

# BUSINESS PLAN

INCOME GENERATING ACTIVITY–VERMICOMPOST  
by

**BHUTESHWAR MAHARAAJ -Self Help Group**



SHG/CIG Name	::	BHUTESHWAR MAHARAAJ
VFDS Name	::	Khagna-I
Range	::	Theog
Division	::	Theog

Prepared under-



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

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## 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**

Production of compost through rearing/using earth worms is called the vermicomposting technology. Under this technology, earthworms eat biomass and excrete it in a digested form which is known as vermicomposting or vermicompost. 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.

## 1. Description of SHG/CIG

SHG/CIG Name	::	BHUTESHWAR MAHARAAJ
VFDS	::	Khagna-I
Range	::	Theog
Division	::	Theog
Village	::	Dhar
Block	::	Cheog
District	::	Shimla
Total No. of Members in SHG	::	12
Date of formation	::	22-08-2022
Bank a/c No.	::	
Bank Details	::	
SHG/CIG Monthly Saving	::	Rs 100/- per month per member
Total saving	::	Rs /-
Total inter-loaning		---
Cash Credit Limit		---
Repayment Status		---

## 2. Beneficiaries Detail:

Sr. No.	Name (Phone number)	Father Name	Age	Education	Category	Income Source	Address
1	Vidya Nand (President) 94189-50401	Sant Ram	43	Matric	SC	Agriculture	Vill .Thalog Ghaati, GP Satog Teh.Theog, Distt, Shimla
2	Shonkiya Ram (Secretary) 98052-25666	Kirpa Ram	40	Matric	SC	Agriculture	Vill .Dhar, GP Satog Teh.Theog, Distt, Shimla
3	Geeta Ram (Treasurer) 94590-99437	Jantiya Ram	45	MA; B Ed.	SC	Agriculture	Vill .Dhar, GP Satog Teh.Theog, Distt, Shimla
4	Roop Singh	Tilu Ram	40	Twelfth	SC	Agriculture	Vill .Dhar, GP Satog Teh.Theog, Distt, Shimla
5	Rakesh	Tilu Ram	33	Matric	SC	Agriculture	Vill .Dhar, GP Satog Teh.Theog, Distt, Shimla
6	Sunil Kumar	Beli Ram	21	Matric	SC	Agriculture	Vill .Dhar, GP Satog Teh.Theog, Distt, Shimla
7	Jagdish	Dhankhu Ram	39	Eighth	SC	Agriculture	Vill. Kawanti, GP Satog Teh.Theog, Distt, Shimla
8	Prabhudyal	Chinchwa Ram	52	Uneducate d	SC	Agriculture	Vill .Dhar, GP Satog Teh.Theog, Distt, Shimla
9	Suresh Kumar	Prabhudyal	43	Matric	SC	Agriculture	Vill. Panoli, GP Satog Teh.Theog, Distt, Shimla
10	Surender Kumar	Ratti Ram	38	Matric	SC	Agriculture	Vill. Panoli, GP Satog Teh.Theog, Distt, Shimla
11	Vinod Kumar	Chet Ram	43	Matric	SC	Agriculture	Vill. Panoli, GP Satog Teh.Theog, Distt, Shimla
12	Dayanand	Parmanand	38	Matric	SC	Agriculture	Vill. Panoli, GP Satog Teh.Theog, Distt, Shimla

### 3. Geographical details of the Village

3.1	Distance from the District HQ	::	56Km
3.2	Distance from Main Road	::	3Km
3.3	Name of local market & distance	::	Dharech (15Km)
3.4	Name of main market & distance		Theog (35Km)
3.5	Name of main cities & distance		Theog (35Km)
3.6	Name of main cities where product will be sold/ marketed	::	Theogi

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

4.1	Name of the Product	::	Vermicomposting
4.2	Method of product identification	::	This activity is being explained by JICA team from time to time
4.3	Consent of SHG/ CIG / cluster members	::	Yes

### 5. 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 vermi-compost 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		Description
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-5	::	Storing the vermi-compost in proper place to maintain moisture and allow the beneficial microorganisms to grow.

## 6. Description of Production Planning

6.1	Production Cycle (in days)	::	90 days (three cycles in a year)
6.2	Manpower required per cycle (No.)	::	1
6.3	Source of raw materials	::	From household and own farms
6.4	Source of other resources	::	Open market
6.5	Raw material - quantity required per cycle (Kg) per member	::	6tonnes per cycle
6.6	Expected production per cycle (Kg) per member	::	3tonnes (@50%) per cycle

## 7. Description of Marketing/ Sale

7.1	Potential market places	::	Theog, Gumma, Kotkhai
7.2	Distance from the unit	::	35kms to 65kms
7.3	Demand of the product in market place/s	::	HP Forest deptt is procuring huge vermi-compost for their nursery
7.4	Process of identification of market	::	PMU will facilitate the tie up of procurement of vermi-compost produced by SHG by HP Forest deptt.
7.5	Marketing Strategy of the product		SHG members will also explore the additional marketing options

			around their villages for better sale price in future.
7.6	Product branding		At SHG level product will be marketed by branding of respective SHG. Later this IGA may require branding at cluster level
7.7	Product "slogan"		<b>"Pursharth"</b>

## 8. SWOT Analysis

### ❖ Strength

- Activity is being already done by some SHG members.
- Each of the SHG members are having cattle varying from 2 to 5 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 shelf-life is long.
- Hard working group.

### ❖ 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

## 9. 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

## 10. Description of Economics

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 10ftX4ftX2.5ft )	Per member	12	6000	72000	0	0	0	0
2	Errection of cover shed	Per member	12	4000	48000				
	<b>Sub-total (A.1)</b>				<b>120000</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	12	2000	24000	0	0	0	0
	<b>Sub-total (A.2)</b>				<b>24000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Capital Costs (A.1+A.2)</b>				<b>144000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B</b>	<b>Recurring Costs</b>								
4	Lease of land for setting up unit	Per annum	12	0	0	0	0	0	0
5	Seed earthworm	Per Kg	12	500	6000	0	0	0	0
6	Cost of procurement of Slurry/dung/waste	Tonnes	0	0	0	0	0	0	
7	Labour cost	Per tonne	40	700	28000	29400	30870	32414	34034

7	Packing materials	No.	200	50	10000	10500	11025	11576	12155
8	Other handling charges	Per tonne	40	150	6000	6300	6615	6946	7293
<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>53000</b>	<b>49200</b>	<b>51510</b>	<b>53936</b>	<b>56482</b>
	<b>Total cost =(capital cost+recurring cost)</b>				<b>197000</b>	<b>49200</b>	<b>51510</b>	<b>53936</b>	<b>56482</b>
<b>D</b>	<b>Income from vermicomposting</b>								
11	Sale of vermicompost	Tonnes	40	<b>6000</b>	<b>240000</b>	<b>252000</b>	<b>264600</b>	<b>277830</b>	<b>291722</b>
12	Sale of earthworm					<b>7500</b>	<b>15000</b>	<b>15000</b>	<b>15000</b>
13	<b>Total revenue</b>				<b>240000</b>	<b>259500</b>	<b>279600</b>	<b>292830</b>	<b>306722</b>
14	<b>Net returns (total revenue-total (D-C) (240000-197000))</b>				<b>43000</b>	<b>210300</b>	<b>228090</b>	<b>238894</b>	<b>250240</b>

## Economic Analysis

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Capital cost	<b>144000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recurring cost	53000	49200	51510	53936	56482
Total cost	<b>197000</b>	<b>49200</b>	<b>51510</b>	<b>53936</b>	<b>56482</b>
Total benefits	240000	259500	279600	292830	306722
Net benefits	<b>43000</b>	<b>210300</b>	<b>228090</b>	<b>238894</b>	<b>250240</b>

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

## 11. 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. 6 per Kg
- Net profit will be Rs. 2.8 per Kg
- It is proposed that each member will produce 2.7 tonnes of vermi-compost every year resulting in production of 40 tonnes vermi-compost by all 15 members of SHG in one year.
- Cost of earthworm has been kept at Rs. 500.00 per kg
- During the second years onwards, there will be surplus earthwork 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.

## 12. Fund requirement:

Sl. No.	Particulars	Total Amount (Rs)	Project support	SHG contribution
1	Total capital cost	144000	108000	36000
2	Total Recurring Cost	53,000	0	53,000
3	Trainings/ capacity building/skill up-gradation	50000	50000	0
	<b>Total =</b>	<b>247000</b>	<b>113000</b>	<b>89000</b>

### Note-

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

## 13. Sources of fund:

Project support;	<ul style="list-style-type: none"> <li>• 75% of capital cost will be utilized for construction of pit (Size will be of 10ft X 4ft X 2ft )</li> <li>• Upto Rs 1 lakh will be parked in the SHG bank</li> </ul>	Procurement of materials for pit/construction of pit will be done by respective DMU/FCCU after following all codal formalities.
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	<p>account.</p> <ul style="list-style-type: none"> <li>• Training/capacity building/ skill up-gradation cost.</li> </ul>	
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>	

#### 14. 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.

#### 15. Training/Capacity Building/Skill Up-gradation

Training/capacity building/ skill up-gradation cost will be borne by project.

Following are some training/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

#### 16. 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.

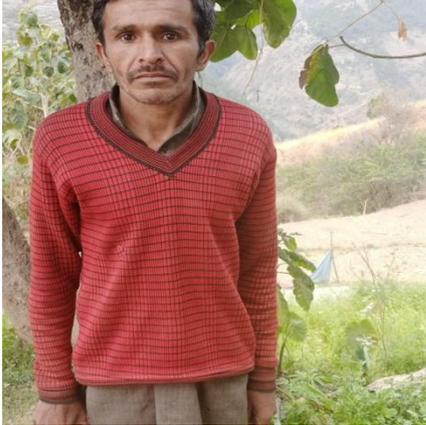
- ➔ SHG should also review the progress and performance of the IGA of each member and suggest corrective action if need be to ensure operation of the unit as per projection.

### Group members Photos –

Sr.No.	Name	Photo
1	Vidya Nan	
2	Shonkiya Ram	
3	Geeta Ram	

4	Prabhu Dayal	 A photograph of a man with a beard and glasses, wearing a colorful striped sweater and grey pants, sitting on a stone ledge outdoors. The background shows a dry, hilly landscape under a blue sky.
5	Rakesh Kumar	 A photograph of a man with a mustache, wearing a red cap and a red jacket, looking towards the camera. The background is a plain, light-colored wall.
6	Vinod Kumar	 A photograph of a man with a grey beard, wearing a dark jacket over a blue shirt, looking directly at the camera. The background is a window with a view of greenery.
7	Sunil Kumar	 A photograph of a man with dark hair and a beard, wearing a dark jacket over a yellow shirt, looking towards the camera. The background is a clear blue sky with some greenery.

8	Roop Singh	 A portrait of a man with short dark hair and a mustache, wearing a blue polo shirt. The shirt has a logo on the left chest that reads "Sams" and "Sams" in Hindi. The background is an outdoor setting with dry grass and trees.	
9	Suresh Kumar	 A portrait of a man with dark hair and a beard, wearing a red polo shirt. He is sitting in a chair with a floral patterned backrest. The background is a plain light blue wall.	
10	Surender Kumar	 A portrait of a man with dark hair and a beard, wearing a yellow and white plaid shirt. The background is a plain light-colored wall.	
11	Daya Ram	 A portrait of a man with dark hair and a mustache, wearing a white and grey striped sweater over a dark collared shirt. The background is a clear blue sky.	

12	Jagdish	 A portrait of a man with a mustache, wearing a red and white checkered sweater, standing outdoors in a rural setting with trees and hills in the background.
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**Prepared by :** SHG members in consultation with DMU Theog, FTU Kotkhai Forest Range and JICA staff.

### Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group, Bhuteshwar Maharaaj as per the guideline of JICA Project For Improvement of HP Forest Ecosystems management and Livelihood and coordination with the VFDS.

The details of the members is as under:

S.No.	Name (Phone number)	Father/Husband Name	Age	Education	Category	Income Source	Address	Sign
1	विद्या नन्द 9489 8040	श्री सन्तराम	48	10th	SC	Agriculture	गांव सलोग घाटी ग्राम-पंच संतोरा	Vidya Nanda
2	श्री केशवराज 9809 236 666	श्री केशवराज	40	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
3	श्री लालराम 94590 99437	श्री जंतीप्रसाद	45	M.A.Bed	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
4	रूप सिंह 98170 48584	श्री रंजित सिंह	40	10+2	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
5	राजेश 82788 सुनील कुमार 98076 32030	श्री जंतीप्रसाद	33	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	Rajesh
6	जगदीश 9015366998	श्री वैलीराम	21	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	Jagdish
7	संजय कुमार 98076 32030	श्री संजय कुमार	39	8th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
8	संजय कुमार 98076 32030	श्री विजय कुमार	52	NIL	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
9	संजय कुमार 98076 32030	श्री प्रभु कुमार	43	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
10	संजय कुमार 98076 32030	श्री रंजित	38	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
11	संजय कुमार 98076 32030	श्री रंजित	43	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
12	संजय कुमार 98076 32030	श्री रंजित	38	10th	SC	Agriculture	गांव सलोग ग्राम-पंच संतोरा	
13								
14								
15								
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**Business Plan Approval by VFDS**

Bhuteshwar Maharnaj.. 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. 247000/- has been  
submitted by this group on Dated 11/11/2023 and the Business Plan has been  
approved by VFDS ...Khajna - I

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

Thank You

Vroya Nand  
Signature of Group President

  
Signature of Group Secretary

प्रधान सचिव  
भूतेश्वर महाराज सरगं रहान  
समूह ३५५, ५५५, ५५५, ५५५

**Resolution-cum -Group-Consensus Form**

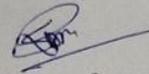
It is decided in the General House Meeting of the group Bhuteshwar Maharaj

Held on 19/1/2023 at Village Dhar.....that our group will undertake the  
Vermicomposting.....as Livelihood Income Generation Activity under the Project for  
Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods  
(JICA Assisted)

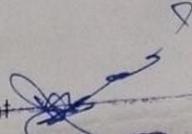
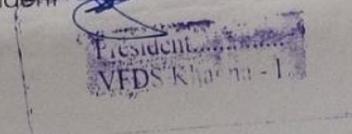
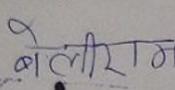
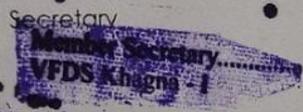
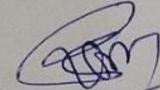
Nitya Nand

Signature of Group President

प्रधान  
भूतेश्वर महाराज स्वयं सहायक  
समाह ग्राम धार प्रा.पंच. जिला

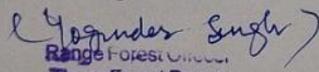


Signature of Group Secretary

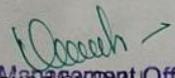
<p>1. Khajna-I... VFDS</p> <p>President</p>  	<p>2. भूतेश्वर महाराज SHG (Bhuteshwar Maharaaj)</p> <p>President <u>VIDYANAND</u></p> <p>प्रधान सचिव भूतेश्वर महाराज स्वयं सहायता ग्राम धार ग्रा.पंच. सलाह</p>
<p>3. Khajna-I... VFDS</p> <p>बेदीराज</p> <p>Secretary</p>  	<p>4. Bhuteshwar Maharaaj SHG</p> <p>Secretary</p>  <p>प्रधान सचिव भूतेश्वर महाराज स्वयं सहायता ग्राम धार ग्रा.पंच. सलाह</p>

Submitted to DMU through FTU

Name and Signature of FTU officer

  
 Range Forest Officer  
 Theog Forest Range  
 Theog

प्रधान Secretary प्रदीप महाराज साठे	VIDYA NAND प्रधान Signature of SHG President विद्येन्द्र महाराज स्वयं प्रदीप साठे
Member Secretary Signatory वेलीराम VFDS & NFDS Secretary	Signature of VFDS President विद्येन्द्र महाराज स्वयं
Saibur Signature of Forest Guard	Signature of Block Officer VFDS Khagna - I
Signature of RFO Range Forest Officer Theog	

  
 Divisional Management Officer  
 Theog, Forest Division, Theog





