



BUSINESS PLAN

Handloom

(Shawl, stole and muffler knitting)

Him Self Help Group (Lot Sub Committee)



Biodiversity Management Committee

Shillirajgiri

Sub Committee

Janahal

Gram Panchayat

Shillirajgiri

Field Technical Unit/Forest Range

Wildlife Sanctuary, Kullu

Divisional Management Unit /Forest division

Wildlife Sanctuary, Kullu

Forest Circle Coordination Unit/ Forest Circle

GHNP Circle, Shamshi

Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project

(JICA Funded)

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1. Introduction

The handloom industry has been providing livelihood to artisans since ancient times. Over time, it has emerged as one of the most important cottage industries and trades in India. Handloom weavers have traditionally used fine fibers of cotton, silk, and wool to create products. The handloom industry is an essential part of India's cultural heritage.

Earlier, local weavers in Kullu used to weave plain shawls. However, after the arrival of Bushahri artisans from Rampur in Shimla district, patterned handloom weaving became popular. In the past, both men and women used to weave on traditional pit looms at home, producing warm clothing for their families and seasonal needs. Later, handloom weaving became a widespread practice, possibly due to British influence during the colonial period.

Kullu's traditional woven products include **Dodu, Patti, Tweed, shawls, bordered caps, and mufflers**. Since the 1970s, the increasing arrival of tourists and their growing interest in Kullu handicrafts have helped this craft become a livelihood source, especially for women. Women make up about **70%** of the weaving community in this region.

However, competition from **power loom products** manufactured in the plains has made it difficult for traditional weavers and artisans to market their products. To support this sector, both the **Government of India** and the **State Government of Himachal Pradesh** continue to provide assistance and encouragement.

Under the **Himachal Pradesh Forest Department**, the **Japan International Cooperation Agency (JICA)** - funded "**Himachal Pradesh Forest Ecosystem Management & Livelihood Improvement Project**" (PIHPFEM&L) aims to improve both **ecosystem management and the livelihoods of communities living near forests**.

Women **Self-Help Groups (SHGs)** have been formed and supported based on their skills and interests. One of the activities identified is **handloom weaving**, which is a traditional craft of Kullu. Women from the "**Kali**" **Self-Help Group**, under the **Shilharajgiri Biodiversity Management Committee's Janahal Sub-Committee**, have chosen handloom weaving as their primary activity. This business plan has been carefully prepared, considering every aspect of the craft.

2. Summary of the Initiative

Himachal Pradesh is located in the Western Himalayas, known for its natural beauty, rich cultural heritage, and religious significance. The state features diverse forests, rivers, and valleys, with a population of approximately 7 million and a geographical area of 55,673 square kilometers. The elevation varies from the Shivalik Hills to the high-altitude cold zones of the Himalayas. Agriculture is the primary occupation of the people, with seven out of twelve districts implementing the Himachal Pradesh Forest Ecosystem Management and Livelihood Improvement Project in collaboration with JICA, including Kullu district.

Under this initiative, a micro-plan was developed for the **Janahel** sub-committee of the Biodiversity Management Committee (BMC) in Shilrajgiri. The primary occupations of the people in this region are agriculture and horticulture. However, the average landholding per family is less than four bighas, and irrigation facilities are lacking. As a result, many locals migrate within and outside the district for labor work. Crops such as wheat, maize, barley, and pulses are cultivated, along with apples, plums, pears, and apricots. Due to the lack of alternative income sources, people must leave their homes for work.

To address this challenge, the **Jai Maa Dashmivarda Self-Help Group (SHG)** was formed, focusing on increasing livelihood opportunities by producing and selling **shawls, stoles,**

borders, and mufflers. The SHG was officially established on **December 4, 2024**, with **ten female members**, all belonging to Scheduled Castes. After discussions, the group decided to engage in the production and marketing of traditional Himachali textiles.

Currently, **two to three members** of the group are already engaged in weaving. Initially, the group will be linked to local shopkeepers and wholesalers for marketing their products. As production and demand increase, efforts will be made to explore and expand marketing opportunities. Recently, the **Chief Minister of Himachal Pradesh**, on **Handloom Day**, announced that the state government is in talks to market Himachali handloom products through Flipkart, which is expected to provide better opportunities for SHGs.

By working collectively and producing in bulk, SHG members can enhance their livelihoods. The raw materials and looms required for weaving shawls, stoles, and mufflers are locally available, and there is significant marketing potential in **Kullu Valley**, which experiences tourist inflow throughout the year. Himachali shawls, stoles, borders, caps, and mufflers are famous across India, and tourists often purchase them as gifts for family and friends.

Initially, members will receive **training** in handloom weaving under the project. The training will be followed by production and marketing efforts to ensure a sustainable livelihood for the SHG members.

The group consists entirely of women from the Scheduled Caste category. Therefore, 75% of the capital expenditure will be provided by the project, while the remaining 25% will be contributed by the members. The expenses incurred in delivering and establishing the looms in the village will also be covered by the project.

Additionally, a revolving fund of ₹1,00,000/- will be provided. The group has decided that all members will work according to the rules and conditions and will mutually agree on the distribution of benefits.

While formulating the business plan, factors such as the members' capability to make woolen stoles and mufflers, the availability of raw materials, market demand, and marketing strategies were taken into consideration.

3. Self-help group details

S. No.	Details	Information
3.1	Self-Help Group Name	Him
3.2	Biodiversity Management Committee	Shilirajgiri
3.3	Sub-Committee Name	Janahal
3.4	Forest Division	Wildlife Division Kullu
3.5	Forest Range	Wildlife Range, Kullu

S. No.	Details	Information
3.6	Village	Janahal
3.7	Development Block	Kullu
3.8	District	Kullu
3.9	Total Members in the Group	10 Women
3.10	Date of Group Formation	04/12/2024
3.11	Monthly Contribution of the Group	₹100
3.12	Bank Name & Branch	Gramin Bank, Doharanala
3.13	Bank Account Number	88331300006209
3.14	Total Savings of the Group	₹2000
3.15	Amount Disbursed to Members	Not yet disbursed
3.16	Cash Credit Limit & Loan Status	Loan returned by group members

The details of the composition of the group are as follows:

S. No.	Name of Beneficiary	Father's/Husband's Name	Designation	Village	Age	Gender	Category	Contact Number
1	Laxmi Devi	Ram Chand	President	Janahal	28	Female	General	8219247409
2	Sita Devi	Suresh Thakur	Secretary	Janahal	34	Female	General	8219548174
3	Neelabanti	Dharam Chand	Treasurer	Janahal	23	Female	General	8219398296
4	Kalpana Thakur	Surver Chand	Member	Janahal	39	Female	General	7018144072
5	Meera Devi	Vishwesh	Member	Janahal	37	Female	General	7876350499
6	Khila Devi	Kehar Singh	Member	Janahal	36	Female	General	9317573993
7	Ludri Devi	Kehar Singh	Member	Janahal	36	Female	General	8626825501
8	Kiran Devi	Dharam Singh	Member	Janahal	38	Female	General	7876172426
9	Kirna	Kishan Chand	Member	Janahal	33	Female	General	7876029957
10	Doona	Narendra	Member	Janahal	28	Female	General	9815237206

4. Geographical location of the village

S. No.	Description	Distance (in km)
4-1	Distance from District Headquarters	20.0 km
4-2	Distance from Doharanala Main Road	7.0 km
4-3	Name and Distance of Local Market	Kullu - 20 km, Bhuntar - 23 km

S. No.	Description	Distance (in km)
4-4	Distance and Name of Main Market	Kullu - 20 km
4-5	Distance from Other Major Cities/Towns	Kullu - 20 km, Manali - 60 km, Bhuntar - 23 km
4-6	Distance from Market(s) for Selling Products	Kullu - 20 km, Manali - 60 km, Bhuntar - 23 km
4-7	Other Relevant Information About the Village	1-2 members are already familiar with handloom weaving

5. Details of Products Related to Income Generation Activities

S. No.	Product Name	Description
1	Woolen Stoles, Mufflers, Borders	Handwoven woolen stoles, mufflers, and borders with high demand in the market
2	Woolen Products Production	Group produces stoles, shawls, and borders using handlooms, which are in great demand
3	Product Demand	There is heavy demand for these handloom products in local and regional markets
4	Product Output & Sales	The group is steadily producing and selling woolen stoles, shawls, and borders with successful sales figures (details attached)

6. Details of production process

Work Schedule for the Group:

1. Shawls, Stoles, Borders, and Mufflers Production:

- The raw materials for shawls, stoles, borders, and mufflers will be purchased through direct transactions from dealers and will be processed at the site itself.
- All members will divide the work and take responsibility for the production of shawls, stoles, borders, and mufflers.

- The estimated time for making one item will be 4-5 hours, depending on the design and complexity.
- 2. **Work Division:**
 - Each group member will be assigned specific tasks such as weaving, stitching, and finishing the items.
 - The average time for one unit of work is 4-5 hours.
 - The overall production will depend on the availability of materials and the skill level of the workers.
- 3. **Production Details:**
 - The number of shawls and stoles to be produced will be estimated based on the capacity of each group member.
 - The group will focus on producing 60 shawls, stoles, and mufflers within a month with four members working together.

Item-Specific Details:

1. **Shawls (Kullu Shawls):**
 - Kullu shawls are made from high-quality wool, primarily with traditional designs.
 - These shawls have multi-colored patterns, and the number of colors can range from 1 to 8.
 - In the current trend, traditional bright colors are being replaced with more subtle pastel shades to cater to the modern market demand.
 - The price of shawls depends on the quality of wool and the design.
 - In a month, four members can produce around 60 shawls, each taking around 4-5 hours.
2. **Stoles (Lambani Stoles):**
 - Lambani stoles are special, luxurious shawls, typically used by high-end clients.
 - A single stole is shorter and narrower than a shawl and is used to wrap around the body or draped over the shoulders.
 - The group will aim to produce about 156 stoles in a month, with each member making 1-2 stoles per day.
3. **Borders (Bodr) or Embellishments:**
 - The unique feature of Kullu shawls is the addition of colorful borders, woven with intricate patterns.
 - The weaving of borders is a delicate process, and it will take two group members around 60 hours to complete the borders for the shawls.
4. **Mufflers:**
 - Mufflers are traditionally given as gifts during special occasions and are an important part of Kullu's cultural traditions.
 - Each group member will work on mufflers for about 4-5 hours, and the group can produce 60 mufflers in a month.

7. Details of planning for production

Section	Details
7-1 Production Cycle (Duration: 30 days)	Work will be done for 4-5 hours daily
Production Targets	60 Shawls, 156 Stoles, 120 Mufflers, 120 Borders
7-2 Required Workforce	4 members for shawls, 2 members for stoles, 2 members for mufflers, 2 members for borders
Total Workforce	10 members
7-3 Sales Market	Kullu, Bhuntar
7-4 Other Resources Market	Kullu, Manali, Bhuntar

8. Raw material requirements and estimated production

S. No.	Name	Unit	Quantity	Rate (₹)	Amount (₹)	Estimated Production
1	Shawl (80:20 Yarn)					60 Shawls
(a)	Warp & Weft	kg.	15.8	800	12,640	
(b)	Chemical Treatment	kg.	1.7	500	850	
(c)	Warping Labor	Per Piece	60	25	1,500	
(d)	Daily Wages	Per Day	85	350	29,750	
(e)	Packing & Washing	Per Piece	60	25	1,500	
Total					46,240	
2	Stole (80:20 Yarn)					156 Stoles
(a)	Warp & Weft	kg.	39	800	31,200	
(b)	Chemical Treatment	kg.	3.9	500	1,950	
(c)	Daily Wages	Per Day	85	350	29,750	
(d)	Packing & Washing	Per Piece	156	20	3,120	
Total					66,020	
3	Woolen Muffler					120 Mufflers
(a)	Warp & Weft	kg.	12	1500	18,000	
(b)	Daily Wages	Per Day	30	350	10,500	
(c)	Packing & Washing	Per Piece	120	15	1,800	

S. No.	Name	Unit	Quantity	Rate (₹)	Amount (₹)	Estimated Production
Total					30,300	
4	Border					120 Borders
(a)	Warp & Weft	kg.	2.4	1500	3,600	
(b)	Daily Wages	Per Day	30	350	10,500	
(c)	Packing & Washing	Per Piece	120	15	1,800	
Total					15,900	

9. Procurement/Purchase & Sales Details

Section	Details
Estimated Markets/Locations	Kullu, Bhuntar, Manali
Distance of Sales Market from Village	Kullu – 20 km, Manali – 60 km, Bhuntar – 23 km
Estimated Demand of the Product in Market	Demand is higher than production
Market Promotion Process	Retail shops – Tourists purchase in large quantities, while locals buy for weddings and other ceremonies
Seasonal Demand Variation	Demand increases in winter. In summer, tourists make occasional purchases.
Potential Buyers	Tourists and local residents
Potential Consumers in the Region	Residents of Lahaul and Mandi districts
Product Distribution System	The SHG will collaborate with retail shopkeepers in Kullu, Manali, and Bhuntar for marketing. Sales will also be promoted through exhibitions and stalls at fairs.
Sales Strategy	If local market demand decreases, the products will be linked to retail shopkeepers in Mandi and Shimla. Production will be adjusted based on demand fluctuations.
Product Brand Name	"HIM TRADITION"
Product Slogan	"Aao Bune Hum" (Let's Weave Together)

10. Details of Management among Group Members

- **For the smooth operation of the group:**
 - A meeting will be held with the group members to discuss the management of the group.
 - The management will be based on clear guidelines and procedures for decision-making.
 - The leader will ensure that management is carried out through a combination of regular reviews and coordination with the group's members.
 - For product distribution, each group member will contribute to the sales activities.
 - Regular updates and meetings will be held to maintain accountability and transparency.
 - Profits and wages will be distributed fairly among all members.

11. Strengths, Weaknesses, Opportunities, and Threats (SWOT Analysis)

Strengths:

1. All group members have a similar and positive mindset.
2. Some group members are already involved in producing and marketing small-scale products, which will make it easier for other members to learn weaving and marketing.
3. The production cost is low, and there is high demand for the products.
4. Members will have a source of income available near their homes.

Weaknesses:

1. The group is new.
2. The group lacks experience in carrying out activities.
3. The financial situation of the members is weak.

Opportunities:

1. The group has the potential to scale up production on a large scale.
2. The local market has high demand for products such as shawls, stoles, borders, and mufflers due to tourism.
3. The project will bear 50% of the cost for purchasing weaving and spinning tools.
4. The project will provide specialized training in handloom weaving either on-site or through handloom organizations.

Threats:

1. Internal conflicts within the group may affect its operations.
2. The group may break down due to a lack of demand and transparency.
3. Demand for the products may mostly come from tourists during peak seasons.
4. The group will face competition from established organizations in the handloom industry.

12. Possible Risks and Measures to Mitigate Them

Risk	Description	Mitigation Measure
1. Lower Demand in Local Market	There is a possibility that demand for products may decrease in the local market, which will negatively affect sales and income.	Retail shopkeepers from Shimla and Mandi markets will be linked for sales promotion.
2. Decrease in Product Quality	A decline in product quality can lead to reduced sales.	The group must adhere to quality standards and skill development to maintain quality.
3. Competition from Established Organizations	The group will face competition from well-established organizations.	The group must maintain high quality and skill levels. It must also keep exploring new marketing opportunities.

13. Execution of legal formalities related to the organization

Item Name	Quantity	Rate per Unit	Total Cost	Project Share (75%)	Profit Share (25%)
Charkha 60"	3	19,500	58,500	43,875	14,625
Charkha 50"	6	18,500	111,000	83,250	27,750
Charkha	10	2,000	20,000	15,000	5,000
Shuttle	10	200	2,000	1,500	500
Total			191,500	143,625	47,875

Sr. No.	Item Name	Unit	Rate	Amount	Total Production	Total Amount
1	Shawl (80:20 thread)	kg.	11	800	8,800	45 Shawls
	Weaving	kg.	1.6	500	800	
	Handwork Labor	45	25	1,125		
	Daily Wages	105	350	36,750		
	Packing, Washing etc.	45	25	1,125		
Total					48,600	48,600
2	Towel (80:20 thread)	kg.	18	800	14,400	78 Towels
	Weaving	kg.	3	500	1,500	
	Handwork Labor	75	350	26,250		
	Packing, Washing etc.	78	20	1,560		
Total					43,710	43,710
3	Wool Muffler	kg.	4	1,500	6,000	60 Mufflers
	Weaving					
	Handwork Labor	15	350	5,250		
	Packing, Washing etc.	60	15	900		
Total					12,150	12,150
4	Border	kg.	1.2	1,500	1,800	60 Borders
	Weaving					
	Handwork Labor	30	350	10,500		
	Packing, Washing etc.	60	15	900		
Total					13,200	13,200
Total					117,660	117,660
2	Rent, Electricity Bill			2,000		
3	Transportation of goods			2,000		
4	Miscellaneous Expenses (Stationery etc.)			1,000		
Total					5,000	5,000
Total Cost				122,660	122,660	43,910
Total Business Plan				191,500 + 122,660	314,160	
Estimated Income						
Shawl	45		1,900	85,500		

Sr. No.	Item Name	Unit	Rate	Amount	Total Production	Total Amount
Towel	78	1,000	78,000			
Muffler	60	400	24,000			
Border	60	150	9,000			
Total Estimated Income				196,500	196,500	
Additional Saving or Income if any				2,000		
Total Estimated Income				198,500	198,500	

14. Summary of the production cost

Sr. No.	Cost Type	Amount (INR)
1	Operating Cost	43,910
2	Capital Investment (10% Annual Interest)	1,595
3	Bank Loan (12% Interest)	-
Total		45,576

- **Capital Investment:** 25% of the capital investment will be the beneficiary's share, and the operating cost will be deposited by the group members as a cash contribution to bear the expenses.

15. Financial Summary

S.No	Item	Estimated Production Quantity	Production Cost	Profit	Profit Percentage	Market Value	Market Price	Total Income from Production
1	Shawl	45	₹964	₹936	97.09%	₹1900	₹2100	₹85,500
2	Towel	78	₹538	₹462	85.87%	₹1000	₹1200	₹78,000
3	Muffler	60	₹253	₹147	58.10%	₹400	₹500	₹24,000

S.No	Item	Estimated Production Quantity	Production Cost	Profit	Profit Percentage	Market Value	Market Price	Total Income from Production
4	Border	60	₹133	₹17	12.78%	₹150	₹160	₹9,000
Total Income from Production								₹196,500

16. Value-Profit Analysis (1 chart = 1 month)

S.No	Item	Amount	Total Amount
1	Capital cost on 10% annual value	1595	1595
2	Room rent, electricity, etc.	2000	2000
3	Wages	78750	78750
4	Raw material, packaging, etc.	2000	2000
5	Miscellaneous expenses (repairs, stationery, etc.)	1000	1000
6	Transportation costs for goods and finished products	2000	2000
Total Expenses		85750	
Total Profit		109650	
Gross Profit from Production	Profit + Wages + Rent	109650 + 78750 + 2000	119500
Monthly Distribution per Group Member	Income from Production - (Average Capital & Interest Repayment + Other Monthly Expenses)	196500 - (0 + 0 + 43910)	152550
Capital Fund Contribution	25% of Capital Fund will be contributed by group members in cash, and 75% will be financed through the project.		
Bank Loan Assistance	A grant of 100,000 INR will be provided as a permanent fund to obtain a loan from the bank.		

17. Required Funds for the Group

S.No	Item	Amount (INR)
1	Capital Fund	191500
2	Operational Expenses	43910
Total		235410

Financial Sources for the Group

S.No	Financial Source Description	Amount (INR)
1	Grant for Capital Fund through the Project	143625
2	Cash Contribution from Group Members	47875
3	Group's Savings	2000
Total		193500

18. Monthly Profit Calculation (Work/Output)

One Week Point Calculation:

Thus, **One Week Point** = $191500 / 109650 = 1.7$ months X 30 days = 51 days

Benefit Calculation for Shawls, Borders, and Mufflers:

In the 51 days, by evaluating the output based on the ratio, it is calculated that:

- The group will earn a total of **196,500 rupees** from making 45 shawls, 78 borders, 60 mufflers, and 60 shawls.
- Of this, the group will receive **78,750 rupees** for wages and **109,650 rupees** for profit.

Thus, each member of the group will earn:

- **78,750 rupees** for wages.
- **10,930 rupees** for profit (dividends).

This income is based on working only 4-5 hours per month, making it a feasible option for the members.

19. Group Rules

1. The work involves handloom products (shawls, borders, mufflers, and weaving).
2. The group is based in the village, post office mohalla, Tehsil Bhuntar, District Kullu, Himachal Pradesh.
3. The group's share of profits is 10%.
4. The group's registration date is 04/12/2024.
5. The group has 100 members: 2 permanent members and 2 seasonal members.
6. The group's activities are expected to follow a 4-month timeline.
7. Any amount earned by the group will be credited to their account and can be accessed by the group members.
8. Payments to members for work done will be distributed as per the group's rules.
9. The group's registered bank account is located at the **Dohrnala** village, with account number **88331300006209**.
10. The group is required to comply with all legal and financial reporting requirements as per government guidelines.
11. Any income earned will be used to maintain the welfare of the members, especially women in the group.
12. Members will be paid based on their contribution and will be entitled to financial benefits as per the group's guidelines.
13. All future financial transactions will be recorded and available for audits and future reference.
14. The group is committed to following all the relevant laws for managing the funds, including maintaining transparency.
15. Any major changes or requests related to the financial operations will be decided through group consensus.
16. Any discrepancy in the funds or mismanagement will lead to strict action against the responsible parties.
17. Regular audits of the accounts will be conducted to ensure proper usage of funds.
18. In case of an emergency, the group can avail funds as per government norms.

19. The group will have financial oversight to ensure the proper allocation of resources.
20. Any member seeking loans or assistance must follow the prescribed procedures.
21. The group is open to offering financial support to its members who meet the eligibility criteria.
22. In case a member fails to fulfill their responsibilities, their share of the earnings will be deducted accordingly.
23. The group will report all activities to the Field Technical Unit Kullu as required.

20. Photographs of the Self-Help Group

			
लक्ष्मी(प्रधान)	नीलबंती(सचिव)	कल्पना ठाकुर (कोषाध्यक्ष)	किरना देवी (सदस्य)
			
खीला देवी (सदस्य)	लुदरी देवी (सदस्य)	मीरा देवी (सदस्य)	सीता देवी (सदस्य)
			
किरणदेवी (सदस्य)	दूना देवी (सदस्य)		