

BUSINESS PLAN
INCOME GENERATING ACTIVITY – Extraction of Chuli Oil
 by
"TASHI JONG"- Self Help Group



SHG/CIG Name	::	TASHI JONG
VFDS Name	::	DUBLING
Range	::	POOH
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	::	TASHI JONG
2.2	VFDS	::	DUBLING
2.3	Range	::	POOH
2.4	Division	::	Kinnaur
2.5	Village	::	DUBLING
2.6	Block	::	POOH
2.7	District	::	Kinnaur
2.8	Total No. of Members in SHG	::	10 (Males)
2.9	Date of formation	::	14 June 2023
2.10	Bank a/c No.	::	
2.11	Bank Details	::	
2.12	SHG/CIG Monthly Saving	::	
2.13	Total saving		
2.14	Total inter-lending		-
2.15	Cash Credit Limit		--
2.16	Repayment Status		--

2. Beneficiaries Detail:

Sr. No	Name (Sh/Smt.)	Father/Husb and Name (Sh.)	Age	Cate gory	Income Source	Designation	Contact No.
1	Sh.Prem Singh	Sh.Jambal Ram	62	ST	Agriculture	Pradhan	7807317441
2	Sh.Samtan Dorje	Sh.Amar Chand	48	ST	Agriculture	Sectary	-----
3	Sh.Champa Sonam	Sh.Sunder Singh	48	ST	Agriculture	Member	94218881345
4	Sh.Chander Singh	Sh. Bhagwan Singh	51	ST	Agriculture	Member	-----
5	Sh.Tanzin Funchok	Sh.Amar Chand	46	ST	Agriculture	Member	9459424008
6	Sh.Namnang Nutup	Sh.Kedar Singh	40	ST	Agriculture	Member	9418209327
7	Sh.Shubham Negi	Sh.Dendup Palden	32	ST	Agriculture	Member	8894316020
8	Sh.Ajay Kumar	Sh.Sanam Gaylanchan	43	ST	Agriculture	Member	8278707945
9	Sh.Gain Singh	Sh. Dlip Singh	52	ST	Agriculture	Member	9459522349
10	Sh.Kalzang Wangdu	Sh.Laisy Paldan	38	ST	Agriculture	Member	9418605959

3. Geographical details of the Village

3.1	Distance from the District HQ	::	78 Km
3.2	Distance from Main Road	::	6 Km
3.3	Name of local market & distance	::	RecongPeo-78 Km, BhabaNagar-128 Km, Jeori-103 Km& Rampur- 178 Km
3.4	Name of main market & distance	::	RecongPeo-78 Km & Rampur-178 Km
3.5	Name of main cities & distance	::	RecongPeo-78 Km , Pooh – 74Km& Rampur-178 Km
3.6	Name of places/locations where product will be sold/ marketed	::	RecongPeo, Pooh, BhabaNagar, Jeori& Rampur

4. Executive Summary

Since this area falls in arid zone of district Kinnaur and the local inhabitants have raised Chulli, Khurmani, Badaam and Apple trees and with the passage of time this area has become a horticultural belt and most of the people are involved in this activity. Apart from apple orchards the local people are raising plants like Behmi, chuli etc. 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 Spillo and RecongPeo. Therefore, in order to extract the oil in village itself the people of the village Dubling exhibit their willingness to adopt this activity as income generation activity. Accordingly, the people were sensitized and a Self-Help Group **"TASHI JONG" was formed**

5. Description of product related to income generating activity

1	Name of the Product		"TASHI JONG" 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,RecongPeo, Rampur, Pooh, BhabaNagar & 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	1	3,50,000	3,50,000
2	Caps, gloves etc	L/S	L/S	5000
3	Chulli seed Decorticator machine	1	2,50,000	250000
4	Chairs, Table, Almirah etc	Approx.	LS	10000
Total Capital Cost (A) =				6,15,000

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	955
	Total	3,37,450

D. Selling price					
Sr.No	Particulars	Unit	Quantity	Rate (Rs.)	Amount (Rs)
1	Chuli oil	Lt.	1	1500	1500

11. Analysis of Income and Expenditure (Monthly):

Sr.No	Particulars	Amount (Rs)
1	10% depreciation monthly on capital cost	2000
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 - 338500)	3,51, 500
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 Spillo, Reckong Peo and Rampur.

12.Fund requirement:

Sr.No	Particulars	Total Amount (Rs)	Project contribution	SHG contribution
1	Total capital cost	615000	461250	153750
2	Total Recurring Cost	336500	0	336500
3	Trainings	40000	40000	0
	Total	991500	501250	490250

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.• UptoRs 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.
SHG 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-



Tenzin Funchuk



Gain Singh



Champa Sonam



Subham negi



kalzang wangdu



Prem Singh



Santan Dorje



Namnang Nutup



Chander Singh



Ajay Kumar

समूह का सहमती पत्र

आज दिनांक 21.07.23 टाशी जोंग स्वयं सहायता समूह में बैठक हुई यह बैठक प्रधान श्री प्रेम सिंह की अध्यक्षता में हुई। आज बैठक में सभी सदस्यों ने यह चर्चा किया और यह निर्णय लिया की वे वन जायका विभाग की तरफ से जो धन राशि मिलेगी उसका उपयोग चुल्ली का तेल निकालने के लिए किया जाएगा। जिसके लिए सभी सदस्यों ने सहमती प्रकट की है। इस बैठक में सभी सदस्यों ने भाग लिया।

PRADHAN
Tashi Jong Self Help Group
Dubling, District Kinnaur
Himachal Pradesh

समूह के प्रधान के हस्ताक्षर

SECRET
Tashi Jong Self Help Group
Dubling, District Kinnaur
Himachal Pradesh

समूह के सचिव के हस्ताक्षर

Memorandum of Understanding

Between

The Dubling Village Forest Development Society/ BMC Sub Committee

And

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

Whereas

The Dubling 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 Dubling 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 "MoU" 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.

- 6.3. A participatory monitoring committee made up of members of the Society, a member from the Panchayat as well as a representative from the Forest Department (e.g. Deputy RO) will on quarterly basis review objectives, inputs and work progress and report to the whole Society. Their reports will then be sent to the Forest Officer for further action.
- 6.4. Where Society groups have carried out or are responsible for activities like social fencing, fire prevention, plantations or maintenance of plantations, annual monitoring will be carried out by Project-approved monitors (Third Party) and the results of this monitoring linked to release of payments, a) for social fencing in lieu of barbed wire fencing, b) for fire prevention as specified in the Plan and c) for survival in forest plantations as given in the agreed norms for that activity.
- 6.5. Settlement of Disputes: Settlement of disputes and conflict resolution will be governed as laid out under para 47, 48 and 49 of the Bye Laws notified by GoHP.

Memorandum of Understanding

We are aware that the benefits mentioned in this agreement shall be available to the Society only when it discharges its duties, responsibilities and works in a satisfactory manner and this is certified by the Forest Officer every year. However, if the Forest Officer fails to fulfill conditions mentioned in Para 3 and 4 of this agreement and this is a cause for the Committee not able to discharge its responsibilities and works, and then it will be kept in mind while evaluating the works of the Committee every year.

I Sk. Jeeb Kam....., President,..... Subling..... Joint VFDS/BMC

(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)

प्रधान अध्यक्ष
ग्राम वन विकास समिति हकलिंगी
पोह, जिला किन्नौर (H.P.)

6A/1
Divisional Forest Officer
Kinnaur Forest Officer
On behalf of HPFD)

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

1. Ketsaj Wajdu Krom
 2. Ajay Kumar Jaguimas
 3. Shorsun Bhu
 4. CHEWAN G. JODHA
- 1 Sh. Man Mohan Singh (Position) undertake, on behalf of Kinnaur Division Forest Department to implement all duties responsibilities of the Forest Department mentioned in this memorandum.

R. F. O. POOH
Range Forest Officer
Pooh Range

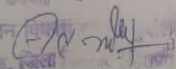
(Name and Signature of the Divisional Forest Officer or other officer authorized by him) On behalf of Kinnaur Forest Department.

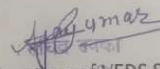
6A/1
Kinnaur Forest Division
At R/Peo

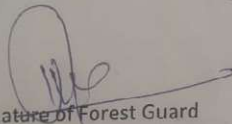
Business Plan Approval by VFDS & DMU

Tashi Jang Self help group will undertake the Extraction of Chukkoil
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.) 9,91,500 has been submitted by this group on dated _____
_____ and this business plan has been approved by Subling VFDS. Business
Plan with SHG resolutions being submitted to DMU through FTU for further action, please.

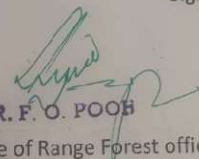
Thankyou

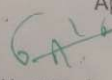

Signature of VFDS Pradhan


Signature of VFDS Secretary
मेरा पृष्ठ, जिला किन्नौर (हिमाचल)


Signature of Forest Guard


Signature of Block Forest officer
Pooch Distt - Kinnaur

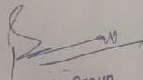

R. F. O. POOB
Signature of Range Forest officer

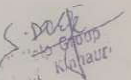
Approved

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 Tashi Jong Held on at Dubling that our self help group will undertake the Shakti A.P. as livelihood income generation activity under the project for improvement of Himachal Pradesh.

Forest Ecosystem Management & Livelihoods. (JICA Assisted.)


PRADHAN
Tashi Jong Self Help Group
Dubling, District Kinnaur,
Himachal Pradesh
Signature of Group Pradhan


SECRETARY
Tashi Jong Self Help Group
Dubling, District Kinnaur,
Himachal Pradesh
Signature of Group Secretary