

*INCOME GENERATING ACTIVITY – MACHINE KNITTING*

BY

**THARCHHOMO – SELF HELP GROUP**



SHG Name	::	<b>Thar Chhomo SHG</b>
BMCSUBcommittee Name	::	Lari
Range	::	Tabo (WL)
Division	::	Spiti (WL)

**Prepared under:**



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

## Table of Contents

Sl. No.	Particulars	Page/s
1.	Introduction	3
2.	Background	3
3.	Description of SHG/CIG	4
4.	Beneficiaries Detail	5
5.	Geographical details of the Village:	6
6.	Management	6
7.	Primary Action Plan	6
8.	Customers	6
9.	Target of the centre	7
10.	The reason to start this business	7
11.	SWOT Analysis	7
12.	Machinery, tools and other equipments	8
13.	Total production and sale amount in month	9
14.	Sharing of the profit	10
15.	Sources of funds and procurement	11
16.	Trainings/capacity building/skill up-gradation	11
17.	Loan Repayment Schedule	11
18.	Monitoring Method	12
19.	Sehmati Letter	13
20.	Group members Photos	14

## 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 18 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 Thar Chhomo Self-help group will be located at village Lari P.O. Tabo & Tehsil Kaza, Distt. Lahaul & Spiti HP. The total of 35 households in village Lari, is small village surrounding Poh and Tabo 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

3.1	SHG/CIG Name	::	Thar Chhomo SHG
3.2	VFDS/BMC	::	Lari
3.3	Range	::	Tabo (WL)
3.4	Division	::	Spiti (WL)
3.5	Village	::	Lari
3.6	Block	::	Tabo
3.7	District	::	Lahaul & Spiti
3.8	Total No. of Members in SHG	::	9- females
3.9	Date of formation	::	27/01/24
3.10	Bank a/c No.	::	50076782135
3.11	Bank Details	::	KCC Tabo
3.12	SHG/CIG Monthly Saving	::	100 per Member
3.13	Total saving	::	
3.14	Total inter-loaning	::	--
3.15	Cash Credit Limit	::	--
3.16	Repayment Status	::	--

**4. Beneficiaries Detail:**

<b>Sr. No</b>	<b>Name</b>	<b>Designation</b>	<b>Qualification</b>	<b>Age</b>	<b>Category</b>	<b>Income Source</b>	<b>Mobile No.</b>
1.	Lata Devi	Member	3 <sup>rd</sup>	55	ST	Agriculture	9459965156
2.	Tanzin Dolker	Member	12 <sup>th</sup>	46	ST	Agriculture	7651085187
3.	Karma Chhodon	Member	10 <sup>th</sup>	47	ST	Agriculture	9459002167
4.	Chhimet Zangmo	Member	10 <sup>th</sup>	40	ST	Agriculture	8219414135
5.	Dikit Chhomo	Member	12 <sup>th</sup>	47	ST	Agriculture	7018573273
6.	Dikit Zangmo	Member	12 <sup>th</sup>	55	ST	Agriculture	9418981325
7.	Sonam Palkit	Member	12 <sup>th</sup>	47	ST	Agriculture	7018655701
8.	Chhering Lamo	President	10 <sup>th</sup>	49	ST	Agriculture	9459319248
9.	Thilley Chhodon	Secretary	12 <sup>th</sup>	33	ST	Agriculture	8091757351

## 5. Geographical details of the Village:

5.1	Distance from the District HQ	::	62 KM
5.2	Distance from Main Road	::	3KM
5.3	Name of local market & distance	::	Tabo 10 KM approx. Kaza 60 KM approx.
5.4	Name of main market & distance	::	Kaza 60 KM approx. Rampur 300 KM approx Manali 190 KM approx.
5.5	Name of main cities & distance	::	Rampur 300 KM approx. Manali 190 KM approx.
5.6	Name of places/locations where product will be sold/ marketed	::	Rampur 300 KM approx. Kaza 60 KM approx., Manali 190 KM approx.

## 6. Management

Knitting centre by Thar Chhomo SHG 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 Thar Chhomo 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 between the members has 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 Lari but later on this business can be scaled up by catering to nearby small townships.

## 9. Target of the centre

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

- S Activity is being already done by some SHG members
- S Raw material easily available from nearby markets
- S Manufacturing process is simple
- S Proper packing and easy to transport
- S Other family members will also cooperate with beneficiaries
- S Product self-life is long

### ❖ Weakness

- S Lack of technical know-how

### ❖ Opportunity

- S Increasing demand for good products

### ❖ Threats/Risks

- S Competitive market
- S 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.

### 1<sup>st</sup> SHG Income Generation Activity

<b>A. CAPITAL COST</b>					
<b>Sr. No.</b>	<b>Particulars of Machinery.</b>	<b>Quantity</b>	<b>Rate per unit</b>	<b>Total Amount</b>	<b>Remarks</b>
1	Punch card knitting machine	9	26000	234000	
<b>Total capital Cost</b>				<b>234000</b>	

<b>B. Recurring cost</b>				
<b>Sr.No.</b>	<b>Particulars</b>	<b>Unit</b>	<b>Rate</b>	<b>Amount</b>
1.	Room rent	Per month	1000	1000
2.	Water & electricity	Per month	1000	1000
3.	Knitting yarn of different colour and quality	Per month L/S	40000	40000
<b>Total Recurring Cost</b>				<b>42000</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, Topi, Muffler, Socks etc.) per day as finally finished product and daily 15 items can be made available for sale. Keeping in view this production rate of approximately 450 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	234000	175500	58500
<b>Recurring cost</b>			
10% depreciation on capital cost/ month	23400	-	23400
Other expenditure per Month	42000	-nil-	42000
<b>Total</b>	<b>299400</b>	175500	123900

Total sale in a month  $(500 \times 450) = 225000$

Total expenditure in first month  $(58500 + 65400) = 123900$

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	234000	58500
<b><u>Recurring expenditure</u></b>		
i) Other expenditure on material cost etc.	42000	
<b>Total cost</b>	<b>58500+ 65400 = 123900</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>225000</b>	
<b>Net profit</b>	<b>101100</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 56100 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 (75%)</b>	<b>SHG contribution (25%)</b>
<b>1</b>	<b>Total capital cost</b>	<b>234000</b>	<b>175500</b>	<b>58500</b>
2	Total Recurring Cost	42000	00	42000
3	Trainings	80,000	80,000	0
	<b>Total outlay</b>	<b>356000</b>	<b>255500</b>	<b>100500</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>• Up to 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>	

### SHG Add On Activity :- Dhaba/Food Stall

#### 01. Add on Activity

A	Capital Cost				
Sr.No	Particulars of Utensils	Quantity	Rate Per unit	Total Amount	Remarks
1	Ladle (karachhi)	2 (medium)	300	600	
2	Food container (hot case)	10 lit 7 lit	4000 3000	7000	
3	Chair	6	700	4200	
4	Table	1	2500	2500	
5	Tea pan	1	1500	2000	
6	Flask (thermos) 24 cup	2	2000	4000	
7	Tongs (chimta)	2	200	400	
8	Water tub	2	1000	2000	
9	Bucket	2	600	1200	
10	Water jug	2	350	700	
	<b>Total Amount</b>			<b>24600</b>	

## 12. Total production and sale amount in month

Since it is an additional activity as add-on 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 Thar Chhomo SHG will sell one product as consumable (Sidu, Momo, Thukpa, Thentuk, Satu products) per day as finally finished product and daily 15 edible local product can be made available for sale. Keeping in view this production rate of approximately 450 finished items will be ready for sale in one month. As beginner the item rate on an average is presumed to be Rs. 150 each therefore the total income per month is worked as under:

Particulars	Total Amount (Rs.)	Project Contribution (75%)	SHG contribution (25%)
Total capital cost	24600	18450	6150
<b>Recurring cost</b>			
10% depreciation on capital cost/ month	2460	-	2460
Other expenditure per Month	15000	0	15000
<b>Total</b>	<b>42060</b>	<b>18450</b>	<b>23610</b>

Total sale in a month  $(150 \times 450) = 67500$

Total expenditure in first month  $(15000 + 6150) = 21150$

Capital Cost Abstract:-

Total:-24600

Project Contribution (75%):-**18450**

SHG contribution (25%):-6150

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	24600	6150
<b><u>Recurring expenditure</u></b>		
i) Other expenditure on material cost etc.	15000	
<b>Total cost</b>	<b>15000+6150 = 21150</b>	
<b>Total sale in 1<sup>st</sup> month</b>	<b>67500</b>	
<b>Net profit</b>	<b>46350</b>	

## 12. **Sharing of the profit**

The members of SHG has mutually agreed with consent voice that in the 1<sup>st</sup> month Rs. 3000 will be paid to each member as income and the remaining 19350 profit will be kept as emergency reserve in their bank account to meet up the future contingency, if any.

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Total Amount (Rs)</b>	<b>Project contribution (75%)</b>	<b>SHG contribution (25%)</b>
1	<b>Total capital cost</b>	<b>24600</b>	<b>18450</b>	<b>6150</b>
2	Total Recurring Cost	17460	00	17460
3	Trainings	0	0	0
	<b>Total outlay</b>	<b>42060</b>	<b>18450</b>	<b>23610</b>

### **Capital Cost Abstract:-**

**Total:-Rs 24,600/-**

**Project Contribution (75%):-Rs 18,450/-**

**SHG contribution (25%):- Rs 6,150/-**

### **13. 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

### **14. 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.

## 15. **Monitoring Method –**

Social Audit Committee of the BMC Sub Committee will monitor the progress and performance of the IGA and suggest corrective action if needed 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 needed to ensure operation of the unit as per projection.



5. भविते की पोषक तत्व विवरण का विवरण

क्रमांक	सदस्य का नाम	वर्षा राशि (रु.)	वर्षा का अवधि	विवरण की संख्या	विवरण की राशि (रु.)

6. अन्य सूचे एवैका

7. अगली बैठक के लिए संभावित कार्यावृत्ति

*Refuse weekly selling of leather goods का कार्य करके उसके स्थान पर प्रवृत्तिका को डील में ध्यान देना*

क्रमांक	सदस्य का नाम	हस्ताक्षर/ अंगुठा छाप
1	लता देवी	लता
2	विमलेश्वरी	विमलेश्वरी
3	लता देवी	लता
4	विमलेश्वरी	विमलेश्वरी
5	करमा दामोदर	करमा
6	तैलव शैलेश्वरी	तैलव
7	सोमेश्वरी पुलकि	पुलकि
8	दिनेश्वरी लता	दिनेश्वरी
9	विमलेश्वरी देवी	विमलेश्वरी
10		
11		
12		
13		
14		
15		

कोषाध्यक्ष का हस्ताक्षर

सचिव के हस्ताक्षर

अध्यक्ष का हस्ताक्षर

## SHG Agreement Certificate 1<sup>st</sup> IGA-

### समूह के बिज़नेस प्लान का सहमति पत्र


आज दिनांक 24/08/2015 को BMC Sub Committee – Lari में थार छामो रंचय सहायता समूह की बैठक की गई। बैठक की अध्यक्षता समूह की प्रधान व सचिव की अध्यक्षता में की गई। जिसमें समूह की सभी महिलाओं ने बुनाई का कार्य करने में सहमति दिखाई है। और कार्य करके समूह की आय को बढ़ाएगी। और आजिविका सुधार योजना जाइका परियोजना से जुड़ने में सब ने सहमति दिखाई है।

छेरिग लामो  
प्रधान

छेरिग लामो

पूनम देवी  
सचिव

पूनम देवी


  
Divisional Forest Officer  
Spiti Wild Life Division  
Kaza L&S (H.P.)

## Certificate of Approval by DFO

### CERTIFICATE

It is certified that the Business plans for Add on Activity for 11 SHGs pertaining to Spiti WL Division have been Approved.  
The abstract of SHGs Add On Activity as per Approved Business Plans is as follows:-

S. no.	SHG Name	BMC Sc	Range	1st IGA	Add on Activity	Capital Cost	Project Contribution (75%)	SHG Contribution (25%)
1	Kytling	Keuling	Kaza	Agriculture/Food processing	Machine Knitting	308000	231000	77000
2	Lotus	Lidang	Kaza	Food processing/Seabuckthorn	Pickle Making	34750	26063	8688
3	Mentok	Rangrik	Kaza	Handloom	Machine Knitting	180000	135000	45000
4	Sampa	Shego/lara	Kaza	Machine Knitting	Agriculture	82300	61725	20575
5	River B	Keuling/Kwang	Kaza	Hand Knitting	Food processing	60000	45000	15000
6	Zomsa	Keuling/Kwang	Kaza	Machine Knitting	Small scale Flour Mill	30000	22500	7500
7	Aatma	Tabo	Tabo	Hand Knitting	Food Stall	131044	98283	32761
8	Dumbo	Larri	Tabo	Machine Knitting	Food Stall	39140	29355	9785
9	Layul	Poh	Tabo	Hand Knitting	Food Stall	56540	42405	14135
10	Thunlam	Poh	Tabo	Hand Knitting	Food Stall	58940	44205	14735
11	Thar Chhomo	Larri	Tabo	Machine Knitting	Food Stall	24600	18450	6150
					<b>Total</b>	<b>1005314</b>	<b>753986</b>	<b>251329</b>

  
Deputy Conservator of Forests  
Spiti Wildlife Division at Kaza.

**Photos of Members**



Lata Devi



Tanzin Dolkar



Karma Chhodon



Chhering Lamo



Chhimet Zangmo



Dikkit Chhomo



Dikkit Zangmo



Sonam Palkit



Thinley Chhodon

