DETAILED PROJECT REPORT

Organic Bio Bag Making Unit

By

2023

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1. OVERVIEW OF THE JLG MEMBERS

Name of the JLG:

Number of the members.

Name of Gram Panchayat/Taluk:

Name of the District:

Account details of JLG:

Details of JLG members with Hierarchy;

1.

2.

3.

4.

5.

6.

KYC:

Aadhar/PAN/Photo:

An organic bio bag is a type of biodegradable bag that is made from natural materials such as plant starches, cellulose, and vegetable oils. Unlike traditional plastic bags, which can take hundreds of years to break down, organic bio bags are designed to decompose much more quickly, often within a matter of months. Organic bio bags are often used as an eco-friendly alternative to traditional plastic bags for a variety of purposes, including carrying groceries, storing food, and collecting compostable waste.

2. OBJECTIVES OF SVSY

Under Yuva Niti 2022, the new Swami Vivekananda Yuva Shakti Yojana is proposed on the following grounds to achieve holistic development of 2.1 crore youth of the state and to bring about constructive social change by the youth in keeping with the India@2047 vision of the Hon'ble Prime Minister.

The current scenario of the state on various parameters is as follows:

i. **Political Representation:** Out of total 1,01,308 members in rural local bodies, 12,411 (12.25 per cent) youths and 360 youths (5.36 per cent) out of 6713 municipal councillors are political representatives.

ii. **Education:** Out of a total of 2.1 crore youth, 21.55 lakh (10.37 per cent) students are in high school, 11.75 lakh (5.65 per cent), 6.45 lakh (3.10 per cent) in general degree colleges, 1.51 lakh (2.72 per cent), 1.11 lakh in polytechnics. (0.53 per cent), 0.74 lakh (0.36 per cent) The total number of students studying in medical courses

is 43.12 lakh, which is per cent of the total youth. 21 percent will be. Remaining 157.88 lakh youth have below 10th standard education.

iii. **Employment:** According to the National Skill Development Corporation report, out of the total 2.1 crore youth in the state, 82 lakh (41 per cent) youth are in the labour force. As the remaining 119 lakh youth (59 per cent) are not in the professional labour force, they need to be given skill training to make them self-reliant.

iv. **Skill Development:** Out of the total 82 lakh youth in the workforce, 16 lakh youth (20 per cent) have received skill vocational training. The remaining 66 lakh (80 percent) youth need to be given skill development training. Out of this, only one lakh youth are being trained by the NLRM department every year. Therefore 65 lakh untrained rural youth need skill training. To achieve this every school needs to provide vocational education from class 6 onwards.

v. **Internship:** According to the 6th Economic Census, there are a total of 28.80 lakh enterprises in the state, out of which 78,022 enterprises employ more than 8 people. About 30 lakh youths can be trained in skills by undertaking the internship program for a period of three months in local industries related to agriculture and agri-based/MSME/self-employment/service sector.

vi. **Migration Control:** Rural people have migrated from various districts to urban areas for job opportunities, of which 40 lakh (20 percent) youth are in Bangalore city. Therefore, there is a need to provide more employment opportunities at the village level.

vii. **Consolidation of programs for rural employment:** In total there are 27,395 revenue villages in the state and it is proposed to form Swami Vivekananda Self

Help Groups, one in each village, on the model of Women's Self-Help Groups to provide self-employment to the unorganized workers in these. There are about 15 to 20 youth in each group, and 5.50 lakh youth in 27,395 self-help groups have received Rs. 1.5 lakh to provide margin money estimated at Rs. 410 crores will be required.

viii. **Bank Linked Schemes:** Coordination and inclusion of Yuva Shakti schemes with schemes linked to 25 banks. There are 35000 shelves of projects under the Mudra loan scheme, and steps will be taken to select the financial activities of the self-help societies based on these models.

ix. **Training:** Skill development training will be imparted to the youth under the National Entrepreneurship Mission under the 18 programs being implemented by various departments under this scheme. Training for agriculture and other activities will be provided through the Rural Development Self Employment Training Institute (RUDSETI).

x. **Formation of State Level Committee:** It is proposed to constitute a committee under the chairmanship of the Minister of Youth Empowerment and Sports at the State level for implementation and monitoring of the programme. RDPR, Commerce and Industry, Labour, Skill Development and Bank representatives will be members of this committee.

xi. **District Level Committee:** It is proposed to constitute a District Level Committee under the Chairmanship of the Chief Executive Officer of the Zilla Panchayat for the implementation and supervision of the program at the district level. The members of this committee are the officers of Rural Development and Panchayat Raj,

Commerce and Industry, Labour, Skill Development Departments and District Lead Bank Managers.

xii. **Village level stewardship:** The village level stewardship of this program will be handled by Rural Development and Panchayat Raj Departments and Youth Empowerment and Sports Departments.

3. ABOUT VKF

VKF is a Think Tank of Community Change Champions who are from various walks of Social Spaces with diverse backgrounds and specialists from their domains.

VKF is a platform that enables as a think tank to evolve an aggregation of the social impact service providers and entrepreneurs for bringing about a transformational movement of social Change that is measurable on the lines of the Strategic Sustainable Development Goals (SSDG) of United Nation (UN).

VKF's is primarily focused on the development of Karnataka state in collaboration and co-creation initiatives.

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VKF's strong focus is on enhancing the rural mass entrepreneurship development clubbed with rural livelihood options. In this direction, VKF team is working with the rural livelihood SHGs members and handholding them to elevate themselves to newer

socio-economic status and uplifting the whole geography of the cluster by setting up of CFCs.

VKF's experience spans across conceptualizing, cluster mapping, conducting baseline surveys, awareness creation, trust building activities, capacity building, design thinking activities etc., to enhance capabilities of the artisans and livelihood SHGs in the clusters.

VKF also indulges in facilitating Common Facility Centres, Preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc. In this, regards we have collaborated and working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities.

4. NAME OF PRODUCT AND TECHNOLOGY

ORGANIC BIO BAG MAKING UNIT

An organic bio bag machine is a specialized equipment used to produce biodegradable bags made from natural materials. These machines use a variety of raw materials, including plant-based starches, cellulose, and vegetable oils, to create bags that are eco-friendly and compostable.

5. DELIVERABLES AND MARKET OF THE PRODUCT

- **Environmentally-friendly**: Organic bio bags are made from natural and renewable resources, which reduces the environmental impact of their production and disposal.
- **Versatile**: Organic bio bags can be used for a variety of applications, such as grocery bags, trash bags, packaging for food and other products, and even clothing.
- **Strength and durability**: Despite being made from natural materials, organic bio bags are strong and durable, able to hold heavy loads and withstand regular use.
- **Customizable**: Organic bio bags can be customized with logos, designs, and other branding elements, which makes them an effective marketing tool for businesses looking to promote their brand while also promoting environmental sustainability.
- **Cost-effective**: Organic bio bags offer significant cost savings when compared to the potential environmental damage and associated cleanup costs that result from the use of traditional plastic bags.

Project Assumptions: This model DPR for Organic Bio Bag Making Unit is basically on certain assumptions that may vary with capacity, location, raw materials availability etc. An entrepreneur can use this model DPR format and modify as per requirement and suitability. The assumptions made in preparation of this particular

DPR are given in Table. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.

Table: Detailed Project Assumptions		
Parameter	Value	
Assumed Capacity of the Organic bio bag making unit:	100 pieces per day	
Utilization of capacity:	Year 1	65%
	Year 2	70%
	Year 3	75%
	Year 4	80%
	Year 5	85%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs. 45/ Piece	
Average sale price of product	Rs. 100/Piece	

Machineries

Fully Automatic Biodegradable Bag Making Machine
Machine material: Mild Steel
Capacity: 100 pieces/day
Shiva Machine Works
Vellakinar Village, Coimbatore, Tamil Nadu

Machinery is also available in Bengaluru.

Market Output:

The end users will be as follows:

Market Linkage	
❖ Supermarkets	❖ Hypermarkets
❖ E-commerce	❖ Hotels
❖ Restaurants	❖ Quick commerce

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons for procurement
- 2 persons for production
- 1 person for logistics & sales
- 1 person for waste management

7. SOFT INTERVENTION

The following are the soft interventions to be arranged:

- Awareness on financial inclusion will help in getting the assistance from Government and other sources
- Export promotional orientation for the JLG members.
- Awareness/ training programme on product quality, handling practices.

- Capacity Building activity
- Trust Building activities
- Programmes on technical skill enhancement to unit owners.
- Programmes on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

8. ESTIMATED COST OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.	Percentage
1	Bank Loan	1,80,000	90%
2	JLG contribution	18,000	10%
3	**Total**	**1,98,000**	**100%**

Sl. No.	Details	Cost in Rs.
1	Machine Cost	1,48,000
2	Furniture	20,000

3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	30,000
	TOTAL	**1,98,000**

The proposed project implementation schedule is as follows:

Sl. No.	**Project Component**	**Schedule**
1	Shed for the project on rental basis	Identified
2	Electricity and Water facility Installation	Present
3	Arrival of Machinery	Within 1 months of Order
4	Erection of Machinery	Within 5 days of arrival
5	Commissioning	Within 2-4 days of erection
6	Commercial Usage	Within 2 months from approval

9. LAND/SHED STATUS:

The JLG has already identified the shed required for the project within the project area.

10. SWOT ANALYSIS OF THE PROJECT

I. Strengths

- Organic bio bags are environmentally friendly and biodegradable, which is a major selling point in today's market where consumers are increasingly eco-conscious.
- The demand for sustainable packaging solutions is growing, which creates a significant market opportunity for organic bio bags.
- There is abundant raw material available in the district.
- The source of raw material procurement is very convenient due to local availability.
- The JLG members are having good coordination and co-operation among themselves.
- Government is very favorable for supporting the youths.

II. Weaknesses

- The cost of producing organic bio bags is higher than traditional plastic bags, which can make them less competitive in price-sensitive markets.
- The quality and durability of organic bio bags can vary depending on the materials used, which can affect customer satisfaction.
- The availability of raw materials can be limited in some regions, which can make it challenging to scale up production.

- The JLG members lack insufficient place for working/processing in their units. All the process was being carried at one small area.
- The JLG members are unable to purchase modern machineries due to financial limitations.
- The JLG members have poor access to national and international markets. This will affect initially the profitability of the JLG members.
- There is no branding for the product.

III. Opportunities

- The demand for organic bio bags is expected to continue to grow, driven by increasing consumer demand for sustainable products and government regulations on single-use plastics.
- JLG members are still very young if they start performing well in business and in future modern process machinery with better productivity and quality as well as special features for the final products and value addition products also can be done within JLG members.
- Organic bio bags can be used in a variety of applications beyond just grocery and retail, such as in the medical industry or for personal use, creating new market opportunities.
- There will be a huge demand because this is a need of the hour globally.
- Young JLG members have long way to go with new Innovation in the recycle production it will help to create global impact on recycling.

IV. Threats

- Competition from other sustainable packaging solutions, such as reusable bags, can affect the market share of organic bio bags.
- Due to poor market access the profitability of the JLG members may fall bit low level. This may discourage initially to JLG members.
- Main attributed to less profitability of plastic processing industry is due to lower price at the beginning and JLG members need to work hard.

11. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM

We have surplus youths in the state, graduate, undergraduate etc. supporting them to create self-employment will motivate to become entrepreneurs, they will live independent life**.** Entrepreneurship will greatly impact the lifestyle of the youths, if businesses work along with their involvement of all the members towards creating awareness and promoting positive impacts on others.

Ecosystem Support from Project

- **Reduces greenhouse gas emissions:** One of the primary benefits of organic bio bags is that they are biodegradable and compostable, which means they break down quickly and do not leave a lasting impact on the environment.
- **Promoting Sustainable Agriculture**: Many organic bio bags are made from plant-based materials, such as corn or potato starch, which can be grown using sustainable agricultural practices.

- **Supporting Local Economies:** Organic bio bag making can create local job opportunities in the production, distribution, and sales of these bags.
- **Improving Soil Health**: Many organic bio bags are designed to be compostable, which means they can break down into organic matter that can be used as a natural fertilizer. By supporting the use of organic bio bags, organic bio bag making can help improve soil health and support sustainable agriculture practices.

12. THE END PRODUCTS PRODUCED FROM SOYA TOFU MAKING UNIT

13. FINANCIALS

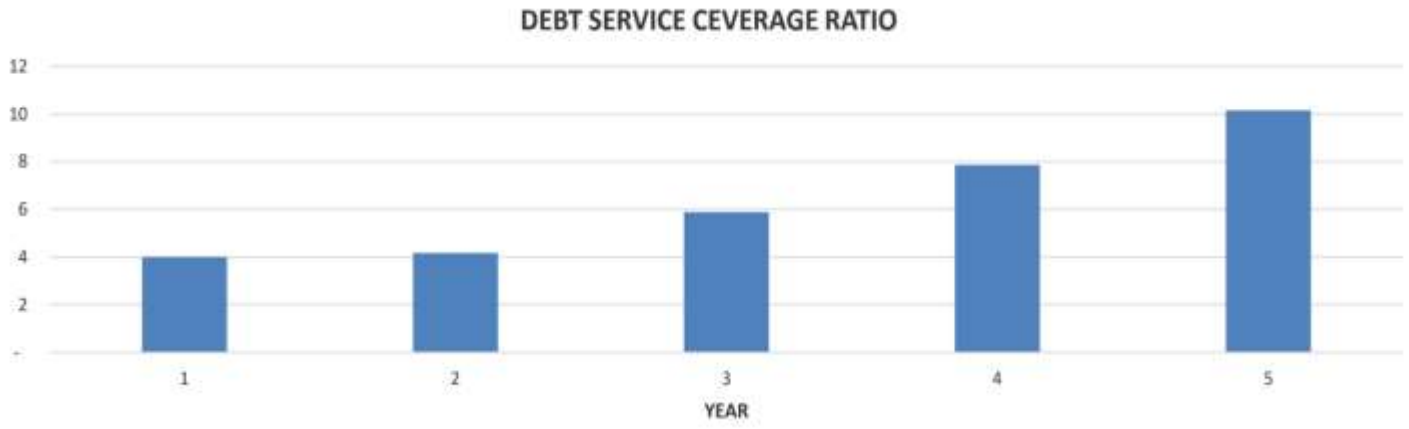
CASH FLOW STATEMENT

Particulars \ Year	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE FROM SALE OF ORGANIC BIO BAG MAKING					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	-	-	-	-	-
No. of Machine Running days in a Year	300	300	300	300	300
Capacity of the machine in Piece per day	100	100	100	100	100
Production in Piece	95%	95%	95%	95%	95%
Utilisation of the Capacity (%)	65%	70%	75%	80%	85%
Production during the year (in Pieces)	18,525	19,950	21,375	22,800	24,225
Rate per Piece	100	110	121	133	146
Gross Revenue earned per annum - A	**18,52,500**	**21,94,500**	**25,86,375**	**30,34,680**	**35,46,782**
COST OF RAW MATERIALS					
Consumption of Raw Materials	19,500	21,000	22,500	24,000	25,500
Rate per Piece	45	50	54	60	66
Total Cost of Raw Material per annum - B	**8,77,500**	**10,39,500**	**12,25,125**	**14,37,480**	**16,80,055**
EXPENDITURE					
Salaries and Wages	4,68,000	5,38,200	6,18,930	7,11,770	8,18,535
Electricity Charges	1,08,000	1,18,800	1,30,680	1,43,748	1,58,123
Rent	1,32,000	1,45,200	1,59,720	1,75,692	1,93,261
Transportation and Travelling	48,000	52,800	58,080	63,888	70,277
Packaging and Promotion Expenses	60,000	66,000	72,600	79,860	87,846
Miscellaneous Expense	26,000	28,600	31,460	34,606	38,067
Total Expenditure - C	**8,42,000**	**9,49,600**	**10,71,470**	**12,09,564**	**13,66,108**
Net Profit before Interest /Cash Flow (A-B-C)	**1,33,000**	**2,05,400**	**2,89,780**	**3,87,637**	**5,00,619**

DSCR STATEMENT

PROJECTED TERM LOAN DSCR STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5
	Projected	Projected	Projected	Projected	Projected
Profit available to service the debt	**1,33,000**	**2,05,400**	**2,89,780**	**3,87,637**	**5,00,619**
Loan Repayment	16,429	35,284	38,786	42,635	46,867
Interest on Term Loan	16,778	14,029	10,527	6,678	2,447
Debt to be Served	**33,207**	**49,313**	**49,313**	**49,313**	**49,313**
Debt Service Coverage Ratio	4	4	6	8	10
AVERAGE DSCR	**6**				



BREAKEVEN ANALYSIS
Investment Value Including Margin Rs. 200000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	1,33,000	2,05,400	2,89,780	3,87,637	5,00,619
Less : Interest on Loan	16,778	14,029	10,527	6,678	2,447
Less : Estimated Drawings/Personal Expenses	66,500	1,02,700	1,44,890	1,93,818	2,50,310
Net Cash Flow	**49,722**	**88,671**	**1,34,363**	**1,87,140**	**2,47,863**
Cumulative Cash Flow	**49,722**	**1,38,393**	**2,72,756**	**4,59,896**	**7,07,759**
Break Even Investment (in years)	**2 Year and 5.5 Months**				

REPAYMENT SCHEDULE

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	4,275	-	1,80,000	4,275	
	2	4,275	-	1,80,000	4,275	
	3	12,328	8,117	1,71,883	4,211	
	4	12,328	8,312	1,63,571	4,017	16,778
2	1	12,328	8,510	1,55,061	3,818	
	2	12,328	8,714	1,46,347	3,614	
	3	12,328	8,923	1,37,424	3,405	
	4	12,328	9,136	1,28,287	3,192	14,029
3	1	12,328	9,355	1,18,932	2,973	
	2	12,328	9,579	1,09,353	2,749	
	3	12,328	9,808	99,545	2,520	
	4	12,328	10,043	89,502	2,285	10,527
4	1	12,328	10,284	79,218	2,045	
	2	12,328	10,530	68,688	1,799	
	3	12,328	10,782	57,906	1,546	
	4	12,328	11,040	46,867	1,288	6,678
5	1	12,328	11,304	35,562	1,024	
	2	12,328	11,575	23,988	753	
	3	12,328	11,852	12,136	476	
	4	12,328	12,136	-	193	2,447
Total		**2,30,459**	**1,80,000**		**50,459**	**50,459**

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