

No. JICA 5215  
Himachal Pradesh Forest Department

Dated Rampur, the 6-12-23

From:- DMU Officer-cum-DCF,  
Rampur Forest Division

To: - FCCU Officer-cum-CCF,  
Rampur Forest Circle, HP


Subject: **Business plan.**

Memo: -

Enclosed Please find herewith the following Business Plan in respect of Batch-I Range (i.e.Sarahan Range) of this division duly approved/sanctioned by the undersigned for favour or further necessary action at your end please.

Sr. No	Name of Range/ Block	Name VFDS	Name of SHG	IGA	Total outlay of the plan
1	Sarahan Range	Kinno	Lakshmi SHG	Paneer Making	1,41,153/-

Encl:- As above


  
DMU Officer JICA Project-cum -  
Dy. Conservator of Forests,  
Rampur Forest Division . H. P.

11/12/23

Endst. No. 5216-17 / Dated Rampur, the 6-12-23 /

1. Copy forwarded to Chief Project Director (JICA) Near HP Milkfed, Totu, Shimla-171011 for information and necessary action please.

2. Copy forwarded to FTU Officer-cum-RO Sarahan for information and necessary action please.

  
DMU Officer JICA Project-cum -  
Dy. Conservator of Forests,  
Rampur Forest Division . H. P.

11/12/23

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

**BUSINESS PLAN**

**INCOME GENERATING ACTIVITY-Paneer Making**  
by

**Lakshmi - Self Help Group**


SHG/CIG Name	::	Lakshmi SHG
VFDS Name	::	Kinnu
Range	::	Sarahan
Division	::	Rampur



**Prepared under –**



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

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

## Table of Contents

Sr. No.	Particulars	Page/s
1	Introduction	3
2	Description of SHG/CIG	3
3	Beneficiaries detail	4
4	Group member photos	5
5	Geographical details of the village	5
6	Description of production process	6
7	Market potential to start paneer making business	6
8	Reasons to start paneer making business	6
9	Equipment requirement for homemade paneer	6-7
10	Description of product related to income generating activity	7
11	Description of production planning	7
12	Description of marketing/ Sale	8
13	SWOT analysis	8
14	Description of management among members	9
15	Financial forecast/projections	9-10
16	Fund flow	11
17	Sources of fund	12
18	Trainings/capacity building/skill up-gradation	12
19	Bank loan repayment	13
20	Monitoring method	13
21	Remarks	13

## 1. Introduction

Paneer is a very common household item and a healthy and delicious rich source of protein. All the members of Lakshmi 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	::	Lakshmi SHG
2.2	VFDS	::	Kinnu
2.3	Range	::	Sarahan
2.4	Division	::	Rampur
2.5	Village	::	kinnu
2.6	Block	::	Rampur
2.7	District	::	Shimla
2.8	Total No. of Members in SHG	::	10- females
2.9	Date of formation	::	23 June, 2023
2.10	Bank a/c No.	::	
2.11	Bank Details	::	H.P State Cooperative Bank, Sarahan
2.12	SHG/CIG Monthly Saving	::	100
2.13	Total saving		
2.14	Total inter-lending		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

### 3. Beneficiaries Detail

Sr. No	Name (Sh/Smt.)	Father/Husband's Name (Sh.)	Age	Category	Income Source	Address
1	Pushpa Devi	Jai Chand	59	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
2	Sangeeta Devi	Anish Kumar	36	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
3	Kala Devi	Mohan Lal	41	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
4	Sapna Devi	Hari Singh	45	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
5	Uma Devi	Deewan Singh	34	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
6	Binta Devi	Bihari Lal	57	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
7	Roopa Devi	Mohan Lal	50	General	Agriculture	Vill.Kinnu P.O. Kinui Tehsil Rampur Distt. Shimla (HP)
8	Mansa Devi	Anil Kumar	45	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
9	Krishna Devi	Swarupa Nand	53	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)
10	Kaushalya Devi	Ram lal	50	General	Agriculture	Vill.Kinnu P.O. Kinnu Tehsil Rampur Distt. Shimla (HP)

#### 4. Group member Photos-

				
<b>Krishna Devi ( Pradhan)</b>	<b>Mansa Devi (Secretary)</b>	<b>Roop Dasi</b>	<b>Binta Devi</b>	<b>Uma Devi</b>
				
<b>Sapna Devi</b>	<b>Kala Devi</b>	<b>Pushpa Devi</b>	<b>Kaushalya Devi</b>	<b>Sangeeta Devi</b>

#### 5. Geographical details of the village

3.1	Distance from the District HQ	::	180 Km
3.2	Distance from Main Road	::	4 Km
3.3	Name of local market & distance	::	Sarahan 12 Km
3.4	Name of main market & distance	::	Rampur- 50 Km
3.5	Name of main cities & distance	::	
3.6	Name of places/locations where product will be sold/ marketed	::	Villages covered – Kinnu, Sarahan

## 6. Description of production process

Initially the members of paneer making SHG agreed to start the business with 120lt of pure milk. The 40lt milk will be heated to a temperature of 80-90<sup>0</sup>c in heavy based milk pots with 50lt capacity of each pot by continuous stirring. When the milk will attain the temperature of approximately 90<sup>0</sup>C 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.

## 7. 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.

## 8. Reasons to start paneer making business

- a. Natural dairy product
- b. Huge demand
- c. The business is money-spinning
- d. Less capital needed
- e. Inexpensive constituents
- f. The SHG members are well conversant with the activity at individual level

## 9. 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.

### 10. 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

### 11. 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	::	Gharat, Sarahan
5	Quantity required per cycle (Kg)	::	120 kg milk (initially)
6	Expected production per cycle (Kg)	::	24kg (initially)

### Requirement of raw material and expected production

S.No.	Raw material	Unit	Quantity	Amount per Kg	Total Amount	Expected Production (Kg)	Rs. Per kg	Total Amount
1	Cow Milk	Kg	120	25	3000	24	250	6000



## 11. Description of Marketing/ Sale

1	Potential market places	::	Rampur Bsr 50 km, Sarahan 12km, Jeori 29 Km, Jhakri 41 Km
2	Distance from the unit	::	
3	Demand of the product in market place	::	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 <del>and other miscellaneous</del> 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
	<b>Total Capital Cost (A)</b>			<b>78400</b>

<b>B. RECURRING COST</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Quantity</b>	<b>Price</b>	<b>Total Amount (Rs)</b>
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
<b>Total Recurring cost (B)</b>				<b>120900</b>

<b>C. Cost of Production (Monthly)</b>		
<b>Sr.No.</b>	<b>Particulars</b>	<b>Amount (Rs)</b>
1	Total Recurring Cost	120900
2	10% depreciation annually on capital cost	653
<b>Total cost of production</b>		<b>121553</b>

<b>D. Total income monthly</b>					
<b>Sr.No.</b>	<b>Particulars</b>	<b>Daily</b>	<b>Expected rate per kg</b>	<b>Total sale daily</b>	<b>Monthly sale</b>
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	Project	SHG
		Amount (Rs)	support	Contribution
1	Total capital cost	78400	58800 (75%)	19600
2	Total Recurring Cost	121553	-	121553
3	Trainings/capacity building/ skill up-gradation	60000	60000	-
	<b>Total</b>	<b>259953</b>	<b>118800</b>	<b>141153</b>

**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"> <li><input type="checkbox"/> 75% of capital cost will be utilized for purchase of machineries including equipments as detailed at serial no. 8 above.</li> <li><input type="checkbox"/> Upto Rs 1 lakh will be parked in the SHG bank account.</li> <li><input type="checkbox"/> Trainings/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><input type="checkbox"/> 25% of capital cost to be borne by SHG, this include cost of materials/tools other than machineries</li> <li><input type="checkbox"/> Recurring cost to be borne by SHG</li> </ul>	

## 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**

Resolution-cum-Group Consensus Form

It is decided in the General House meeting of the Self Help Group  
..... LAKSHMI ..... held on dated 22-08-2023 at ..... Kinnor ..... that  
our Self Help Group will undertake the ..... PANNEER MAKING ..... as Livelihood  
Income Generation under the Project for improvement of Himachal Pradesh.  
Forest Ecosystem Management & Livelihoods. (JICA Assited).

शुभवी देवी


Signature of Group Pradhan.  
Secretary

Mansarayi  
Signature of Group

Business Plan Approval by VFDS & DMU

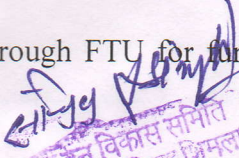
. LAKSHMI..... Self Help Group will undertake the..... PANSEER MAKING.....  
As Livelihood Generation Activity under the Project for improvement of Himachal Pradesh Forest  
Ecosystem Management & Livelihood (JICA Assisted). In this regard Business Plan of Amount  
(Rs.) ..... 259953/- .....has been submitted by this group on dated  
..... 22-08-2023 .....and this business plan has been approved by  
..... KINNOO .....VFDS.

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

  
प्रधान  
ग्राम वन विकास समिति  
किन्नू 6120, जिला शिमला हि०प्र०

Signature of VFDS Pradhan

Thank you.

  
ग्राम वन विकास समिति  
किन्नू 6120, जिला शिमला हि०प्र०

Signature of VFDS Secretary