

BUSINESS PLAN

INCOME GENERATING ACTIVITY – Extraction of Chuli Oil

by

Agro Valley - Self Help Group



SHG/CIG Name	::	AGRO VALLEY
VFDS Name	::	SHANGO
Range	::	KATGAON
Division	::	KINNAUR

Prepared under:



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

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1. Description of SHG/CIG

2.1	SHG/CIG Name	::	Agro Valley
2.2	VFDS	::	Shango
2.3	Range	::	Katgaon
2.4	Division	::	Kinnaur
2.5	Village	::	Shango
2.6	Block	::	Katgaon
2.7	District	::	Kinnaur
2.8	Total No. of Members in SHG	::	10 (male-10)
2.9	Date of formation	::	100/-(held to meeting to be every 21day of month)
2.10	Bank a/c No.	::	25310105871
2.11	Bank Details	::	Co-Operative Bank
2.12	SHG/CIG Monthly Saving	::	
2.13	Total saving		
2.14	Total inter-loaning		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

2. Beneficiaries Detail:

Sr.No	Name (Sh/Smt.)	Father/Husband Name (Sh.)	Age	Category	Mobile No.	Income Source
1	Sh. Rakesh Kumar	Sh. Mohan	41	ST	8894124640	Agriculture
2	Sh. Gian Singh	Sh. Tara Chand	24	ST	8628853021	Agriculture
3	Sh. Susheel Kumar	Sh. Hukam Chand	32	ST	8278780728	Agriculture
4	Sh Bhagwan Das	Sh. Rupi Sukh	32	ST	7018967288	Agriculture
5	Sh. Sanju Ram	Sh. Jiu Chand	26	ST	8580669633	Agriculture
6	Sh. Pawan	Sh. Joyti Lal	26	ST	8580604641	Agriculture
7	Sh. Raju	Sh. Mohan	47	ST	9805073453	Agriculture
8	Sh. Prem Chand	Sh. Bhagi Nar	38	ST	8628854143	Agriculture
9	Sh. Abhay Negi	Sh. Krishan Chand	37	ST	8628827400	Agriculture
10	Sh. Dolat Ram	Sh. Eskiya	37	ST	8894848739	Agriculture

3. Geographical details of the Village

3.1	Distance from the District HQ	::	62 Km
3.2	Distance from Main Road	::	1.50 kms from Kafnoo –Kraba link road and about 7 km from main road
3.3	Name of local market & distance	::	Kafnoo 4km Huri 2km Katgaon 8 km BhabaNagar- 26 Km, R/Peo 56 Km
3.4	Name of main market & distance	::	Katgaon 8km RekongPeo 56Km Bhaba Nagar 26 Km
3.5	Name of main cities & distance	::	RekongPeo-56 Km & Bhabanagar 26 Km
3.6	Name of places/locations where product will be sold/ marketed	::	Katgaon 8km RekongPeo 56Km Bhaba Nagar 26 Km

4. Executive Summary

Since this area is situated in a horticultural belt and most of the people are involved in this activity. Apart from apple stone fruits like almond, chuli(apricot) etc. are also being raised by the people. The seeds of the Chuli(apricot) are being used by the people for extracting oil. At present the whole process is by way of taking the raw material to a Kohlu situated at Jeori, Rampur and RecongPeo. Therefore, in order to extract the oil in village itself the people of the village Shango exhibit their willingness to adopt this activity as income generation activity. Accordingly, the people were sensitized and a Self-Help Group Agro valley was formed.

5. Description of product related to income generating activity

1	Name of the Product		Chuli oil
2	Method of product identification		This activity has been decided by SHG members.
3	Consent of SHG/ CIG / cluster members		Yes

6. Description of Production Planning

6.1	Time taken	::	The activity to be taken up on seasonal basis
6.2	Number of members involved	::	10.
6.3	Source of raw materials	::	Village itself
6.4	Source of other resources	::	Local market/ Main market
6.5	Expected Qty. per day	::	23 ltr. per day from 50 kg. of seeds.

7. Description of Marketing/ Sale

7.1	Potential market places/locations	::	Village itself, Recong Peo, Rampur Bhaba Nagar, Nigulsari & Jeori
7.2	Demand	::	Throughout the year.
7.3	Process of identification of market	::	Group members will contact nearby villages/market
7.4	Marketing Strategy		SHG members will directly take orders from nearby villages/market.

8. Risk Analysis

- Skill based

- Demand driven
- Highly competitive market

9. 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.

10. Description of Economics:

A. CAPITAL COST				
Sr.No	Particulars	Quantity	Unit Price	Total Amount (Rs.)
1	Oil expeller machine including transportation, Motor and installation on the sport	1	300000	300000
2	Caps, gloves etc	L/S	L/S	5000
3	Almirah	1	LS	5000
4	Chairs, Table etc	Approx.	LS	5000
Total Capital Cost (A) =				3,15,000

B. RECURRING COST					
Sr.no	Particulars	Unit	Quantity	Price	Total Amount (Rs)
1	Chuli raw material from local market	Kg	1000	300	300000
2	Plastic bottles(200 MI,500MI,750 MI)Sewing threads	No.	2500	10	25000
3	Rent	Month			1500
4	Other (stationary, electricity bill, transportation, machine repair)	Month			10000
Total Recurring Cost (B)					3,36,500

C. Cost of Production (Monthly)		
Sr. No	Particulars	Amount (Rs)
1	Total Recurring Cost	336500
2	10% depreciation annually on capital cost	3150
Total		3,39,650

D. Selling price					
Sr.No	Particulars	Unit	Quantity	Rate (Rs.)	Amount (Rs)

1	Chuli oil	Lt.	1	1500	1500
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11. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation monthly on capital cost	3150
2	Total Recurring Cost	3,36,500
3	Total quantity of oil extracted per month	460 Litre (approx. quantity)
4	Selling Price of oil	1500
5	Income generation (460*1500)	6,90,000
6	Net profit (690000 - 337463)	3,52,537
7	Distribution of net profit	<ul style="list-style-type: none"> • Profit will be distributed equally among members monthly basis. • Profit will be used for further investment in IGA • Some income to the group will be generated by way of expelling charges to be levied to the villagers as every household of the area has got chuli seeds for extraction and at present the same is being done from Rampur.

12. Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	3,15,000	236,250	78,750
2	Total Recurring Cost	336500	0	336500
3	Trainings	50000	50000	0
	Total	7,01,500	2,86,250	4,15,250

Note-

- **Capital Cost** - 75% of capital cost to be covered under the Project and 25% to SHG.
- **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:

ProjectSupport;	<ul style="list-style-type: none">• 50% of capital cost will be utilized for purchase of machines.• Upto Rs 1 lakh will be parked in the SHG bank account.• Trainings/capacity building/skill up-gradation cost.	Procurement of machines will be done by respective DMU/FCCU after following all codal formalities.
G contribution	<ul style="list-style-type: none">• 75% of capital cost to be borne by SHG.• Recurring cost to be borne by SHG	

14. 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:

- Team work
- Quality control
- Packaging and Marketing
- Financial Management

15. Loan Repayment Schedule-

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.

16. 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.

17. Remarks

Group members Photos-



Rakesh Kumar



Abhay Negi



Susheel Kumar



Bhgwan Dass



Pawan



Raju



Prem Chand



Gian Singh



Sanju Ram



Dolat Ram

समूह सहमति पत्र

आज दिनांक 10.01.2023 को एगो वैली स्वयं साहयता समूह की बैठक श्रीमान सजू राम के अध्यक्षता में हुई इस बैठक में यह चर्चा हुई की जायका वन विभाग की तरफ से जो धन राशि मिलगी उसका उपयोग चूली का तेल निकालने के लिए किया जाएगा और इसमें सभी सदस्यों ने सहमति प्रकट की है और सभी सदस्यों ने भाग लिया ।

समूह के प्रधान का हस्ताक्षर

President
Valley Agro Self Help Group
Shango, Tehsil Nichar
District Kinnaur (H.P.)

समूह के सचिव का हस्ताक्षर

Secretary
Valley Agro Self Help Group
Shango, Tehsil Nichar
District Kinnaur (H.P.)

Memorandum of Understanding

Between

The KINNAUR Village Forest Development Society/ BMC Sub Committee

And

The Forest Department (represented by DFO (for Participatory Forest Management.

Whereas

The KINNAUR Village Forest Development Society/ BMC Sub-Committee (hereinafter called "Society") has been constituted as per procedure described in the HP PFM Regulations notified by Govt. of HP vide No. FFE-C (9) 1/2001 dated 23.8.2001 and vide No. FFE-B-F (5) 5/2016- Pam III dated 19.11.2018, by the Villagers of KINNAUR Village Forest Development Society/ BMC Sub-Committee in district KINNAUR and Forest Division, KINNAUR Himachal Pradesh and has an elected Executive Committee (hereinafter called "EC"),

as part of the Japan International cooperation Agency (JICA) supported "Project For Improvement of Himachal Pradesh Forest Ecosystems Management and livelihoods" (hereinafter called -Project") the Micro plan (Forest Ecosystems Management Plan & Community Development & Livelihood Improvement Plan) for Forest Management and Community Development (hereinafter called "Plan") for Forest protection, rehabilitation and management of the specified forest areas has been jointly prepared by the Society and the Forest Division

the Plan contains details of program for conservation, management and development of forest areas, Biodiversity conservation, Livelihood improvement works and also the description of equitable distribution of usufructs obtained from allocated forest areas and public resources of the ward/village;

the Plan has been approved by the Officer in Charge of the Forest Division (here- in after called "Forest Officer") on behalf of Government of Himachal Pradesh;

Now here with

The KINNAUR Forest Division and the Society have mutually agreed on this MoU, and consequently. This MoU is executed with the following articles;

1. Purpose of the Memorandum of Understanding

This Memorandum of Understanding (hereinafter called -Man details the responsibilities of the Society regarding management and protection of forest areas) and village(s) resource development, in the manner specified in the Plan and for equitable distribution of benefits amongst its members. It further details payments and support to be provided by the project and the associated conditions.

2. Responsibilities of the Society

- 2.1 With regard to its Constitution, working, powers, duties and benefits, the Society agrees to act in accordance with the HP Government Notification No. FFE-B-F (9) 1/2001 dated 23.8.2001 and vide No.FFE-B-F (5) 5/2016- Part- III dated 19.11.2018, and other relevant Government orders and instructions.
- 2.2 The Society agrees to provide all necessary assistance to the Forest Officer in selection of forest area(s) to be allotted to it for forest management and development so that there is no dispute regarding areas of common use of nearby villages.
- 2.3. The Society agrees to prepare and submit general house approved, quarterly physical & financial plans with budget requirements to FTU concerned for releasing funds after Plan's approval from PMU.
- 2.4. The Society agrees to identify Community Development Activities (CDAs) in conformity with the CDA guidelines, decide on these through a consultative process and implement them according to the relevant standards as applicable.
- 2.5. The Society agrees to carry out works laid out in the Plan for the forest area (such as planting, fencing, maintenance and protection) and in doing so, follow the principles of management of forest and wildlife specified therein, also taking into account the guidelines of the Government, prevalent legal provisions and technical principles. The Society will ensure that no existing acts/rules of forest/wildlife management are being violated.
- 2.6. The Society agrees to contribute membership fee through its members/user groups. The amount with interest will be available to VFDS/BMC (Sub-Committee) after project closure and can be used by VFDS/BMC (Sub-Committee) consensus. The amount deposition to be done within six months.
- 2.7. The Society agrees, after completion of the related works, to protect the forest area from fire, illicit grazing, illicit felling, and illicit transport. Illicit mining, encroachments and poaching and shall help the forest department in this regard.
- 2.8. The Society agrees to pass the information regarding person(s) engaged in banning the wild animals and forests or those engaged in illegal activities on to the Forest Department. The Society agrees to help forest employees in apprehending such person(s) and provide all possible assistance in protecting any seized produce etc.
- 2.9 The Society agrees to rectify any shortcomings found during review of its works by the Forest Officer/monitoring agency.

- 2.10 The Society agrees to keep accounts of income and expenditure of the funds from various sources and also to get regular annual audits done by the agency assigned by the Forest Officer.
- 2.11. The Society agrees to maintain the records specified by the project regularly and in prescribed formats.
- 2.12. The Society agrees that the distribution of products and services generated as a result of implementation of the Plan among its members/User Groups is done in an equitable manner. If the Forest Officer points out any mismanagement or irregularity in the equitable distribution of such products and services, then the

- ☞ Society agrees to implement the necessary corrections/improvements suggested by the Forest Officer.
- 2.13. Society agrees to ensure that there will be no miss utilization of funds provided by Forest Department for implementing project activities.
- 2.14. Society will open two accounts of VFDS/BMC (Sub-Committee), One for FEMP implementation (FE Account) and second one as; revolving fund under Livelihood activities (CD&LI Account).
- 2.15 The funds and maintenance of account would be in accordance with Para-36 to 43 of the Bye-laws notified by Govt. on dated 19-11-2018 for VFDS under the Project.

3. Responsibilities of the Forest Department

- 3.1. The Forest Department will provide to the Society the related input materials required to carry out the works specified in the Plan, such as saplings, fencing materials, etc. in a timely manner.
- 3.2. The Forest Department will provide the payments specified in the Plan to the Society for implementation of works carried out in the forest area on the basis of the Plan in a timely manner. The Society to prepare and submit general house approved, six monthly physical & financial plans with budget requirements to DMU through FTU concerned for release of funds. DMU to release the fund to the VFDS/BMC (Sub-Committee)
- 3.3. Funds from other department's schemes as the Panchayat may be able to garner/ converge, may also be used for activities that help meet the project's objectives.
- 3.4. The Forest Department shall provide the necessary advice and guidance to the Society for implementation of works carried out in the forest area on the basis of the Plan.
- 3.5 The Forest Department shall NOT be responsible for any loss in any of the works related to implementation of the Plan and no claim of any sort can be presented against Forest Department.
- 3.6 Forest Department will take legal action against any mis appropriation of fund by VFDS/BMC (Sub-Committee).

4. Support by the Project

- 4.1. The Project will provide funds for Community Development & Livelihood activities (CDAs) identified by the Society and in conformity with the CD&LIP guidelines, which will be implemented by the Society.
- 4.2. The Project will provide to the Society if required the related input/materials required to carry out the works specified in the Plan, such as saplings, fencing materials, etc. in the required qualities and quantities.
- 4.3. The Project will provide to the Society the payments specified in the Plan for implementation of works carried out in the PFM area on the basis of the Plan.
- 4.4. The Project will provide to the Society members training and other capacity building measures, as well as support for income generating activities as specified in the Plan.

4.5. The funds earmarked for Plantations, soil and water conservation, Biodiversity conservation etc., will be credited into the VFDS/BMC (Sub-Committee) bank account according to six-month plan requirement (prepared from Micro plan) of VFDS/BMC (Sub-Committee). In addition, VFDS/BMC (Sub-Committee) to open an account for Livelihoods activity.

4.6. Payment and receipt of project funds will be strictly by means of cheques online payment/RTGS etc. or bank transfers to the account of the Society. Society will further distribute fund similarly.

5. Rights and Benefit Sharing

5.1. The Rights of right holders as admitted in the Forest Settlement will remain unaffected due to constitution of the Society and will continue to be exercised as heretofore.

5.2. The Benefits which Society members and their user groups will be entitled to after closure of plots / patches in the forest for various project interventions are as follows:

i) to collect the yield such as fallen twigs, branches, lopping, grass, bamboos, fruits, flowers, seeds, leaf fodder and non-timber forests products free of cost through individual or collective arrangements as decided by the Society;

ii) to the sale proceeds of all intermediate harvest, subject to protection of forest and plantations for at least 3 years from the date of agreement;

iii) to organize and promote vocational activities related to forest produce and land; and other activities such as promotion of self-help groups which may provide direct benefits, including micro-lending to women. None of the activities so promoted shall affect the legal status of the forest land;

iv) recorded rights over the forest shall not be affected by these benefits;

v) after 5 years, the Society may expand the area, on the basis of a fresh agreement deed, by inclusion of adjoining or nearby areas;

vi) to utilize at least 40 percent of the sale proceeds on forest regeneration activities including soil and water conservation.

provided that for the purpose of usufruct, the usufruct sharing family shall be one unit.

5.3. The Society will be entitled to their share of payments from intermediate and final felling,

whenever they take place in this forest, as laid out in the PFM Regulations of HP, 2001,

6. Monitoring & Evaluation

6.1. Monitoring and Evaluation of project activities will be done at different levels, including by the EC, a participatory monitoring committee and an independent third party apart from Project authorities.

6.2. The EC of VFDS/BMC (Sub-Committee) or any of its members will monitor progress and quality of work during execution of various works. The Member Secretary will record the date, places and names of EC members who checked the work(s) and whether works were satisfactory and any instructions given.

(Sub-committee), declare on behalf of the Society, that I am committed to follow all the conditions mentioned in this MOU and am signing this memo after reading/understanding all conditions mentioned herein, literally and I understand their original meaning.

(Name and Signature of the President)

On behalf of VFDS/ BMC (Sub-committee)

Rohit

[Signature]

[Signature]

Divisional Forest Officer
Kinnaur Forest Officer
On behalf of HPPD)

Witness: Village Forest Development Society /BMC(Sub-committee) and the Forest Department for Participatory Forest Management.

1. राहुल नेगी [Signature]
2. [Signature]
3. [Signature]
4. [Signature]

1. Surya Kumar, (Position) undertake, on behalf of Kinnaur Division Forest Department to implement all duties responsibilities of the Forest Department mentioned in this memorandum.

[Signature]

Range Forest Officer
Katgaon Range

(Name and Signature of the Divisional Forest Officer or other officer authorized by him) On behalf of Kinnaur Forest Department.



[Signature]

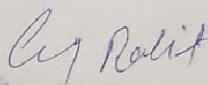
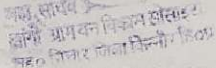
Kinnaur Forest Division
At R/Peo

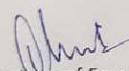
Business Plan Approval by VFDS & DMU

Agro Valley Self help group will undertake the Chulloil
As livelihood generation activity under the project for improvement of Himachal Pradesh
Forest Ecosystems & management & livelihood (JICA Assisted). In this regard business plan
of amount (Rs.) 7,06,500 has been submitted by this group on dated -----
----- and this business plan has been approved by Shango VFDS. Business
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

Thankyou



Signature of VFDS Pradhan



Signature of VFDS Secretary

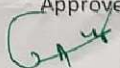

Signature of Forest Guard



Signature of Block forest officer


Signature of Range Forest officer

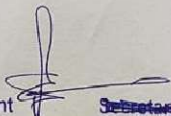
Katgaon Range
Distt. Kinnaur (H.P.)

Approved

DMU -cum-
Deputy conservator forests,
Kinnaur Division at R/Peo

Resolution –cum-group consensus form

It is decided in the general house meeting of the Self Help Group, *Agro Valley*..... Held on at *Shango*..... that our self help group will undertake theas livelihood income generation activity under the project for improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted.)


President ~~Secretary~~
Valley Agro Self Help Group
Shango, Tehsil Nichar
District Kinnaur (H.P.)
Signature of Group ~~President~~ Padhan

~~President~~ Secretary
Valley Agro Self Help Group
Shango, Tehsil Nichar
District Kinnaur (H.P.)
Signature of Group Secretary