



Income Generation Activity Business Plan Aloe Vera Cultivation 2022



| | | |
|---------------------|---|-----------|
| SHG/Name | : | Laxmi SHG |
| VFDSName | : | Ropari |
| FTU/Range | : | Suket |
| DMU/Division | : | Suket |
| FCCU/Circle | : | Mandi |

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1. Introduction

Himachal Pradesh is majestic, almost mythic terrain and famous for its beauty and serenity, its rich culture and religious heritage. The state has diverse ecosystem, rivers and valleys, and has a population of 7.5 million and covers 55,673 sq. km ranging from foothills of Shivalik to the mid hills (300 - 6816 mts above MSL), high hills and cold dry zones of the upper Himalayas. It is spread across valleys with many perennial rivers flowing through them. Almost 90% of the state's population lives in rural areas. Agriculture, horticulture, hydropower and tourism are important constituents of the state's economy. The state has 12 districts and Mandi is 2nd district in population wise having 14.58%.

The district lies in central Himachal and is famous for its tourist stations and Himalayan Treks connecting the trails with far remote regions between the adjacent districts of Kullu Shimla, Bilaspur, Solan, Hamirpur and Kangra districts which are bordered at North-North East, East, West and South of Mandi respectively. The District is also a home to some of the Ancient settlements, Traditional Handloom and Apple Cultivation Fields & Beas and Setluj River are the life line and main drain.

The largest valley in the district is called the Balh Valley, though other valleys such as Karsog and Hatli valleys are also known for the production of food grains. Which is also known as the Valley of the Gods. There is also a town called Mandi which is situated on the banks of the Beas River in the northern part of the Balh valley, where people are hard working.

Forests and Forest eco systems are the storehouse of rich biodiversity and play a vital role in

preserving the fragile sloppy lands and were primary sources of livelihood for rural population. The rural peoples are directly dependent on the forest resources for their livelihoods and socio-economic development. The Harsh reality is this that these resources are constantly depleting due to over exploitation, such as Fodder, fuel, NTFP extraction Grazing, Fires, and droughts etc.

Under Ropri VFDS two SHGs have been formed for implementing livelihood Improvement activities. One of these is, “Laxmi” concerned with Aloe Vera cultivation. Group members belong to a weaker section of society and have less land holdings. To raise their socio-economic conditions, they decided to cultivate Aloe Vera. A technical input for preparing Business plan was provided by Dr. Pankaj Sood, Principle Scientist & Head Dr. Kavita Sharma & DS Yadav, KVK Mandi at Sunder Nagar. Team consisting of Sh. Vijay Kumar SMS, o/o DMU Sunder Nagar, Mr. Jagarnath, Forest Guard, Jarol Beat prepared the business plan under the constant supervision and guidance of V. P. Pathania, Rtd. DFO.

2. Executive summary

Ropari VFDS: -

Ropari VFDS falls under Development Block Sunder Nagar, Jarol Beat of Suket Range in Sunder Nagar Forest Division.

Important features of VFDS: -

The area is famous for Ganesh Temple situated at Ropri on NH-21. The area is known for its Mango and Lichi fruits which has a special demand during the season.

| | |
|-------------------|-----------|
| No. of Households | 81 |
| BPL families | 10=12.34% |
| Total population | 332 |
| Total Cattle | 214 |

3. Description of SHG

The informal Laxmi SHG group was formed in July 2020 under Ropari VFDS to provide Livelihoods Improvement Support by upgrading skill and capacities. The group consists of poor and marginal farmers.

Laxmi SHG group is purely a women group consist of marginal and financial weaker section of the society having less land resources. Though all Group member grow seasonal vegetable etc. but as the land holding of these members is very small and irrigation facility are less and the production level has reached near saturation, so in order to meet out their financial requirements’ they decided to go ahead with Aloe vera cultivation which can

enhance their income. There are 20 members in this group and their monthly contribution is Rs 100 /- per month. The detail of Group members is as under:-

Detail of SHG Members

| Sr. No. | Name | Name of Father/Husband | Designation | Category | Age | Qualification | Cont. No. |
|---------|--------------------|------------------------|-------------|----------|-----|------------------|------------|
| 1. | Smt. Somlata Devi | Sh. Khem Chand | Pradhan | General | 49 | 8 th | 7018407512 |
| 2 | Smt. Girja Devi | Sh. Sanjay Kumar | Secretary | General | 39 | 10 th | 9805356421 |
| 3 | Smt. Kamla Devi | Sh. Roshan Lal | Member | General | 46 | 5 th | 8627038718 |
| 4 | Smt. Lata Devi | Sh. Desh Raj | Member | General | 39 | +2 | 9418090823 |
| 5 | Smt. Daya Devi | Sh. Tibhalu Ram | Member | General | 41 | 10 th | 8988492880 |
| 6 | Smt. Meera Devi | Sh. Hari Singh | Member | SC | 34 | 10 th | 7876838932 |
| 7 | Smt. Roshani | Sh. Roop Lal | Member | SC | 41 | 8 th | 9736269675 |
| 8 | Smt. Promila | Sh. Khem Raj | Member | SC | 29 | +2 | 6230895090 |
| 9 | Smt. Nirmla | Sh. Shiv Ram | Member | SC | 31 | 10 th | 9015988737 |
| 10 | Smt. Indra Devi | Sh. Hem Chand | Member | General | 56 | 5 th | 8629879741 |
| 11 | Smt. Nisha Devi | Sh. Dinesh Kumar | Member | General | 28 | +2 | 7018233059 |
| 12 | Smt. Rama Devi | Sh. Desh Raj | Member | General | 32 | 10 th | 9805850630 |
| 13 | Smt. Champa Devi | Sh. Shunku Ram | Member | SC | 47 | 5 th | 9418057321 |
| 14 | Smt. Rattani Devi | Sh. Hans Raj | Member | SC | 43 | - | 8894432891 |
| 15 | Smt. Bharu Devi | Sh. Godaver Ram | Member | SC | 60 | - | 9418352086 |
| 16 | Smt. Roshani Devi | Sh. Nag Raj | Member | SC | 50 | - | 9882160172 |
| 17 | Smt. Hima Devi | Sh. Hem Raj | Member | SC | 37 | - | 8580664027 |
| 18 | Smt. Kaushlya Devi | Sh. Shyam Lal | Member | General | 42 | +2 | - |
| 19 | Smt. Satya Devi | Sh. Khazana Ram | Member | SC | 48 | - | - |
| 20 | Smt. Chinta Devi | Sh. Jeet Ram | Member | SC | 31 | 10 th | 8580738494 |

Laxmi Self Help Group Ropari

| | | | |
|------|----------------------------|----|------------------------------------|
| 2.1. | Name of SHG | :: | Laxmi |
| 2.2 | SHG/CIG MIS CodeNo | :: | - |
| 2.3 | VFDS | :: | Ropari |
| 2.4 | Range | :: | Suket |
| 2.5 | Division | :: | Suket |
| 2.6 | Village | :: | Ropari |
| 2.7 | Block | :: | Sunder Nagar |
| 2.8 | District | :: | Mandi |
| 2.9 | Total no of members in SHG | :: | 20 |
| 2.10 | Date of formation | :: | July 2020 |
| 2.11 | Bank Name and details | :: | PNB Jarol IFSC Code PUNB0203200 |
| 2.12 | Bank A/C No. | :: | 2032000100112851 |
| 2.13 | SHG/monthly saving | :: | Rs.100 /-Month |
| 2.14 | Total Saving | :: | 12000/- |
| 2.15 | Total inter-loaning | :: | Yes |
| 2.16 | Cash Credit limit | :: | - |
| 2.17 | Repayment status | | Quarterly Bases |

4. Geographical detail of the Village

| | | | |
|-----|--|---|--|
| 3.1 | Distant from District HQ | : | 30 km |
| 3.2 | Distant from Main Road | : | 0 Km |
| 3.3 | Name of Local Market and distant | : | Sunder nagar, 6 kms, Mandi 30 kms app. |
| 3.4 | Name of main Cities and distant | : | Sunder nagar, 6 kms, Mandi 30 kms app. |
| 3.5 | Name of the main cities where Products will be sold/ marketed | : | Sunder nagar, Jarol |
| 3.6 | Status of backward and forward linkages | : | Backward linkages Training, (KVK) (Horticulture dept.) and Forward linkages Markets exits suppliers etc. |

5. Description of product related to Income Generating Activity.

| | | | |
|-----|----------------------------------|----|---|
| 4.1 | Name of the Product | :: | The Group will be involved in production of aloe vera in their private land along the bunds and refractory portion of their land holdings. |
| 4.2 | Method of Product Identification | :: | Though the entire Group member grows seasonal vegetable crops. As their land holding is small, has reached in saturation point of production, so they are not able to meet out their financial requirements' therefore it has been decided by the group member that Mushroom cultivation will enhance their income. Further they usually go to sell their vegetable crops in Sunder Nagar Market. Market linkages are already in place. They do not have to spend extra time and money for marketing aloe vera either raw or in gel form. |
| 4.3 | Consent of SHG /CIG/ Cluster | :: | Consent is attached as an Annexure. |

6. Production Processes.

The training of Aloe vera cultivation has been arranged by JICA project at KVK Sunder nagar. The full cost of training with spot demonstration is born by the JICA Project.

The Group decided initially to start with Aloe Vera Production; As soon as the planting of Aloe Vera is completed by the group during monsoon season and the coming months of are more suitable for growth of Aloe Vera plants. Each group member will plant plants of Aloe Vera as per the list attached will be supplied free of cost and got planted in their land by the group member.

The group member will plant this Aloe Vera plants themselves and care and maintenance in the first year to beat up the failure. The production of raw material in the shape of leaves is available after the completion of two years hence the business plan is proposed for production from second year onward to 5th year.

The Group members will work seasonally when they are free from their agriculture farming activities and full time at the time of planting in the beginning.

7. Description of Production Planning:

| | | | |
|-----|--|----|--|
| 6.1 | Production Cycle 1 st (2 yr) | :: | <p>In Mandi district Aloe Vera can be grown from July to September. On Planting the propagules in the area, aloe vera takes at least 2 years to give their 1st two leaves from each planted propagules are available. There after two to three leaves each year.</p> <p>Are available as a production, in addition to this from 3rd year the propagules are also available from each plant to restock the additional area can be taken .In total 2 yrs. are required to take the 1st two lower leaves of crop. The production cycle of 4 crops (each with 2-3 leaves) will be 5 years. As per detail below:-</p> <p>1st produce in the form of leaves (2 year)</p> <p>2nd produce in the form of leaves (1year)</p> <p>3rd produce in the form of leaves (1year)</p> <p>4th produce in the form of leaves (1year)</p> |
| 6.2 | Manpower required (No) | :: | Initially whole group will work together to carry, digging of pits or trenches and planting of propagules in the area selected for plantation in their private land this will be done as to the suitability of the group member. |
| 6.3 | Source of raw material | :: | Horticulture Department, Palampur and Solan district of Himachal Pradesh. Generally, to be procured through tender. |
| 6.4 | Source of other Resources. | :: | Rudra Shakti Herbs Pvt. Hamirpur |
| 6.5 | (i)Quantity required for planting | :: | Aloe Vera propagules 25,000 No |
| 6.6 | Expected production in 1 st 2 years | :: | The average production of Aloe Vera from 25,000 plants is around 75 tones and sold to Rudra Shakti herbs @ Rs. 7/- |

8. Description of Marketing /Sale

| | | | |
|-------|-------------------------------------|----|---|
| 7.1 | Potential Market Places | :: | Jarol, Mandi, Sunder nagar. |
| 7.2 | Distance from unit | :: | Jarol 2 kms Sunder nagar 6 kms and Mandi 30 kms |
| 7.3 | Demand of the Product in Market | | Aloe vera gel is in demand with cosmetic factories. |
| 7.4 | Process of Identification of Market | :: | The market for Aloe Vera selling is well established in the form of factories running at Chambi and Baddi, Himachal Pradesh |
| 7.5 | Impact of seasonality on Market. | :: | Since the product is of medicinal and cosmetic values and hence there is no impact of season. |
| 7.6 | Potential buyers of the Product. | :: | Procured by Rudra Shakti Herbs Pvt Ltd. and Potential Market Buyers are Ayurvedic and cosmetic factories and local buyer for face packs etc. |
| 7.7 | Potential consumers in the area. | :: | Procured by Rudra Shakti Herbs Pvt Ltd. |
| 7.8 | Marketing mechanism of the Product. | :: | This is a seasonal and one time a year when the leaves will be harvested to the convenience of the group members or demand if any. The juice/ gel is extracted and supplied as and when demand is there. |
| 7.9 | Marketing strategy of the Product. | :: | Initially group will contact the cosmetic manufacturer. Face pack, juice manufacturing units and Ayurveda of Sunder nagar town and around. Thereafter on increase of production, the retail sellers will also be contacted to sell their product on net rate or commission basis. |
| 7.10 | Product Branding. | :: | “Aleo Vera Gel”. |
| 7.11. | Product Slogan | :: | “ <i>Aleo Vera Gel lagao Khubsurat ho Jao</i> ”. |

9. Description of Management among the Members

All Members will take training and divide themselves for daily work operations, Marketing, Linkages with department and with VFDS.

10. SWOT Analyses

| SI.no | Detail/Items | : | Description |
|-------|--------------|----|--|
| 1. | Strength | :: | All Group members are like minded, well adapted to local and social environment. Production cost is less, Produce is of high quality and Demand, since the members are farmer hence to they are conversant with the cultivation activities The 1 st crop growing cycles is long i .e. 2 yrs, production will be available is after an interval of one year after 1 st cycle. Aloe Vera propagules will be supplied for the 1 st instance thereafter the propagules are available with group itself. For SHG Financial support Trainings and exposures will be organized by JICA Forestry Project. |
| 2. | Weakness | :: | New self- help Group, lack of experience in Aloe Vera gel production |
| 3. | Opportunity | :: | Demand is high and return is high. |
| 4. | Threats | :: | Internal Conflict in Group, lack of Transparency, and lack high Risk bearing capacity |

11. Description of Potential risks and measures to mitigate them

| SI.no | Potential risks | : | Measures to mitigate them. |
|-------|--|-------------|---|
| 1. | 1. At times Lack of knowledge of plantation technique can increase the mortality of the Crop. 2. Market saturation | : : : | Be well conversant with the planting techniques i/c adding of manure To do Value addition or Aloe Vera gel for making Other products etc. in the later Years of production. |
| 2. | Internal Conflict in Group, Transparency | : : | Conflicts to be dealt within the initial stage, to eradicate the cause. Equal exposure to all Group members, equal benefit sharing needed Give Respect, and honour to every member. |
| 3. | Market | | Market is always fluctuating; Demand and supply are always at variance. So members to keep on searching new markets and buyers |
| 4. | Production | : : | Production will be increased slowly as per the market Demand and member's experience. |

12. Description of Economics of the Project

1st Cycle

| No. | Activities | Units | Quantity | Norms | Cost |
|-----|--------------------------------|--------|----------|-------|-----------------|
| 1 | Constitution of CIG from VFDS | 1 | | | |
| A. | PROJECT COST | | | | |
| | Capital cost | | | | |
| A.1 | Planting material cost | 25,000 | 1 Hac. | 20.70 | 517500 |
| A.2 | Agricultural Implements | LS | | LS | 7,000 |
| A.3 | Peeling machine | 1 | | | 2,00,000 |
| A.4 | Bottling unit | 1 | | | 50,000 |
| | Total (A.1+A.2+A.3+A.4) | | | | 774500 |

| | | |
|------------|---|----------------|
| B. | RECURRING COST of First Cycle (2 Years) | |
| B.1 | Cost of Rented Room 1 Hall (for processing of Aloe Vera product as well as office) @ Rs. 1000/ Month. (24 months) | 24000 |
| B.2 | Formalin | 600 |
| B.3 | Labour wages/Site clearance, digging of holes and planting of 25000 No. @ Rs. 05/propagule | 125000 |
| B.4 | Carriage of plants by manual labour 10 man days @300 | 3000 |
| B.5 | Transportation | 1000 |
| B.6 | Packaging of material 10 man days @300 | 3000 |
| B.7 | Electricity and water usage charges @ Rs1000 per month | 24000 |
| B.8 | Miscellaneous expenditure (stationery, Bill book, receipt etc.) | 1500 |
| B.9 | Packaging (packaging material etc.) | 75000 |
| | Recurring Cost of one cycle=B.1+B.2+B.3+B.4+B.5+B.6+B.7+B.8+B.9 | 257100 |
| | Total Project cost (A+B)= 774500+ 257100= 1031600 | 1031600 |

Benefit Analysis First Cycle:-

| Sr. No | Particular | Unit | Quantity/no | Rate | Amounting (Rs) |
|--------|---|-------|-------------|------|----------------|
| A | Depreciation 10% on Capital Cost | Years | 2 | 10% | 154900 |
| B | Recurring Cost for 2 Years | | | | |
| 1. | Cost of Rented Room 1 Hall (for processing of Aloe vera product as well as office) @ Rs. 1000/ Month. (24 months) | | | | 24000 |

| | | | | | |
|-----|--|--|-------|---|---------------|
| 2. | Formalin | | | | 600 |
| 3. | Labour wages/Site clearance, digging of holes and planting of 25000 No.@ Rs 05/propagule | | | | 125000 |
| 4. | Packaging (packaging material etc.) | No | 12500 | 6 | 75000 |
| 5. | Carriage of plants by manual labour 10 man days @300 | | | | 3000 |
| 6. | Transportation | | | | 1000 |
| 7. | Packaging of material and collection of leaves from plantation area 10 man days @300 | | | | 3000 |
| 8. | Electricity and water usage charges @ Rs1000 per month | | | | 24000 |
| 9. | Miscellaneous expenditure (stationery, Bill book, receipt etc.) | | | | 1500 |
| | Total B | | | | 257100 |
| | Total (A+B) | | | | 412000 |
| | | | | | |
| 13. | Total Production in Kg. | Gel 75000 kg | | | |
| 14. | Sale of Production in Kg. | Gel 75000 kg @ Rs 7 | | | 525000 |
| | | Total | | | 525000 |
| 15. | Total Benefit | 525000 - (154900 +257100) | | | 113000 |
| 16. | Gross profit | Total Profit + Labour wages+ Room Rent 113000+24000+131000=268000 | | | 268000 |

Cost Benefit Analysis Second Cycle (3rd Year)

| Sr. no | Particular | Unit | Quantity/no | Rate | Amount in (Rs) |
|--------|--|-------|-------------|------|----------------|
| A | Depreciation 10%on Capital Cost | Year | 1 | 10% | 77450 |
| B | Recurring Cost for 1 Year | | | | |
| 1. | Cost of Rented room 1 Hall (Aloe vera gel) @ Rs1000/Month. (12 months) | Month | 12 | 1000 | 12,000 |
| 2. | Formalin containing 250 in each Bottle. | No | 2 bottle | 300 | 600 |
| 3. | Labour wages 60 days=(@ Rs 300/day) =Rs 18000 | Days | 60 | 300 | 18000 |

| | | | | | |
|-----|---|--|-------|------|---------------|
| 4. | Packaging (packaging material etc.) | No | 12500 | 6 | 75000 |
| 5. | Transportation Charges | - | - | - | 5000 |
| 6. | Electricity and water usage charges @Rs 1000 per month | Month | 12 | 1000 | 12000 |
| 7. | Miscellaneous expenditure (stationery, Bill book, receipt etc.) | | L/S | - | 1500 |
| 8. | Total B | | | | 124100 |
| | Total (A+B) | | | | 201550 |
| 9. | Total Production in Kg. | Gel 75000 kg | | | |
| 10. | Sale of Production in Kg. | Gel 75000 kg @ Rs 7 | | | 525000 |
| | | Total | | | 525000 |
| 11. | Total Benefit | 525000 - (77450 + 124100) | | | 323450 |
| 12. | Gross profit | Total Profit + Labour wages+ Room Rent 323450+(18000+12000) =353450 | | | 353450 |

| | | |
|------------|---|---------------|
| C. | INCOME | |
| C.1 | Direct income | |
| | (i) First Cycle (First two Years) Aloe vera | 113000 |
| | (ii) Second Cycle (3rd Year) Aloe vera | 323450 |
| | Total Direct Income | 436450 |
| C.2 | Indirect Income | |
| | Labour wages | |
| | (i) First Cycle | 131000 |
| | (ii) Second Cycle | 18000 |
| | Total | 149000 |
| | Room Rent | |
| | (i) First Cycle | 24000 |
| | (ii) Second Cycle | 12000 |
| | Total | 36000 |
| | Total Indirect Income | 185000 |
| | Gross Income | 621450 |

13. Summary of Economics

(a) Cost of Production in Four Circle

| Sr. No. | Particular | Amount in Rs. |
|---------|--|---------------|
| 1 | Total Recurring Cost | |
| | (i) First Cycle (First Two Years) | |
| | Aloe vera | 257100 |
| | (ii) Second Cycle (3rd Year) | |
| | Aloe vera | 124100 |
| | Total | 381200 |
| 2 | 10% Depreciation values on Capital Cost (3 Years). | 232350 |
| | Total | 613550 |

(b) Abstract of Production Cost

| Sr.No | Details | Amount (Rs) |
|-------|--|---------------|
| 1 | Recurring cost | 381200 |
| 2 | 10% depreciation value on capital cost | 232350 |
| | Total | 613550 |

(c) Assessment of sale value

| Sr.No | Details | Unit | Amount(Rs) |
|-----------|-------------------------------|-----------|------------|
| 1 | Recurring cost (381200/75000) | Kg | 5.08 |
| 2 | Profit Fixed 27% | Kg | 1.92 |
| | Total | | 7 |
| 3. | Market Price | Kg | 7 |

14. Benefit Cost Analysis (3 Years)

| Sr.No | Particulars | Amount(Rs) |
|----------|---|------------|
| 1 | 10% depreciation on capital cost (a) | 232350 |
| 2 | Recurring cost (b) | |
| 2.1 | Room Rent | 36000 |
| 2.2 | Labour | 149000 |
| 2.3 | Formalin | 2200 |
| 2.4 | Packaging (packaging material etc.) | 150000 |
| 2.5 | Transportation Charges | 10000 |
| 2.6 | Electricity and water usage | 36000 |
| 2.7 | Miscellaneous expenditure (stationery, Bill book, Receipt etc.) | 3000 |

| | | |
|-----|---|----------------|
| 2.8 | Transportation | 1000 |
| 2.9 | Total | 386200 |
| 3 | Total Production of Aloe vera gel | 150000 Kg |
| 4 | Sale value of Aloe vera gel | 1050000 |
| | Total | 1050000 |
| 5 | Total Profit = Sale value-(Capital cost + Recurring cost) =1050000-(232350+381200) | 436450 |
| 7 | Gross Profit= Total profit + Labour wages + Room rent =436450+149000+36000 | 621450 |

15. Resources of Funds and Fund Requirement

| Sr. No | Detail of Resources | Amount in Rs. |
|--------|--|---------------|
| 1 | Project share on Capital cost of 774500 (100%) | 774500 |
| 2. | Monthly contribution till date | 34000 |
| | Total | 808500 |

- Rs. one lac will be provided to self help Group as a revolving fund to take the loan from bank.
- 100% of Capital cost (517500) will be borne by Project (Jadi Buti Cell) and share will be received from shg on the passage of time

16. Computation of Break – even Point

Break-even Point=Capital Cost/Sale/kg.-Recurring Cost/Kg.

$$=774500/7 -1.92$$

$$=774500/5.08=152461 \text{ Kg}$$

After sales of 152461 kg of Aloe vera Gel breakeven point can be achieved after two years

17. Remarks:

The forth coming vision of the Group is to enhance their income by way of taking up of additional activity of Achar Chatani and mango Papad and other form of Pickles, are proposed by the group as the first two years are the idle period during this period the above activity is proposed and business is Annexed below.

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Pickle, Mango Papad Making and Value Addition by Laxmi - Self Help Group

1. Executive Summary

Pickle making income generation activity has been selected by Laxmi Self Help Group. This IGA will be carried out by all ladies of this SHG. Pickle of Mango, Ambla etc. and powder of mango/Ambla 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 of mango and Ambla. Product will be sold directly by group or indirectly through retailers and whole sellers of near market initially.

2. Description of Product related to Income Generating Activity

| | | | |
|---|---------------------------------------|---|--|
| 1 | Name of the Product | : | Pickle and Papad Making |
| 2 | Method of product identification | : | This activity is being already done by some SHG ladies and has been decided by group members |
| 3 | Consent of SHG/ CIG / cluster members | : | Yes |

3. Description of Production Processes

- Group will make Pickle and Papad of mango, Ambla etc. 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 100 kg Pickle per month during the season for the local fruit available in the locality and will also make other products which follow same production process.

4. Description of Production Planning

| | | |
|---|---|--------|
| 1 | Production Cycle for Mango Pickle (in days) | 7 days |
| | Production Cycle for Ambla Pickle | 7 days |

| | | | |
|---|---|--|---|
| | (in days) | | |
| 2 | Manpower required per cycle (No.) | | As required |
| 3 | Source of raw materials | | Local material |
| 4 | Source of other resources | | Local market/ Main market |
| 5 | Quantity required per cycle for Mango Pickle (Kg) | | For 50 Kg mango pickle require 40 kg mango and 10 Kg masala |
| | Quantity required per cycle for Ambla (Kg) | | For 50 Kg Ambla pickle require 35 kg Ambla and 15 Kg masala |
| 6 | 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 | Mango | Kg | Monthly | 100 | 20 | 2000 | 125 |
| 2 | Masala | Kg | Monthly | 25 | 150 | 3750 | |
| 1 | Ambla | Kg | Monthly | 100 | 30 | 3000 | 125 |
| 2 | Masala | Kg | Monthly | 25 | 150 | 3750 | |

5. Description of Marketing/ Sale

| | | |
|---|---|--|
| 1 | Potential market places | Harabag, Jarol, Sunder Nagar 0.5 Km, 2 Km, 6 Km |
| 2 | Distance from the unit | |
| 3 | Demand of the product in market place/s | Daily demand |
| 4 | Process of identification of market | Group members, will contact local Hoteliers for their demand every month and demand in market, will select/list retailer/whole seller. 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 0.5 -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” | “Jarol Mango’s Pickle and Chatni” |

6. 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

7. 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. (labour Division)

- Some group members will involve in Pre-Production process (i.e - Collection of raw material etc.)
- Some group members will involve in Production process.
- Some group members will involve in Packaging and Marketing.

Description of Economics:

| A. | CAPITAL COST | | | |
|---------------|--|-----------------|-------------------|---------------------------|
| Sr. No | Particulars | Quantity | Unit Price | Total Amount (Rs.) |
| 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 | 8000 |
| 6 | Finished product storage almirah/racks | | LS | 8000 |
| 7 | Hand Operated Jar Sealing Machine | 1 | 15000 | 15000 |
| 8 | Apron, cap, plastic hand gloves etc | 5 | LS | 1000 |
| | Total Capital Cost (A) = | | | 1,00,000 |

| B. | RECURRING COST | | | | |
|--------------|--|-------------|-----------------|--------------|--------------------------|
| Sr.no | Particulars | Unit | Quantity | Price | Total Amount (Rs) |
| 1 | Mango | Kg/month | 100 | 20 | 2000 |
| 2 | Raw material (masala) | Kg/month | 50 | 150 | 7500 |
| 3 | Ambla | Kg/month | 100 | 30 | 3000 |
| 4 | Packaging material | Month | LS | 5000 | 5000 |
| 5 | Transportation | Month | 1 | 1000 | 1000 |
| 6 | Other (stationary, electricity, water bill, machine repair) | Month | 1 | 1000 | 1000 |
| 7 | Labour cost two hour/day for three days for two qtl of Achar Production of five women each day for 30 hrs. becomes 04 Man days @ 300/- | Days | 04 | 300 | 1200 |
| | Recurring Cost | | | | 20700 |

| C | Cost of Production (Monthly) | |
|---------------|---|--------------------|
| Sr. No | Particulars | Amount (Rs) |
| 1 | Total recurring cost | 20700 |
| 2 | 10% depreciation annually on capital cost | 10000 |
| | Total | 30700 |

| D | Selling Price calculation for Mango Pickle(per cycle) | | |
|---------------|--|-------------|--------------------|
| Sr. No | Particulars | Unit | Amount (Rs) |
| 1 | Cost of Production | Kg | 82.8 |
| 2 | current market price | Kg | 250-300 |
| 3 | Expected Selling Price | Rs | 200 |

| E | Selling Price calculation for Ambla Pickle (per cycle) | | |
|--------|--|------|-------------|
| Sr. No | Particulars | Unit | Amount (Rs) |
| 1 | Cost of Production | Kg | 143 |
| 2 | current market price | Kg | 200-300 |
| 3 | Expected Selling Price | Rs | 240 |

8. Analysis of Income and Expenditure (Monthly):

| Sr. No | Particulars | Amount (Rs) |
|--------|---|--|
| 1 | 10% depreciation annually on capital cost | 10000 |
| 2 | Total Recurring Cost | 9850 |
| | Total Production per month mango Pickle (Kg) | 125 |
| 3 | Selling Price (per Kg) | 200 |
| 4 | Income generation (200*125) | 25000 |
| 5 | Total Production per month Ambla pickle(Kg) | 125 |
| 6 | Selling Price (per Kg) | 240 |
| 7 | Income generation (240*125) | 30000 |
| 8 | Net profit | 34300 on monthly basis- |
| 9 | Distribution of net profit | Profit will be distributed equally among members monthly/yearly basis. Profit will be utilized to meet recurring cost. Profit will be used for further investment in IGA |

9. Fund requirement:

| Sr. No | Particulars | Total Amount (Rs) | Project Contribution | SHG Contribution |
|--------|--|-------------------|----------------------|------------------|
| 1 | Total capital cost | 100000 | 50000 | 50000 |
| 2 | Total Recurring Cost | 20700 | 0 | 20700 |
| 3 | Trainings/capacity building/skill up-gradation | 50,000 | 50,000 | 0 |
| | Total | 170700 | 100000 | 70700 |

Note-

- **Capital Cost** - 50% 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

10. Sources of fund:

| | | |
|------------------|---|---|
| Project support | <ul style="list-style-type: none">• 75% of capital cost will be utilized for purchase of machineries and equipment's• Upto Rs 1 lakh will be parked in the SHG bank account.• Trainings/capacity building/ skill up-gradation cost. | 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, this include cost of materials/tools other than machineries.• Recurring cost to be borne by SHG | |

11. 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

12. Computation of break-even Point

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

= 100000/ (200-82.80)

= 854 Kg

In this process breakeven will be achieved after selling 854 kg Achar achar.

13. Other sources of income:

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

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. 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

Total Cost of the Project is

Capital Cost= 774500/-

Recurring Cost = 257100/-

Total for Aloe vera Plantation =1031600/-

Cost of Pickle, Mango Papad Making and Value Addition Project is

Capital Cost= 100000/-

Recurring Cost = 20700/-

Total for Pickle, Mango Papad Making and Value Addition Project=120700/-

Grand Total of Business Plan is Rs. 1152300/- only

अनुलग्नक

हम सब समूह सदस्य ने आईजीए गतिविधि में सक्रिय रूप से भाग लेने के लिए सहमति दी है एचपी पारिस्थितिकी तंत्र प्रबंधन और आजीविका में सुधार और वीएफडीएस के साथ समन्वय के लिए जेआईसीए परियोजना के दिशानिर्देश के अनुसार समूह (धृतकुमारी की खेती गतिविधि एवं आचार बनाना और इसका मूल्यवर्धन) द्वारा चुना गया। सदस्यों का विवरण इस प्रकार है

| क्रम संख्या | नाम | पिता का नाम/ पति | पद | हस्ताक्षर |
|-------------|----------------------|------------------|-----------|--------------|
| 1. | श्रीमती सोमलता देवी | खेम चन्द | प्रधान | Somlata |
| 2 | श्रीमती गिरजा देवी | संजय कुमार | सेक्रेटरी | Girja Devi |
| 3 | श्रीमती कमला देवी | रोशन लालू | सदस्य | कमला देवी |
| 4 | श्रीमती लता देवी | देश राज | सदस्य | Lata Devi |
| 5 | श्रीमती दया देवी | टीभलु राम | सदस्य | दया देवी |
| 6 | श्रीमती मीरा देवी | हरि सिंह | सदस्य | Mira Devi |
| 7 | श्रीमती रोशनी | रूप लाल | सदस्य | रोशनी देवी |
| 8 | श्रीमती प्रोमिला | खेम राज | सदस्य | Promila Devi |
| 9 | श्रीमती निर्मला | शिव राम | सदस्य | Nirmala Devi |
| 10 | श्रीमती इंद्रा देवी | हेम चन्द | सदस्य | इंद्रा देवी |
| 11 | श्रीमती निशा देवी | दिनेश कुमार | सदस्य | निशा देवी |
| 12 | श्रीमती रमा देवी | देश राज | सदस्य | रमा देवी |
| 13 | श्रीमती चंपा देवी | शुंकू राम | सदस्य | चम्पा देवी |
| 14 | श्रीमती रतनी देवी | हंस राज | सदस्य | रतनी देवी |
| 15 | श्रीमती भरू देवी | गोदावर राम | सदस्य | भरू देवी |
| 16 | श्रीमती रोशनी देवी | नाग राज | सदस्य | रोशनी देवी |
| 17 | श्रीमती हिमा देवी | हेम राज | सदस्य | हिमा देवी |
| 18 | श्रीमती कौशल्या देवी | श्याम लाल | सदस्य | कौशल्या देवी |
| 19 | श्रीमती सत्या देवी | खजाना राम | सदस्य | सत्या देवी |
| 20 | श्रीमती चिंता देवी | जीत राम | सदस्य | चिंता देवी |

Girija Devi

हस्ताक्षर

सचिव स्वयं सहायता समूह

हस्ताक्षर Som Lada
प्रधान स्वयं सहायता समूह

हस्ताक्षर

सचिव, वन ग्रामीण विकास
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हस्ताक्षर

वन रक्षक

हस्ताक्षर

वन खण्ड अधिकारी

हस्ताक्षर

वन परिक्षेत्र अधिकारी

डीएमयू द्वारा स्वीकृत

Divisional Forest Officer
Suket Forest Division
Sunder Nagar (H.P.)

पी एन यू द्वारा स्वीकृत