800
2	10% depreciation annually on capital cost	2000
	Total	52800

D. Selling Price calculation					
Sr.No	Particulars	Unit	Quantity	Amount (Rs)	
1	Cost of Production	Kg	1	1000	It will decrease as the quantity of production increase
2	Current market price	Kg	1	1000-1200	
3	Expected Selling Price	Kg	1	1700	

12. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation annually on capital cost	2000
2	Total Recurring Cost	50800
3	Total Production per month (Kg)	50 Kg (quantity)
4	Selling Price (per Kg)	1700

5	Income generation (50*1700)	85000
6	Net profit (85000 - 52800)	32200
7	Distribution of net profit	<ul style="list-style-type: none"> • Profit will be distributed equally among members monthly/yearly basis. • Profit will be utilized to meet recurring cost. • Profit will be used for further investment in IGA

13. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	20000	15000	5000
2	Total Recurring Cost	50800		50800
3	Trainings/capacity building/ skill up-gradation	40000	40000	0
	Total	110000	93300	17500

Note-

- **Capital Cost** - 75% of capital cost and Yarn Raw Material only to be covered under the Project
- **Trainings/capacity building/ skill up-gradation** -To be borne by the Project

14. Sources of fund:

Project support;	<ul style="list-style-type: none"> • 75% of capital cost and Yarn only as raw material will be utilized for purchase of machineries i.e. • Upto Rs 1 lakh will be parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost. 	Procurement of machineries/equipment will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"> • 25% of capital cost and Yarn only raw material to be borne by SHG, this include cost of materials/tools other than machineries.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-gradations proposed/needed:

- Cost effective procurement of raw material
- Quality control
- Packaging and Marketing
- Financial Management

16. Computation of break-even Point

= Capital Expenditure/selling price (per kg)-cost of production (per kg)

= 20000/(1700-1000)

= 28 Kg

In this process breakeven will be achieved after selling 28 kg Crochet Products. Therefore, breakeven will be achieved in .5 months.

17. Other sources of income:

Income from Strawberry, Local Rajmash, wild mushroom etc of villagers/local people.

18. Bank Loan Repayment - If the loan is availed from bank it will be in the form of cash credit limit and for CCL there is not 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 – At the initial stage baseline survey and yearly survey will be conducted of the beneficiaries.

Some key indicators for the monitoring are as:

- Size of the group
- Fund management
- Investment
- Income generation
- Production level
- Quality of product
- Quantity sold
- Market reach

20. Remarks

Group members Photos-



Tikmi devis



RamPyari



Thakri Devi



TejjiDevi



Gaytri Devi



ElluDevi



Seema
Devi



Yuva devi



BeenaDevi



Ranu

Resolution-Cum-Group-Consensus-Form

It is decided in the general house meeting of the group Lakshmi.....

Held on 04/06/2023 at Nasogji..... that our group will undertake the Crochet..... Livelihood income generation activity under the project for implementation of Himachal Pradesh Forest eco system management and livelihood (Jica assisted)

Signature of Group President

अध्यक्ष
लक्ष्मी स्वयं सहायता समूह
ग्राम पंचायत नसोगी
तहसील मनाली (हिमाचल)

Devi

Signature of Group Secretary

सचिव
लक्ष्मी स्वयं सहायता समूह
ग्राम पंचायत नसोगी
तहसील मनाली (हिमाचल)

Ram Pyari

Signature of President VFDS

प्रधान
ग्राम वन विकास समिति नसोगी
ग्राम पंचायत नसोगी
तहसील मनाली जिला कुल्लु

Signature of FTU-Cum-RFO

Range Forest Officer
Forest Range Manali

Approval

Business plan Crochet..... of SHG/CIG Lakshmi..... VFDS/VMC Nasogji
Approved by divisional management unit cum Divisional Forest Officer Kullu on dated.....


DMU-cum DFO Kullu,
Kullu Forest Division Kullu