

# BUSINESS PLAN

## INCOME GENERATING ACTIVITY –VERMICOMPOST BY NARI SHAKTI SELF HELP GROUP KINDARI-KHOPTWARI (KHARSHALI)



SHG/CIG Name	::	Nari Shakti VFDS Kindari Khoptwari
VFDS Name	::	Maa Durga VFDS Kindari-Khoptwari
Range	::	Khashdhar
Division	::	Rohru

Prepared under:



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

## Table of Contents

Sl. No.	Particulars	Page/s
1	Background	3
2	Description of SHG/CIG	4
3	Beneficiaries Detail	5
4	Geographical details of the Village	5
5	Description of product related to Income Generating Activity	6
6	Production Processes	6-7
7	Production Planning	7
8	Sale & Marketing	7-8
9	SWOT Analysis	8
10	Description of Management among members	9
11	Description of Economics	9-10
12	Inference of Economic Analysis	10-11
13	Fund Requirement	11
14	Sources of Fund	11
15	Bank Loan Repayment	12
16	Trainings/capacity Building / Skill up-gradation	12
17	Monitoring Method	12
18	Group Member Photos	13
A.	Business Plan approved by VFDS	14
B.	Resolution-cum-Group Consensus Form	15
C.	Name & Signatures of Authorized signatories	16

## 1. Background

Vermicomposting has been gaining a strong foothold in the country due to simple production techniques, ecological, economic and human health benefits associated with it. A significant number of vermicomposting units have been set up by entrepreneurs, under government support/ with the technical guidance of Non-Governmental Organizations (NGOs), particularly in the southern and central parts of the country.

Vermicomposting has direct environmental and economic benefits as it contributes to the sustainable agriculture production and income of farmers significantly. There are a number of NGOs, Community Based Organizations (CBOs), Self-Help Groups (SHGs), Trusts etc. which are making concerted efforts to promote vermicomposting technology due to its established economic and environmental advantages.

### **Vermicomposting**

Vermicomposting is the scientific process of making compost, by using earthworms. They are mostly found living in soil, feeding on biomass and excreting it in a digested form. Vermicompost is a type of organic fertilizer. It is derived by composting organic waste by using several species of earthworms. This method of producing vermicompost is called Vermicomposting. Production of compost through rearing/using earth worms is called the vermicomposting technology. It is one of the simplest and cost effective methods for the production of composting for both the small and large scale farmers. Vermicompost production unit can be set up in any land which is not under any economic use but shady and free from water stagnation. The site should also be nearer to a water resource

Vermicomposting, rightly called “gold from garbage” is the major input in organic agriculture production. Owing to simple technology, many farmers are engaged in vermicomposting production as it invigorates soil health, soil productivity reduces the cost of cultivation.

There is a gradual increase in demand for vermicompost due to the high level of nutrient contents. Secondly, larger population is now shifting towards natural and organic products.

## 2. Description of SHG/CIG

SHG/CIG Name	::	Nari Shakti SHG Kindari-Khoptwari
VFDS	::	Maa Durga VFDS Kindari-Khoptwari
Range	::	Khashdhar
Division	::	Rohru
Village	::	Kindari, Khoptwari
Block	::	Chhohara (Chirgaon)
District	::	Shimla
Total No. of Members in SHG	::	17
Date of formation	::	Nov, 2021
Bank A/c No.	::	5962000100055412
Bank Details	::	PNB Chirgaon
SHG/CIG Monthly Saving	::	100/-
Total saving		<b>17000/-</b>
Total inter-loaning		-----
Cash Credit Limit		-----
Repayment Status		-----

### 3. Beneficiaries Detail:

S.No.	Name	Father/Husband	Age	Category	Income Source	Address
1	Poonam Bhakti	W/o Harmender Singh	32	General	Agriculture	Khoptwari
2	Rumila Devi	W/o Jitender Singh	36	General	Agriculture	Khoptwari
3	Surikshna Devi	W/o Munshi Ram	49	General	Agriculture	Khoptwari
4	Sonu Kumari	W/o Virender Singh	31	General	Agriculture	Khoptwari
5	Raj Kumari	W/o Suresh Kumar	37	General	Agriculture	Khoptwari
6	Mainka Kumari	W/o Manish Kumar	28	General	Agriculture	Kindari
7	Roshani Devi	W/o Padam Dev	50	General	Agriculture	Kindari
8	Hem Lata	W/o Vijender Kumar	25	General	Agriculture	Kindari
9	Sandhira	W/o Anil Kumar	37	General	Agriculture	Kindari
10	Rameshwari Devi	W/o Surender Singh	45	General	Agriculture	Kindari
11	Dev Kumari	W/o Dila Singh	37	General	Agriculture	Kindari
12	Babita	W/o Chanan Singh	53	General	Agriculture	Kindari
13	Meera Chauhan	W/o Basant Lal	58	General	Agriculture	Kindari
14	Banita	W/o Salam Singh	57	General	Agriculture	Kindari
15	Sumia Devi	W/o Kamal Singh	40	General	Agriculture	Khoptwari
16	Sarita Devi	W/o Jehar Singh	38	General	Agriculture	Kindari
17	Sunawri	W/o Prem Lal	43	SC	Agriculture	Khoptwari

### 4. Geographical details of the Village

4.1	Distance from the District HQ	::	145 Km
4.2	Distance from Main Road	::	0200 Meters
4.3	Name of local market & distance	::	Dhamwari/Tikari/Chirgaon/Rohru 5 to 32 Kmts
4.4	Name of main market & distance		Rohru, 34 Km

4.5	Name of main cities & distance		Rohru, 34 Km
4.6	Name of main cities where product will be sold/ marketed	::	HP Forest Deptt. & Rohru and Chirgaon

## 5. Description of Product related to Income Generating Activity

5.1	Name of the Product	::	Vermicomposting
5.2	Method of product identification	::	The group is interested to do this activity. Being apple belt, there is a huge demand of vermicomposting. The activity has been collectively decided by group members
5.3	Consent of SHG/ CIG / cluster members	::	Yes

## 6. Description of Production Processes

Step		Description
Step-1	::	Processing involving collection of wastes, shredding, mechanical separation of the metal, glass and ceramics and storage of organic wastes.
Step-2	::	Pre digestion of organic waste for twenty days by heaping the material along with cattle dung slurry. This process partially digests the material and fit for earthworm consumption. Cattle dung and biogas slurry may be used after drying. Wet dung should not be used for vermicompost production.
Step-3	::	Preparation of earthworm bed. A concrete base is required to put the waste for vermi-compost preparation. Loose soil will allow the worms to go into soil and also while watering; all the dissolvable nutrients go into the soil along with water.
Step-4	::	Collection of earthworm after vermi-compost collection. Sieving the composted material to separate fully composted material. The partially composted material will be again put into vermi-compost bed.

Step		Description
Step-5	::	Storing the vermi-compost in proper place to maintain moisture and allow the beneficial micro-organisms to grow.

## 7. Description of Production Planning

7.1	Production Cycle (in days)	::	90 days (three cycles in a year)
7.2	Manpower required per cycle (No.)	::	1
7.3	Source of raw materials	::	From household and own farms
7.4	Source of other resources	::	Open market
7.5	Raw material - quantity required per cycle (Kg) per member	::	1800 Kg per cycle
7.6	Expected production per cycle (Kg) per member	::	900 Kg per cycle

## 8. Description of Marketing/ Sale

8.1	Potential market places	::	HP Forest Deptt.
8.2	Distance from the unit	::	Local market Use on own farm
8.3	Demand of the product in market place/s	::	HO Forest deptt is procuring huge vermi-compost for their nursery and shall be in huge demand for orchards in locality
8.4	Process of identification of market	::	PMU will also facilitate the tie up of procurement of vermi-compost produced by SHG by HP Forest deptt.
8.5	Marketing Strategy of the product		SHG members will also explore the additional marketing options around their villages for better sale price in future.
8.6	Product branding		At CIG/SHG level product will be

			marketed by branding of respective CIG/SHG. Later this IGA may require branding at cluster level
8.7	Product "slogan"		"Nature Friendly"

## 9. SWOT Analysis

### ❖ Strength

- ➔ Activity is being already done by some SHG members
- ➔ Each of the SHG members are having cattle varying from 2 to 8 in each household
- ➔ Families of SHG members are cultivating high value crops & vegetables which offers adequate availability of raw materials i.e. farm organic wastes throughout the year.
- ➔ Raw material easily available at their farms
- ➔ Manufacturing process is simple
- ➔ Proper packing and easy to transport
- ➔ Other family members will also cooperate with beneficiaries
- ➔ Product self-life is long

### ❖ Weakness

- ➔ Effect of temperature, humidity, moisture on manufacturing process/product.
- ➔ Lack of technical know-how

### ❖ Opportunity

- ➔ Increasing demand of vermi-compost on account of awareness among farmers about organic and natural farming
- ➔ Application of vermi-compost on their own field will go a long way in improving and enhancing the soil health and production of quality farm produce which will offer better price.
- ➔ Best utilization of organic waste including household left outs of kitchens
- ➔ Potential for marketing tie up with HP Forest

### ❖ Threats/Risks

- ➔ Possibility of break of production cycle due to extreme weather
- ➔ Competitive market
- ➔ Level of commitment among beneficiaries towards participation in training/ capacity building & skill up-gradation



## 10. Description of Management among Members

- ➔ **Production** – It will be taken care of by individual members including procurement of raw materials
- ➔ **Quality assurance** – Collectively
- ➔ **Cleaning & packaging** – Collectively
- ➔ **Marketing** – Collectively
- ➔ **Monitoring of the unit** – Collectively

## 11. Description of Economics

(Amount in actual Rs.)

S. No	Particulars	Units	Quantity/ Nos.	Cost (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5
<b>A.</b>	<b>Capital Cost</b>								
<b>A.1</b>	<b>Construction of Pit and shed</b>								
1	Construction as well as labour cost (Pit Size internal will be of 10ftX4ftX2ft )	Per member	17	6000	102000	0	0	0	0
2	Erection of cover shed	Per member	17	4000	68000				
	<b>Sub-total (A.1)</b>				<b>170000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A.2</b>	<b>Machinery and equipment</b>								
3	Tools, equipment, weighing scale etc.	Per member	17	2000	34000	0	0	0	0
	<b>Sub-total (A.2)</b>				<b>34000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Capital Costs (A.1+A.2)</b>				<b>204000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B</b>	<b>Recurring Costs</b>								
4	Seed earthworm	Per Kg	17	500	8500	0	0	0	0
5	Cost of procurement of Slurry/dung/waste	Tonnes	102	900	91800	96390	101209	106270	111583
6	Labour Cost	Per tone	51	700	35700	37485	39359	41327	43393
7	Packing materials	No.	6800	2	13600	14280	14994	15743	16530
8	Other handling charges	Per tone	51	150	7650	8032	8434	8855	9268
<b>C</b>	<b>Other charges</b>								
9	Insurance	L/S			0	0	0	0	0
10	Interest on loan	Per annum		2 per cent	3000	3000	3000	3000	3000
	<b>Total recurring costs</b>				<b>160250</b>	<b>159187</b>	<b>166996</b>	<b>175195</b>	<b>183774</b>

	Total cost - Capital and recurring				364250	159187	166996	175195	183774
D	Income from vermicomposting								
11	Sale of vermicompost	Tonnes	51	7000	357000	374850	393592	413272	433935
12	Sale of earthworm					8500	17000	17000	17000
13	Total revenue				357000	383350	410592	430272	450935
14	Net returns (D-C)				-7250	224163	243596	255077	267161

**Note** – As labour work will be done by SHG members themselves and Slurry/dung/waste already available at their place and these materials will be not procured by them, therefore, recurring cost (Labour Cost, Cost of procurement of Slurry/dung/waste) can be deducted from total recurring cost.

### Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	
Capital cost	204000	0	0	0	0	
Recurring cost	160250	159187	166996	175195	183774	
Total cost	364250	159187	166996	175195	183774	1049402
Total benefits	357000	383350	410592	430272	450935	2032149
<b>Net benefits</b>	<b>-7250</b>	<b>224163</b>	<b>243596</b>	<b>255077</b>	<b>267161</b>	<b>982747</b>
Net present worth of cost @15 per cent	1049402					
Net present worth of benefits @15 per cent	2032149					
Benefit Cost Ratio	1.93					

**Distribution of net profite** – As per share in production.

### 12. Inferences of Economic Analysis

- ➔ Pit size for each member has been planned at 10X4X2 ft for one pit.
- ➔ Cost of production of vermi-compost comes to Rs. 3.2 per Kg
- ➔ Sale of vermi-compost (conservative side) is Rs. 7 per Kg
- ➔ Net profit will be Rs. 3.0 per Kg
- ➔ It is proposed that each member will produce 3 tonnes of vermi-compost every year resulting in production of 51 tonnes vermi-compost by all 17 members of SHG in one year.
- ➔ Cost of earthworm has been kept at Rs. 500.00 per kg

- During the second year onwards, there will be surplus earthworm for sale (as it will multiply during the process of production of vermi-compost)
- The vermi-compost making is a profitable IGA and can be taken up by the SHG members.

### 13. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	204000	153000	51000
2	Total Recurring Cost	160250	0	160250
3	Trainings/ capacity building/skill up-gradation	85000	85000	0
	<b>Total =</b>	<b>449250</b>	<b>238000</b>	<b>211250</b>

**Note-**

- **Capital Cost - 75%** of capital cost to be covered under the Project and 25% by the SHG Group being a female group.
- **Recurring Cost** - To be borne by the SHG/CIG.
- **Trainings/capacity building/ skill up-gradation** - To be borne by the Project

### 14. Sources of fund:

Project support;	<ul style="list-style-type: none"> <li>• 75% of capital cost will be utilized for construction of pit and shed (Size will be of 10ftX4ftX2ft )</li> <li>• Upto Rs 1 lakh will be parked in the SHG bank account.</li> <li>• Trainings/capacity building/ skill up-gradation cost.</li> </ul>	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
SHG contribution	<ul style="list-style-type: none"> <li>• 25% of capital cost to be borne by SHG, this include cost of shed/construction of shed.</li> <li>• Recurring cost to be borne by SHG</li> </ul>	

## 15. 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 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.
- Project support- the subsidy of 5% interest rate will be deposited directly to the bank/Financial institution by DMU and this facility will be only for three years. SHG/CIG have to pay the installments of the Principal amount on regular basis.

## 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:

- ➔ Project Orientation Group Formation/ Reorganization
- ➔ Group Concept and Management
- ➔ Introduction to IGA (General)
- ➔ Marketing and Business Plan Development
- ➔ Bank Credit Linkages & Enterprise Development
- ➔ Exposure Visit of SHGs/ CIGs – Within the State & Outside State

## 17. Monitoring Mechanism

- ➔ 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.

18.Group members Photos:-



### **Business Plan Approval by VFDS**

**NARI SHAKTI KINDARI-KHOPTWARI** SHG will undertake the **VERMICOMPOSTING** as livelihood income generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted).

In this regard Business Plan of amount (Rs) **449250/-** has been submitted by this group on dated **06/12/2021** and this Business Plan has been approved by **Maa Durga VFDS Kindari-Khoptwari**.

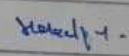
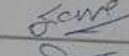

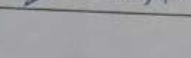
Business Plan with SHG resolution is being submitted to DMU through FTU for further action, please.

Thank you

### **Resolution–cum-Group-Consensus Form**

It is decided in the General House Meeting of the group **NARI SHAKTI SHG KINDARI –KHOPTWARI** held on **06/12/2021** at **KHOPTWARI** that our group will undertake the **VERMICOMPOSTING ACTIVITY** as Livelihood Income Generating Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted)

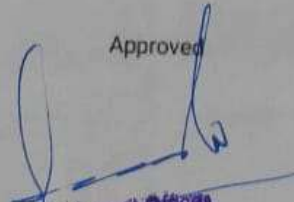
NAME & SIGNATURE OF AUTHORIZED SIGNATORIES

S.No.	NAME	DESIGNATION	SIGNATURE
1.		Vfds president	
2.	SONU KUMARI	Vfds Secretary	
3.	<del>सविता पुत्र</del>	Shg president	
4.	<del>पुनम सचिवा</del>	Shg secretary	

Submitted to DMU through FTU

V. Geed  
 Shakti Singh RFO  
 Name & Signature of FTU Officer  
 Khashdhar  
 Forest Range Officer

Robin Singh — Robin  
 Name & Signature of FTU Co-ordinator

Approved  
  
 Divisional Forest Officer  
 Rohru Forest Division



## BUSINESS PLAN APPROVED BY VFDS

Self help group will undertake the *Vermicompost* as livelihood Income Generation Activity under the project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted). In this regard Business Plan of amount (Rs) \_\_\_\_\_ has been submitted by this group on dated *27-10-2022* and this business plan has been approved by *KHARSHALI* VFDS *I Kindari - Khotwari*

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

Thank you

Signature Of VFDS President

Signature Of VFDS

Secretary

*Prasanna Khatwal*  
President  
Maa Durga Kharshali VIII. Forest  
Development Society Kindari,  
Khotwari C.P., Kharshali


*SONU*  
Secretary  
Maa Durga Kharshali VIII. Forest  
Development Society Kindari,  
Khotwari C.P., Kharshali

## RESOLUTION-CUM-GROUP CONSENSUS

It is decided in the General House Meeting of the group *VFRS Kharskali* held on *04-11-2020* at *Kharskali* that our group will undertake the *veerwicon post* as

Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest

Ecosystems Management & Livelihoods (JICA Assisted).

  
Signature of Group President

**President Sect  
Nari Shakti S.H.G.  
Kindari (Khoptuwari)**

Signature of Group Secretary

  
**President Sect  
Nari Shakti S.H.G.  
Kindari (Khoptuwari)**

