

## INCOME GENERATING ACTIVITY – Knitting

By

### Durga Shakti- Self Help Group



SHG/CIG Name	::	<b>Durga Shakti SHG</b>
VFDS/BMC Name	::	Nasogi
BMC sub committee		Siyal-II
Range	::	Manali(WL)
Division	::	Kullu (WL)

**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 income generating activity 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 income generating activity so that they can earn extra money to meet their expenses and raises some saving also for the difficult times. A group of 9 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 income generating activity in collective manner and raise their additional income.

## 2. **Background**

Knitting center by pataal Self help group will be located at village siyal P.O. siyal & Tehsil Kullu, Distt.Kullu HP. The in village Simsa is small village surrounding chiyal and Siyal for which this Knitting centre will cater for. This centre will provide excellent service and guide to 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

2.1	SHG/CIG Name	::	Durga ShaktiSHG
2.2	BMC sub committee	::	Siyal-II
2.3	Range	::	Manali (WL)
2.4	Division	::	Kullu(WL)
2.5	Village	::	Siyal
2.6	Block	::	Naggar
2.7	District	::	Kullu
2.8	Total No. of Members in SHG	::	9- females
2.9	Date of formation	::	22/07/2022
2.10	Bank a/c No.	::	110060217589
2.11	Bank Details	::	Canara Bank Manali
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving	::	10000
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

**4. Beneficiaries Detail:**

<b>Sr. No</b>	<b>Name</b>	<b>Father/Husband Name</b>	<b>Age</b>	<b>Category</b>	<b>Income Source</b>	<b>Mobile No.</b>
1.	Himani	Dikshit	24	General	agriculture	8580834556
2.	Anjana	Narender	30	General	agriculture	8219103443
3.	Babita	Virender	21	General	agriculture	8544763072
4.	Dei	Khub Ram	32	General	agriculture	8544771414
5.	Durga	Mohan Lal	27	General	agriculture	9015266215
6	Sapana	Anil	32	General	agriculture	905553190
7	Indira	Vijay	28	General	agriculture	9816612102
8	Radha	Raj Kumar	30	Sc	agriculture	8894426314
9	Rita	Ved Prakash	24	Sc	agriculture	9015399472

## 5. Geographical details of the Village:

3.1	Distance from the District HQ	::	10KM
3.2	Distance from Main Road	::	3KM
3.3	Name of local market & distance	::	Manali 2km Kullu 45 KM approx. Bhuntar 60 KM approx
3.4	Name of main market & distance	::	Kullu 10 KM approx. Bhuntar 60KM approx Manali 2 KM approx
3.5	Name of main cities & distance	::	Kullu 45 KM approx. Bhuntar 60 KM approx Manali 40 KM approx
3.6	Name of places/locations where product will be sold/ marketed	::	Manali 2KM approx.

## 6. Management

Knitting centre by Durga Shakti SHG Siyal-II has 9 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 this activity at a larger scale and in a planned manner. The division of labour b/w the members have been planned carefully so that each contributes towards strengthening the IGA and resulting the additional money into their pockets.

## 8. Customers

The primary customers of the centre will mostly be local people around village Siyal but later on this business can be scaled up by catering to nearby small townships.

The centre primarily aims at to provide unique modern and high class knitting service to the residents Siyal 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

## 12. Machinery, tools and other equipments

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	Remarks
1	Knitting machine (Simple)		6000		(having their own Knitting machines)
2	Gola making machine		600		
3	Working table		1200		(having their own working table and Plastic chairs)
4	Plastic chairs		475		
<b>Total capital cost</b>				<b>79,800</b>	

All member of group member have their own knitting Machine.

B. Recurring cost				
Sr.No.	Particulars	Unit	Rate	Amount
1.	Room rent	Per month	2000	2000
2.	Water & electricity	Per month	1000	1000
3.	Knitting yarn of different colour and quality	Per month L/S	84000	84000
4.	Lubricating oil & pippet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
<b>Total Recurring cost</b>				<b>89,800</b>



### 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 (sweater, Baby Set & socks) per day as finally finished product and daily 20 items can be made available for sale. Keeping in view this production rate of approximately 600 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:

Particulars	Total Amount (Rs.)	Project Contribution (75%)	SHG contribution (25%)
Total capital cost	79,800	59850	19950
<b>Recurring cost</b>			
10% depreciation on capital cost/ month	665	-	665
Other expenditure per month	89,800	-nil-	89,800
<b>Total</b>	<b>90465</b>		90465

Total sale in a month  $(500 \times 600) = 3,00,000$

Total expenditure in first month  $(79,800 + 90465) = 1,70,265$

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><u>Capital cost</u></b>		
<b>Particulars</b>	<b>Amount</b>	<b>SHG contribution</b>
Capital cost	79.800	19950
<b><u>Recurring expenditure</u></b>		
i) 10% depreciation on capital cost per month	665	
i) Other expenditure on material cost etc.	90465	
<b>Total</b>	<b>91130</b>	
<b>Total cost</b>	<b>19950+91130=111080</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>3,00,000</b>	
<b>Net profit</b>	<b>1,31,030</b>	

#### 14. **Sharing of the profit**

The members of SHG has mutually agreed with consent voice that in the 1<sup>st</sup> month Rs. 5000 will be paid to each member as income and the remaining 68,970 profit will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

#### 15. **Fund flow in the group:**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Total Amount (Rs)</b>	<b>Project contribution</b>	<b>SHG contribution</b>
1	Total capital cost	79800	59850	19950
2	Total Recurring Cost	90465	0	90465
3	Trainings	50,000	50,000	0
	<b>Total outlay</b>	<b>2,20,265</b>	<b>109850</b>	<b>1,10,415</b>

**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 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-gradation 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.

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Durga Shakti  
held on 02/07/2022 at Siyal that our group will undertake the  
knitting as Livelihood Income Generation Activity under the Project for  
Implementation of Himachal  
Pradesh Forest Ecosystem management and Livelihood (JICA assisted).

Durga  
Signature of Group President  
President  
Durga Shakti SHG  
Ward No. 3, Siyal-II

Mani  
Secretary  
Signature of Group Secretary  
Durga Shakti SHG  
Ward No. 3, Siyal-II

Singh  
Signature of President BMC  
President  
BMC Sub Committee (JICA)  
Siyal-II, Manali, Kullu

Sharma  
Signature of Range Officer  
Range Officer  
Wild Life Range Manali

Sharma  
Assistant Conservator  
Wild Life Division KULLU

Approved

Sharma  
Divisional Management Unit Officer-C  
Divisional Forest Officer, Wild Life Division  
Kullu, District Kullu.

## Photos of Members

 <p><b>Himani (secretary)</b></p>	 <p><b>Anjana (vice- President)</b></p>	 <p><b>Dei (President)</b></p>
 <p><b>Babita (Member)</b></p>	 <p><b>Sapana (Member)</b></p>	 <p><b>Indira (Cashier)</b></p>
 <p><b>Radha (Member)</b></p>	 <p><b>Durga(Member)</b></p>	 <p><b>Rita (Member)</b></p>

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