

BUSINESS PLAN

INCOME GENERATING ACTIVITY–Paneer Making

by

Luxmi Narayan- Self Help Group



SHG/CIG Name	LAXMI NARAYAN
VFDS NAME	Shadhar-Dheu
RANGE	Sarahan
DIVISION	Rampur

Prepared under –



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

G. J. W.
DMU Officer-cum-DCI,
Rampur Forest Division

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1. Introduction

Paneer is very common household item and a healthy and delicious rich source of protein. All the members of SHG are well conversant with this IGA and the proposal was floated by the members themselves and agreed upon by all of them in one voice. The raw material is easily available with each household and in case the additional quantity is required to scale up the business the same can be procured from nearby villages.

2. Description of SHG/CIG

2.1	SHG/CIG Name	::	Luxmi Narayan
2.2	VFDS	::	Shahdhar - Dheu
2.3	Range	::	Sarahan
2.4	Division	::	Rampur
2.5	Village	::	Dheu
2.6	Block	::	Rampur
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10- females
2.9	Date of formation	::	30 October 2020
2.10	Bank a/c No.	::	43410107899
2.11	Bank Details	::	H.P State Cooperative Bank, Sarahan
2.12	SHG/CIG Monthly Saving	::	50
2.13	Total saving		2500
2.14	Total inter-loaning		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

3. Beneficiaries Detail

Sr.No.	Name	Father/Husb and Name	Age	Category	Income Source	Address
1	Birma Devi	Bir Singh	59	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
2	Geeta Devi	Jagdish Chand	48	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
3	Pratima	Bheem Singh	31	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
4	Raj Kumari	Yashpal	31	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
5	Krishna Devi	Maan Singh	46	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
6	Ram Pyari	Kailash Chand	53	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla

						(HP)
7	Manki Devi	Kamala Nand	49	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
8	Satya Devi	Shankar Dass	54	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
9	Kal Dassi	Dharam Singh	48	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)
10	Saroj Devi	Gopi Chand	50	General	Agriculture	Vill. Dheu P.O. Shahdhar Tehsil Rampur Distt. Shimla (HP)

4. Geographical details of the Village

1	Distance from the District HQ	:	169 Km
2	Distance from Main Road	:	2 Km
3	Name of local market & distance	:	Sarahan 6 Km, Jeori 16 Km
4	Name of main market & distance	:	Rampur- 41 Km
5	Name of main cities & distance	:	
6	Name of main cities where product will be sold/ marketed	:	Sarahan, Jeori, Jhakri, Rampur

5. Description of production process

Initially the members of paneer making SHG agreed to start the business with 120kg of pure milk. The 40lt milk will be heated to a temperature of 80-90⁰c in heavy based milk pots with 50lt capacity of each pot by continuous stirring. When the milk will attain the temperature of approximately 90⁰C add 0.2% citric acid (i.e. 80gm of citric acid) and keep on stirring upto 5-6 minutes and put off the flame and allow it to cool down. Add the product into the muslin cloth and squeeze off the additional water and press the paneer by putting additional weight over it and keep the resultant material in the muslin cloth inside the cold water. The same process will be repeated with the remaining 80lt of milk in the other two milk pots.

As per the standard average around 24kg of paneer will be produced from 120lts of milk daily which can be marketed as per the targeted markets to fetch reasonably better price. On an average if the price of paneer is Rs. 250 per kg, the SHG will have net sale of Rs 6000/-daily and if the milk is procured at a rate of Rs 25/kg amount of 120kg of milk is worked at Rs. 3000 per day and thereby Rs 3000 will be gross profit daily.

6. Market potential to start paneer making business

Paneer is a natural dairy item that is healthy, rich in nutrients, and in great demand. There is increasing demand in the present day and likelihood of the demand being more in near future.

The business is profitable and needs less capital, inexpensive ingredients and basic machinery. Quality paneer demands quality control, proper equipment and standardized protocols.

7. Reasons to start paneer making business

- Natural dairy product
- Huge demand
- The business is money-spinning
- Less capital needed
- Inexpensive constituents
- The SHG members are well conversant with the activity at individual level

8. Equipment requirement for homemade paneer

The following equipments will be procured initially to start the production of homemade paneer

1. Boiler vessel 100lt capacity
 2. Stirring rod
-

3. Commercial gas cylinder with connection
4. Gas bhatti (Chullah)
5. Digital weighing machine
6. Measuring device (1lt, 2lt, 5lt)
7. Refrigerator (200ltr)
8. Kitchen tools and other miscellaneous and other miscellaneous articles
9. Poly sealing table top Heat sealer
10. Apron, cap, plastic hand gloves etc.
11. Chairs table etc.

9. Description of Product related to Income Generating Activity

1	Name of the Product	::	Paneer making
2	Method of product identification	::	This product is being already made by some SHG members
3	Consent of SHG/ CIG / cluster members	::	Yes

10. Description of Production Planning

1	Production Cycle (in days)	::	1 day
2	Manpower required per cycle (No.)	::	all members
3	Source of raw materials	::	Locally available
4	Source of other resources	::	Ghrat, Sarahan
5	Quantity required per cycle (Kg)	::	120 kg milk (initially)
6	Expected production per cycle (Kg)	::	24 kg (initially)

Requirement of raw material and expected production

Sr. No.	Raw material	unit	Time	Quantity	Amount per kg (Rs)	Total amount	Expected production (Kg)	Rs. Per Kg	Total amount
1	Cow milk	Kg	Per Day	120kg	25	3000	24	250	6000

11. Description of Marketing/ Sale

1	Potential market places	::	Rampur Bsr 41km, Sarahan 6km, Jeori 16 Km, Jhakri 28 Km
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 Purity and Supremacy”

12. 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.



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

13. Description of Management among members

By mutual consent SHG group members will decide their roles and responsibilities 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.

14. Financial forecast/projections

The final rather foremost step to start up the business is to make a financial plan to determine the cost to run the business and it should also cover the business profit initially the SHG is going to earn in nutshell a cost benefit analysis is required to be projected.

A. CAPITAL COST				
Sr. No.	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Boiler vessel 100lt capacity	3	5000	15000
2	Stirring rod	3	300	900
3	Commercial gas cylinder with connection	2	4000	8000
4	Gas bhatti (Chullah)	3	1500	4500
5	Digital weighing machine	1	10,000	10000
6	Measuring device (1lt, 2lt, 5lt)	3	L/S	1000
7	Refrigerator (200ltr)	1	22000	22000
8	Kitchen tools and other miscellaneous and other miscellaneous articles	L/S	L/S	4000
9	Poly sealing table top Heat sealer	1	2000	2000
10	Apron, cap, plastic hand gloves etc.	12	L/S	6000
11	Chairs table etc.		L/S	5000
	Total Capital Cost (A)			78400

B. RECURRING COST				
Sr. No.	Particulars	Quantity	Price	Total Amount (Rs)
1	Raw milk	120ltr daily	25ltr	90000
2	Citric acid	6ltr	150/ltr	900
3	Room rent	Per month	2000	2000
4	Packaging material	monthly	3000	3000
5	Labour	2 persons daily	275/person	16500
6	Transportation	monthly	Rs 100 per day	3000

7	Miscellaneous expenditure (i.e. stationary, electricity bill, water bill, etc.)	monthly	1000	1000
8	Gas	One cylinder per month	2000/cylinder	2000
9	Muslin cloth	Monthly	L/S	1500
10	Soap & detergent/vim scrubber, brooms, wiper, etc.	monthly	L/S	1000
	Total Recurring cost (B)			120900

C. Cost of Production (Monthly)					
Sr.No.	Particulars	Amount (Rs)			
1	Total Recurring Cost	120900			
2	10% depreciation annually on capital cost	653			
	Total cost of production	121553			
D. Total income monthly					
Sr.No.	Particulars	Daily	Expected rate per kg	Total sale daily	Monthly sale
1	Total production of paneer	24 kg	250/kg	6000	180000
E. Cost Benefit Analysis					
Sr.No.	Particulars	Amount (Rs)			
1	Depreciation @ 10% on capital cost	653			
2	Total Recurring Cost per month	120900			
3	Total expenditure	121553			
4	Total production (monthly)	720kg			
5	Rate expected per kg	250/kg			
6	Total sale amount	180000			
	Net income (monthly)= 180000-121553	58447			
7	Profit sharing	The profit sharing will be collectively agreed between the members; however a chunk of profit will be kept as reserve for future contingency.			

Note: The amount of labour (16500) which has been added to recurring cost is practically the income of the members of SHG because the labour input will be within the members of SHG.

15. Fund flow

Sr.No.	Particulars	Total Amount (Rs)	Project support	SHG Contribution
1	Total capital cost	78400	58800 (75%)	19600
2	Total Recurring Cost	121553	-	121553
3	Trainings/capacity building/ skill up-gradation	60000	60000	-
	Total	259953	118800	141153

Note-

- The SHG consists of all women members and therefore 75% capital cost will be contributed by the project.
- The recurring Cost will be borne by the SHG/CIG members.
- Trainings/capacity building/ skill up-gradation expenditure will be borne by the project.

16. Sources of fund

Project support	<ul style="list-style-type: none"> • 75% of capital cost will be utilized for purchase of machineries including equipments as detailed at serial no. 8 above. • 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 to be borne by SHG, this include cost of materials/tools other than machineries • Recurring cost to be borne by SHG 	

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:

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

18. Bank Loan Repayment -If the loan is availed from bank it will be in the form of cashcredit 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-



Birma Devi (President)



Geeta Devi(secretary)



Pritama(Treasurer)



Kal Dassi



Krishna Devi



Manki Devi



Raj Kumari



Rampyari



Saroj Devi



Satya Devi

)

Business Plan Approval by VFDS & DMU

Laxmi Noorayan.....Self Help Group will under Take the.....Panese Making

As Livelihood generation Activity under the Project for improvement of Himachal Pradesh forest ecosystems & Management & livelihood (JICA Assisted). In this regard Business Plan of Amount (Rs.) 3,00,000/-.....has been submitted by this group on datedand this business plan has been approved by Shahdhas Dheu.....VFDS.

Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you.

प्रधान Shahdhas Dheu
ग्राम वन विकास समिति
देउ/शाहरा, हिमाचल प्रदेश
Secretary of VFDS Pradhan

Shahdhas Dheu
ग्राम वन विकास समिति
देउ/शाहरा, हिमाचल प्रदेश
Secretary of VFDS Secretary

Approved

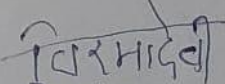
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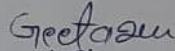
DMU Officer-cum-DCF,
Rampur Forest Division, H.P.

Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the Self Help Group... Laxmi Narayan held on
27/10/2021 at Shadlar.....that our Self Help Group will undertake the
Panen Maleng.....as Livelihood Income Generation Activity under the Project for Improvement of
Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted).


President
Luxmi Narayan
Signature of Group Pradhan


Secretary
Luxmi Narayan
Signature of Group Secretary