

BUSINESS PLAN

INCOME GENERATING ACTIVITY –Pickle Making and Value Addition

by

Jai Maa Tara - Self Help Group



SHG/CIG Name	::	Jai Maa Tara
VFDS Name	::	Banari-Pateud
Range	::	Mashobra
Division	::	Shimla

Prepared Under-



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

Table of Contents

Sl. No.	Particulars	Page/s
1	Description of SHG/CIG	3
2	Beneficiaries Detail	4
3	Geographical details of the Village	4
4	Executive Summary	4
5	Description of product related to Income Generating Activity	5
6	Production Processes	5
7	Production Planning	5-6
8	Sale & Marketing	6
9	SWOT Analysis	6-7
10	Description of Management among members	8
11	Description of Economics	9
12	Analysis of Income and Expenditure	9
13	Fund Requirement	9
14	Sources of Fund	10
15	Trainings/capacity building/ skill up gradation	10
16	Computation of break-even Point	10
17	Other sources of income	10
18	Bank Loan Repayment	11
19	Monitoring Method	11
20	Group members photo	12
21	Annexures	13-15

1. Description of SHG/CIG

1	SHG/CIG Name	::	Jai Maa Tara SHG
2	VFDS	::	Banari-Pateud
3	Range	::	Mashobra
4	Division	::	Shimla
5	Village	::	Banari
6	Block	::	Mashobra
7	District	::	Shimla
8	Total No. of Members in SHG	::	11
9	Date of formation	::	December 2023
10	Bank a/c No.	::	44010109026
11	Bank Details	::	HP Cooperative Bank Shoghi
12	SHG/CIG Monthly Saving	::	100
13	Total saving	::	5500/-
14	Total inter-loaning	::	-
15	Cash Credit Limit	::	-
16	Repayment Status	::	-

2. Beneficiaries Detail:

Sr. No	Name	Father/Husband Name	Age	Category	Income Source	Address
1	Chandravati	Ashok Rohal	40	Gen.	Agriculture	Vill. Banari, PO Anandpur
2	Prerna	Devender Rohal	43	Gen.	Agriculture	Vill. Banari, PO Anandpur
3	Reeta	Joginder Rohal	46	Gen.	Agriculture	Vill. Banari, PO Anandpur
4	Lajwanti	Lokinder Rohal	36	Gen.	Agriculture	Vill. Banari, PO Anandpur
5	Kavita	Sandeep Rohal	34	Gen.	Agriculture	Vill. Banari, PO Anandpur
6	Nirmala	Sushil Rohal	34	Gen.	Agriculture	Vill. Banari, PO Anandpur
7	Pushpa	Rajender Verma	51	Gen.	Agriculture	Vill. Banari, PO Anandpur
8	Geeta	Vinay Rohal	39	Gen.	Agriculture	Vill. Banari, PO Anandpur
9	Bimla	Sanjay Rohal	39	Gen.	Agriculture	Vill. Banari, PO Anandpur
10	Madhubala	Pawan Rohal	35	Gen.	Agriculture	Vill. Banari, PO Anandpur
11	Radha	Anil Rohal	40	Gen.	Agriculture	Vill. Banari, PO Anandpur

3. Geographical details of the Village

1	Distance from the District HQ	::	15 km
2	Distance from Main Road	::	5 Km
3	Name of local market & distance	::	Shoghi 5 km
4	Name of main market & distance	::	Shoghi 5 Km, Shimla 15 km
5	Name of main cities & distance	::	Shimla 15 km
6	Name of main cities where product will be sold/ marketed	::	Shoghi, Shimla

4. Executive Summary

Food Processing (Pickle making) income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of

this SHG. This business activity will be carried out yearly by group members. The process of making pickle takes around 3-7 days. Production process includes process like washing, slicing of vegetables, adding brine, desalting, adding spices, oil, preservatives and finally packing. Initially group will manufacture one type of pickle but in future, group will manufacture other pickle products increasing the varieties of pickle which follow same process. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

5. Description of Product related to Income Generating Activity

1	Name of the Product	::	Pickle making
2	Method of product identification	::	This activity is already being done by some SHG ladies. Has been decided by group members
3	Consent of SHG/ CIG / cluster members	::	Yes

6. Description of Production Processes

- Take vegetables, clean them with water, peel them.
- Cut them into specific size.
- Cooking/boiling of vegetables, if required.
- Then add spices and oil.
- Keep the mixture for some time and then pack it into jars and apply labels.

Pickle making business compliance-

Pickle is a food item therefore different regulation of the state government need to be followed. Since IGA is being taken up initially on small scale therefore these legal issues will be addressed locally by the SHG members by obtaining a food handling license from the local authorities. The business is being operated from home therefore the tax regulations for self employed groups will be taken care as per the rules.

7. Description of Production Planning

1.	Production Cycle for Pickle making (in days)	::	3 -7 days
2.	Manpower required per cycle (No.)	::	all ladies
3.	Source of raw materials	::	Local market/ Main market
4.	Source of other resources	::	Local market/ Main market

5.	Quantity required per month (kg)	::	900 Kg
6.	Expected production per month (Kg)	::	900 kg

Requirement of raw material and expected production

Sr.no	Raw material	unit	Time	Quantity (approx)	Amount per kg (Rs)	Total amount	Expected production Monthly (Kg)
1	Vegetables and Fruits	Kg	Monthly	900	50	45000	900

8. Description of Marketing/ Sale

1	Potential market places	::	Shoghi, Shimla
2	Distance from the unit	::	5 and 15km respectively
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 .5 -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 SHG"

9. 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
- Homemade, lower cost

❖ Weakness-

- Effect of temperature, humidity, moisture on manufacturing process/product.
- Highly labor intensive work.
- Compete with other old and well known products

❖ Opportunity-

- There are good opportunities of profits as product cost is lower than other same categories products
 - High demand in → Shops → Fast food stalls → Retailers → Wholesalers → Canteen → Restaurants → Chefs and cooks → Housewives
 - There are opportunities of expansion with production at a larger scale.
 - 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

10. Description of Management among members

By mutual consent SHG group members will decide their role and responsibility 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.

11. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Mixer	2	8000	16,000
2	Solar Vegetable dehydrator	1	17000	17,000
3	Finished product storage almirah/racks		LS	8000
4	Iron Racks		LS	10000
5	Kitchen tools:- Vessel 1 No.(Capacity 20-25kg), Spice Jars 10 No., Ladle 3 No., Parat 3 No., Oil Funnel, 2 No. Tub 5 No. Knife 11 No, Peeler 2 No., Steel Jug 2 No.		LS	15000
6	Hand Operated Jar Sealing Machine	1	15000	15000
7	Apron, cap, plastic hand gloves etc	11	LS	3500
8	Table	2	3000	6000
9	Small Stool	11	300	3300
10	Mesh Basket	5	200	1000
11	Weight machine (0-500gm, 0-50 Kg.)	2	6500	6500
12	Small Drum(Capacity 50 kg- 5 No., 100 Kg-2 No)	7	800	5600
13	Gas Stove	1	3000	3000
	Total Capital Cost (A) =			1,09,900

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Raw material	Kg/month	700	50	35,000
2	Raw material (masala)	Kg/month	235	120	28,200
3	Packaging material	Month	LS	16000	16000
4	Transportation	Month	1	2000	2000
5	Other (stationary, electricity, water bill, machine repair)	Month	1	2000	2000
	Recurring Cost				83,200

Note – As labour work will be done by SHG members themselves, therefore, labour cost will be zero.

C Cost of Production (Monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total recurring cost	83,200

2	10% depreciation annually on capital cost	915
	Total	84,115

D Selling Price calculation			
Sr.No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	120
2	Current market price	Kg	150-300
3	Expected Selling Price	Rs	200

E Average income Monthly by way of Sale				
Sr.No	Particulars	Qty	Rate	Amount (Rs)
1	Sale of Pickles	900K g	200	180,000.00

12. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)
1	Total Recurring Cost	83,200
2	Total Production per month of Pickle (Kg)	900
3	Total Sale Amount (900*200)	180000
4	Net profit	96,800
5	Distribution of net profit	<input type="checkbox"/> Profit will be distributed equally among members monthly/yearly basis. <input type="checkbox"/> Profit will be utilized to meet recurring cost. <input type="checkbox"/> Profit will be used for further investment in IGA

13. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	1,09,900	82,425	27,475
2	Total Recurring Cost	83,200	0	83,200
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	Total	2,43,100	1,32,425	110,675

Note-

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

14. Sources of fund:

Project support	<ul style="list-style-type: none"> • 75% of capital cost will be provided by project • UptoRs1 lakhwill be parked in the SHG bank account. • Trainings/capacity building/ skill up-gradation cost. • In caseSHG takes loan from bank 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 have to pay the installments of the Principal amount on regular basis. 	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 • Recurring cost to be borne by SHG 	

15. 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

16. Computation of break-even Point

$$= \text{Capital Expenditure/selling price (per kg)-cost of production (per kg)}$$

$$= 109900/(200-120)$$

$$=1373 \text{ Kg}$$

In this process breakeven will be achieved after selling 1373kg achara.

17. Other sources of income:

Income from grinding Mango, Amla, Daal, wheat, maize etc of villagers/local people.

18. 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 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.
- 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

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.

Some key indicators for the monitoring are as:

- Size of the group
- Fund management
- Investment
- Income generation
- Quality of product

Group members Photos-



Resolution-cum-Group Consensus Form

It is decided in the General House Meeting of the group Jai Maa Tara held on 08/08/23 at Banari that our group will undertake Pickle making as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA assisted).


Signature of Group Pradhan
प्रधान सचिव
जय माँ तारा स्वयं सहायता समूह
आनंदपुर


Signature of Group Secretary
प्रधान सचिव
जय माँ तारा स्वयं सहायता समूह
आनंदपुर

Business Plan approved by VFDS


Jai Maa Tara SHG group will undertake pickle-making 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 ₹ 2,43,100/- has been submitted by this group on dated 08/08/23 and this Business Plan has been approved by VFDS (Banari-Pateud)....

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



Signature of VFDS President

President
Village Forest Development Society
Banari-Pateud



Signature of VFDS Secretary

Secretary
Village Forest Development Society
Banari-Pateud



Submitted to DMU through FTU

Hib
Name & Signature of FTU Officer
Range Officer
Mashobra Forest Range
Mashobra, Shimla-7

[Handwritten Signature]
Name & Signature of FTU Coordinator

[Handwritten Signature]

Name & Signature of DMU Officer

DFO-cum-DMU OFFICER
JICA FORESTRY Project
SHIMLA