

# BUSINESS PLAN

INCOME GENERATING ACTIVITY –Pickle Making and Value Addition

by

**Laxmi- Self Help Group**



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

**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	
2	Beneficiaries Detail	
3	Geographical details of the Village	
4	Executive Summary	
5	Description of product related to Income Generating Activity	
6	Production Processes	
7	Production Planning	
8	Sale & Marketing	
9	SWOT Analysis	
10	Description of Management among members	
11	Description of Economics	
12	Analysis of Income and Expenditure	
13	Fund Requirement	
14	Sources of Fund	
15	Training/capacity building/ skill up gradation	
16	Computation of break-even Point	
17	Bank Loan Repayment	
18	Monitoring Method	

## 1. Description of SHG/CIG

1	SHG/CIG Name	::	Laxmi
2	VFDS	::	Khagna-I
3	Range	::	Theog
4	Division	::	Theog
5	Village	::	Panoli
6	Block	::	Cheog
7	District	::	Shimla
8	Total No. of Members in SHG	::	12
9	Date of formation	::	22-08-2022
10	Bank a/c No.	::	41525119131
11	Bank Details	::	State bank of India, Dharech
12	SHG/CIG Monthly Saving	::	Rs. 100 per month by each member
13	Total saving		Rs. 7600/-
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	Krishna (President)	Ram Swaroop	26	General	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
2	Sulekha (Secretary)	Virender Kumar	25	SC	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
3	Priti Kumari (Treasurer)	Maya Ram	19	SC	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
4	Sharda	Kewal Ram	31	SC	Agriculture	Vill. Thandidhar, Teh. Theog, Distt. Shimla
5	Rekha	Vidya nand	38	SC	Agriculture	Vill. ThalogGhati, Teh. Theog, Distt. Shimla
6	Santosh Kumari	Surender Singh	36	SC	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
7	Ranjana	Sanjeev kumar	35	General	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
8	Asha Devi	Vinod Kumar	38	SC	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
9	Santosh	Swaminand	47	SC	Agriculture	Santosh Kumari
10	Vidya Devi	Prabhudyal	61	SC	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
11	Sheetal Devi	Daya Nand	31	SC	Agriculture	Vill. Panoli, Teh. Theog, Distt. Shimla
12	Rewati	Lachchhi Ram	40	General	Agriculture	Vill. Padar, Teh. Theog, Distt. Shimla

### 3. Geographical details of the Village

1	Distance from the District HQ	::	56Km
2	Distance from Main Road	::	3km
3	Name of local market & distance	::	Dharech (15Km)
4	Name of main market & distance	::	Theog(35km)
5	Name of main cities & distance	::	
6	Name of main cities where product will be sold/ marketed	::	Theog(35km)

### 4. Executive Summary

Picklemaking income generation activity has been selected by this Self Help Group. This IGA will be carried out by all ladies of this SHG. Pickle, Chutney, papad, tomato sauce, soup, jam etc will be made by this group initially. This activity is being already done by some ladies of this group. This business activity will be carried out seasonally by group members. The process of making Pickle takes around 3-7 days. Production process includes process like cleaning, washing, grinding, mixing, drying etc. Initially group will manufacture Pickle, Chutney, papad, tomato sauce, soup, jam etc but in future group will manufacture other products which follow same process. Product will be sold directly by group or indirectly through retailers and wholesalers of near market initially.

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

1	Name of the Product	::	Pickle, Chutney, papad, tomato sauce, soup, jam etc
2	Method of product identification	::	This activity is being already done by some SHG ladies. Has been decided by group members
3	Consent of SHG/ CIG / cluster members	::	Yes

### 6. Description of Production Processes

- Group will make Pickle and value addition items. This business activity will be carried out seasonally by group members.
- The process of making pickle takes around 3-7 days.
- Production process includes process like cleaning, washing, mixing, drying etc.

### 7. Description of Production Planning

1	Production Cycle for Mix Pickle (in days)	::	3 days
	Production Cycle for Pickle, Chutney, papad, tomato sauce, soup, jam etc (in days)		3 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	Expected production per cycle (Kg)	::	50 kg each

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	Garlic/green chilli/Galgal (Hill lemon)	Kg	Monthly	100	100	10,000	100
2	Masala	Kg	Monthly	50	150	7500	
1	Mix Vegetable	Kg	Monthly	100	50	5000	100
2	Masala	Kg	Monthly	50	150	7500	

## 8. Description of Marketing/ Sale

1	Potential market places	::	Theog, Shimla
2	Distance from the unit	::	35 to 56Km approximately
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/wholeseller. 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"		<b>"Savings first — Credit later"</b>

## 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.

Pickle , Chutney, papad, tomato sauce, soup,jam etc is a food item therefore different regulations of the state govt.need to be followed. Since the IGA is been taken up initially on small scale therefore, these legal issues will be addressed locally by the SHG members by obtaining a food handling Licence from the local authorities. The business will be operated from home, therefore the tax regulations of self- employed groups will be taken care as per the rules.

## 11. Description of Economics:

<b>A. CAPITAL COST</b>				
<b>Sr.No</b>	<b>Particulars</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Total Amount (Rs.)</b>
1	Grinder Machine (1-2 HP)	1	18000	18,000
2	Mixer	2	4000	8,000
3	Vegetable dehydrator	1	40000	40,000
4	weighing machine	1	2000	2,000
5	Kitchen tools		LS	15000
6	Finished product storage almirah/racks		LS	15000
7	Hand Operated Jar Sealing Machine	1	15000	15000
8	Apron, cap, plastic hand gloves etc	5	LS	2000
9	Gas chullah/ Cylinder (with 3 burners)	1	10000	10000
<b>Total Capital Cost (A) =</b>				<b>125000</b>

<b>B. RECURRING COST</b>					
<b>Sr.no</b>	<b>Particulars</b>	<b>Unit</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Amount (Rs)</b>
1	Garlic/green chilli/Galgal (Hill lemon)	Kg/month	100	100	10,000
2	Raw material (masala)	Kg/month	100	150	15000
3	Mix vegetables	Kg/month	100	50	5000
4	Packaging material	Month	LS	10000	10000
5	Transportation	Month	1	4000	4000
6	Other (stationary, electricity, water bill, machine repair )	Month	1	3000	3000
<b>Recurring Cost</b>					<b>47000</b>

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

If the business expand the Capital Cost and recurring cost will be revised as per the requirement.

<b>C Cost of Production (Monthly)</b>		
<b>Sr. No</b>	<b>Particulars</b>	<b>Amount (Rs)</b>
1	Total recurring cost	47,000
2	10% depreciation annually on capital cost	12000
	<b>Total</b>	<b>59000</b>

<b>D</b>			
<b>Selling Price calculation for Garlic/green chilli/Galgal (Hill lemon)(per cycle)</b>			
Sr.No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	150
2	current market price	Kg	200-350
3	Expected Selling Price	Rs	250

<b>E</b>			
<b>Selling Price calculation for Mix Vegetable Pickle (per cycle)</b>			
Sr.No	Particulars	Unit	Amount (Rs)
1	Cost of Production	Kg	100
2	current market price	Kg	200-300
3	Expected Selling Price	Rs	200

## 12. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)/kg
1	10% depreciation annually on capital cost	12000
2	Total Recurring Cost	47000
	Total Production per month Garlic/green chilli/Galgal (Hill lemon)pickle( Kg)	100kg
3	Selling Price (per Kg)	250
4	Income generation (250*100)	25000
5	Total Production per month Mix vegetables pickle( Kg)	100kg
6	Selling Price (per Kg)	200
7	Income generation (200*100)	20000
8	Net profit	45000
9	Distribution of net profit	<ul style="list-style-type: none"> <li>• Profit will be distributed equally among members monthly/yearly basis.</li> <li>• Profit will be utilized to meet recurring cost.</li> <li>• Profit will be used for further investment in IGA</li> </ul>

### 13. Fundrequirement:

Sr.No	Particulars	Total Amount (Rs)	Project Contribution	SHG Contribution
1	Total capital cost	125000	93750	31250
2	Total Recurring Cost	47000	0	47000
3	Trainings/capacity building/ skill up-gradation	50,000	50,000	0
	<b>Total</b>	<b>222000</b>	<b>143750</b>	<b>78000</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

### 14. Sources of fund:

Project support	<ul style="list-style-type: none"><li>• 75% of capital cost will be utilized for purchase of machineries and equipments</li><li>• UptoRs1 lakh will be parked in the SHG bank account.</li><li>• Training/capacity building/ skill up-gradation cost.</li></ul>	Procurement of machineries/equipment 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 materials/tools other than machineries.</li><li>• Recurring cost to be borne by SHG</li></ul>	

### 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

= Capital Expenditure/selling price (per kg)-cost of production (per kg)

= 1,25,000/(250-150)

= 350 Kg

In this process breakeven will be achieved after selling 350 kg achaar.

**17. 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.

## 18. 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-

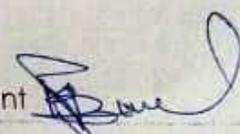
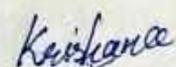
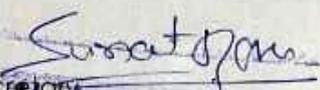
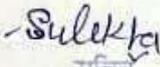
S.No	Name	Photo
1	Krishna	
2	Sulekha	
3	Priti	

4	Sharda	
5	Rekha	
6	Santosh Kumari	

7	Ranjana	
8	Asha Devi	
9	Santosh	

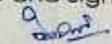
10	Vidya Devi	
11	Sheela Devi	
12	Rewati	

**Prepared by:** SHG members in consultation with DMU Theog, FTU Theog Forest Range and JICA staff.

<p>1. Keshav Ram VFDS</p> <p>President </p> <p>President..... VFDS Khagna - I</p>	<p>2. Krishna SHG</p> <p>President </p> <p>President..... सचिव समिति-1 ग्राम....., जिला शिमला (हि.प्र.)</p>
<p>3.....VFDS</p> <p></p> <p>Secretary Member Secretary..... VFDS Khagna - I</p>	<p>4. Sulekha SHG</p> <p>Secretary </p> <p>सचिव समिति-1 ग्राम....., जिला शिमला (हि.प्र.)</p>

Submitted to DMU through FTU

Name and Signature of FTU officer

  
Yoginder Singh  
Range Forest Officer  
Theog Forest Range  
Theog

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

It is decided in the General House Meeting of the group Laxmi.....

Held on 17/12/2022 at Thalog Ghaati.....that our group will undertake the Pickled food processing as Livelihood Income Generation Activity under the Project for Improvement of Himachal Pradesh Forest Ecosystems Management & Livelihoods (JICA Assisted)

Krishana  
Signature of Group President सचिव  
लक्ष्मी स्वयं सहायता समूह खगना-1  
ग्राम पं. अताग, तह दिवांग,  
जिला शिमला (हि.प्र.)

Sulvika  
Signature of Group Secretary सचिव  
प्रधान  
लक्ष्मी स्वयं सहायता समूह खगना-1  
ग्राम पं. अताग, तह दिवांग,  
जिला शिमला (हि.प्र.)

**Business Plan Approval by VFDS**

Laxmi... Group will undertake the... Pickle & food processing.....

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. 2320000... has been submitted by this group on Dated 17/12/22 and the Business Plan has been approved by VFDS ...K. Sharma - I

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

Thank You

*Krishana*

Signature of Group President

प्रधान सचिव  
लक्ष्मी स्वयं सहायता समूह खगना-1  
ग्राम पं. जताग, तह. डियारा,  
जिला शिमला (हि.प्र.)

*Sulista*

Signature of Group Secretary

प्रधान सचिव  
लक्ष्मी स्वयं सहायता समूह खगना-1  
ग्राम पं. जताग, तह. डियारा,  
जिला शिमला (हि.प्र.)

### Annexure

We the member of group hereby consented to actively participate in the IG Activity opted by the group... Laxmi..... 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:

Sr.No.	Name (Phone number)	Father/Husb and Name	Age	Education	Category	Income Source	Address	Signature
1	<sup>Sulekha</sup> 62 309 45 675	Nisendes Kumar	35	12 <sup>th</sup>	S.C	Farmer	Panoli	Sulekha
2	<sup>Santosh Kumar</sup> 40 598 77 201	Suresnder Singh	36	10 <sup>th</sup>	S.C	Farmer	Panoli	Santosh Kumar
3	<sup>Ranjana</sup> 70 88 96 398	Sankar Kumar	35	12 <sup>th</sup>	Gen.	Farmer	Panoli	Ranjana
4	<sup>Neta Devi</sup> 40 598 62 054	Kamal Kumar	35	10 <sup>th</sup>	S.C	Farmer	Panoli	Asa Devi
5	<sup>Saurabh</sup> 94 187 054 47	Saurabh Nand	47	5 <sup>th</sup>	S.C	Farmer	Panoli	Saurabh
6	<sup>Kidya Devi</sup> 90 51 06 970	Prabhu Dyal	61	-	S.C	Farmer	Panoli	Kidya Devi
7	<sup>Mahesh Kumar</sup> 62 197 48 787	Mahesh Ram	19	12 <sup>th</sup>	S.C	Farmer	Panoli	Mahesh
8	<sup>Thandhi Dhas</sup> 78 399 4302	Kamal Ram	31	12 <sup>th</sup>	S.C	Farmer	Thandhi Dhas	Thandhi Dhas
9	<sup>Thandhi Dhas</sup> 94 88 5401	Kidya Nand	38	9 <sup>th</sup>	S.C	Farmer	Thandhi Dhas	Kidya Nand
10	<sup>Prakash Dhas</sup> 82 954 7399	Ram Kumar	36	10 <sup>th</sup>	Gen.	Farmer	Panoli	Prakash
11	<sup>Kidya Devi</sup> 81 69 90 786	Dalja Nand	31	10 <sup>th</sup>	S.C	Farmer	Panoli	Kidya Devi
12	<sup>Kidya Devi</sup> 78 073 34602	Lachhore Singh	40	8 <sup>th</sup>	Gen.	Farmer	Padar	Rajwati

<p>प्रधान Signature of Secretary</p> <p><i>Sulekha</i></p> <p>सचिव खगना-1</p>	<p>Signature of SHG President</p> <p><i>Krishana</i></p> <p>सचिव खगना-1</p>
<p>Signature of VFDs Secretary</p> <p><i>[Signature]</i></p> <p>खगना-1</p>	<p>Signature of VFDs President</p> <p><i>[Signature]</i></p> <p>खगना-1</p>
<p>Signature of Forest Guard</p> <p><i>[Signature]</i></p>	<p>Signature of Block Officer</p> <p><i>[Signature]</i></p> <p>खगना-1</p>
<p>Signature of Range Forest Officer</p> <p><i>[Signature]</i></p> <p>खगना-1</p>	

*[Signature]*  
 Divisional Management Officer  
 Theog, Forest Division, Theog