

# INCOME GENERATING ACTIVITY { REVISED } – Knitting

By

Siyali Mhadev- Self Help Group



SHG/CIG Name	::	<b>Siyali Mhadev SHG</b>
VFDS/BMC Name	::	Nasogi
BMC sub committee		Siyal-I
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 8 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 siyali mhadev Self help group will be located at village siyal P.O. siyal & Tehsil Kullu, Distt.Kullu HP. The in village Siyal 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	::	Siyali Mhadev SHG
2.2	BMC sub committee	::	Siyal-I
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	::	8- females

2.9	Date of formation	::	22/07/2022
2.10	Bank a/c No.	::	110059461040
2.11	Bank Details	::	Canara Bank Manali
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving	::	1200
2.14	Total inter-loaning	::	--
2.15	Cash Credit Limit	::	--
2.16	Repayment Status	::	--

#### 4. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Mobile No.
1.	Vimla devi	Lal Chand	24	Sc	agriculture	9816193939
2.	Saloni	Pune Singh	30	Sc	agriculture	7876821727
3	Savitri Devi	Nittu Sharma	32	Sc	agriculture	9882046765
4	Lata Devi	Pohlu Ram	27	Sc	agriculture	7018410875
5	Indra Devi	Surat Ram	32	Sc	agriculture	9816078396
6	Reena	Hemraj	28	Sc	agriculture	8219248847
7	Yovna	Hansraj	30	Sc	agriculture	8091793337
8	Punam	Prem Lal	24	Sc	agriculture	8219053892

## 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 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 Siyali Mhadev SHG Siyal-I has 8 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.

## 9. 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.

## 10. 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

## 11. 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 (Automatic)	6	28000	168000	
2	Gola making machine	3	2000	6000	
Total capital cost				174000	

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	24000	24000
4.	Lubricating oil & pippet	Per month	1400	1400
5.	Wear & tear	Per month L/S	1400	1400
Total Recurring cost				29,800

## 12. 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 if 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	174000	1,30,500	43500
Recurring cost			
10% depreciation on capital cost/ month	1450	1087	363
Other expenditure per month	29,800	-nil-	29,800
<b>Total</b>	<b>31,250</b>		<b>31,250</b>
<b>Grand Total</b>	<b>205250</b>	<b>1,30,500</b>	<b>74,750</b>

Total sale in a month (10,000\*8) = 80,000

Total expenditure in first month ( 174000 + 31250 ) = 2,05,250

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:



<u>Capital cost</u>		
Particulars	Amount	SHG contribution
Capital cost	174000	25%
<u>Recurring expenditure</u>		
i) 10% depreciation on capital cost per month	1450	25%
i) Other expenditure on material cost etc.	29,800	100%
Total	31250	
<b>Total cost</b>	<b>174000+31250 =2,05,250</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>80,000</b>	
<b>Net profit</b>	<b>( 80,000 – 31250 )= 48750</b>	

13. **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 23,750 profit will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

14. **Fund flow in the group:**

Sr.No.	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	1,74,000	1,30,500	43500
2	Total Recurring Cost	31,250	0	31250
	Total outlay	2,05,250	1,30,500	74750

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
- 

15. **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>	

#### 16. 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

#### 17.. 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.

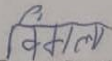
#### 18. Monitoring Method –

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

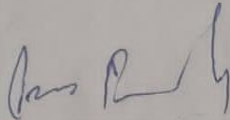
It is decided in the General house meeting of the group Siyali mehadav held on 28/07/2022 at Siyal that our group will undertake the Kulitling As Livelihood Income Generation Activity under the project for Implementation of Himachal Pradesh Forest Ecosystem management and Livelihood ( JICA assisted )



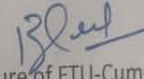
Signature of Group President




Signature of Group Secretary



Signature of BMC President



Signature of FTU-Cum-RFO



Wild Life Division KULLU

Approved



Divisional Management Unit Officer –Cum-  
Divisional Forest Officer, Wild Life Division,  
Kullu, District Kullu.

Resolution-cum-Group-consensus Form

It is decided in the General house meeting of the group Siyali mahadev  
held on 22/07/2022 at Siyali 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).

प्रधान  
Signature of Pradhan  
सियाली महादेव स्वयं सहायता समूह  
गांव सियाल, डा0 व तह0 मनाली,  
जिला कुल्लू (हि0प्र0)

सियाली महादेव  
Signature of Group Member  
सियाली महादेव स्वयं सहायता समूह  
गांव सियाल, डा0 व तह0 मनाली,  
जिला कुल्लू (हि0प्र0)

Signature of President BMC  
President Amber  
BMC Sub Committee (JICA)  
Siyal-1, Manali, Kullu

Range Forest Officer  
Signature of Range Forest Officer  
Wild Life Range Manali

Assistant Conservator of Forest  
Assistant Conservator of Forest  
Wild Life Division KULLU

Approved  
Divisional Management Unit Officer-Cum-  
Divisional Forest Officer, Wild Life Division,  
Kullu, District Kullu.

## Photos of Members

 <p>(Member)</p>	 <p>(Member)</p>	 <p>(Member)</p>
 <p>(Member)</p>	 <p>(Member)</p>	 <p>(Member)</p>
 <p>(Member)</p>	 <p>(Member)</p>	

Prepared By: Priya Thakur SMS(WL)

Revised By : Shubham FTU Coordinator  
W/L Manali Range