



Detailed Project Report

Aluminum Foil Making



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:



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.

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 Development Goal of UN.

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

Aluminum Foil Making

Aluminum foil is a thin, flexible sheet of aluminum metal that is commonly used for food packaging, insulation, and cooking. It is made by rolling heated aluminum ingots through a series of rolling mills until the desired thickness is achieved. aluminum foil is non-toxic, non-flammable, and moisture-resistant, making it an ideal material for wrapping and storing food. It is also a good conductor of heat and electricity, and can be shaped easily into various forms. However, it should not be used for cooking acidic or salty foods, as they can react with the metal and leach into the food. Additionally, used aluminum foil should be recycled, as it is a valuable resource that can be reused infinitely.



DELIVERABLES AND MARKET OF THE PRODUCT

- **Food packaging:** Aluminum foil is used to package food because it is moisture-resistant, greaseproof, and has excellent barrier properties against air and light. It also helps to keep food fresh and preserve its flavor and aroma.
- **Insulation:** Aluminum foil is used as insulation in buildings and homes because it reflects heat and helps to keep indoor temperatures stable. It can also be used to wrap pipes and ductwork to prevent heat loss.
- **Cooking:** Aluminum foil is used in cooking because it is a good conductor of heat and can be shaped into different forms. It is often used to wrap food for grilling or baking, as well as to create makeshift utensils like disposable baking trays or food covers.
- **Art and crafts:** Aluminum foil can be used in art and crafts projects to create metallic effects or add texture to paper or fabric. It can also be used to make shiny decorative objects.
- **Industrial applications:** Aluminum foil is used in a variety of industrial applications, including capacitors, electrical transformers, and insulation for cables and wires.

Project Assumptions: This model DPR for Aluminum Foil 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 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 Aluminum Foil Making machine:	50kg/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. 450/ kg	
Average sale price of product	Rs. 600/ kg	

Machineries



Aluminum Foil Making Machine
Capacity: 1800 roll of 1 Kg / 10 Hours
Material: Stainless Steel
Lahooti Printech Private Limited Greater Noida, Uttar Pradesh
Machine Available in Bangalore



Market Linkage

- ❖ Grocery Stores
- ❖ Hotels
- ❖ Restaurants/Cafes
- ❖ Darshinis

❖ Supermarkets and Departmental Stores

- ❖ E-commerce
- ❖ Quick Commerce

5. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons will be used to procurement of raw materials
- 2 persons for production
- 2 persons for the logistics & sales
- 2 persons for sieving
- 2 persons for maintenance of machines

6. 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.

7. 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	3,82,500	90%
2	Govt of Karnataka contribution	38,250	10%
3	Total	4,20,750	100%

S. No.	Details	Cost
1	Machine Cost	2,70,500
2	Furniture	30,000



3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,20,000
Total		4,20,750

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

8. LAND/SHED STATUS:

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



9. SWOT ANALYSIS OF THE PROJECT

I. Strength

- Growing awareness among entrepreneurs about the need for modernization, managerial and technical skill.
- Higher export potential.
- Aluminum foil has excellent barrier properties against air, moisture, and light, which makes it a popular choice for food packaging and insulation.
- Aluminum foil can be easily shaped into different forms, making it suitable for a wide range of applications.
- Aluminum foil is a durable material that can withstand extreme temperatures, making it ideal for use in cooking and industrial applications.
- Aluminum foil is a recyclable material that can be reused infinitely, making it an eco-friendly choice.
- The cluster members are having good coordination among themselves and are serious about resolving cluster problems.

II. Weakness

- Quality control issues, as some manufacturers may use low-quality ingredients, which can lead to a decrease in the quality of the final product.
- Aluminum foil can react with acidic and salty foods, leading to a metallic taste and potentially leaching harmful substances into the food.



III. Opportunities

- Developing more sustainable production methods for aluminum foil could help to reduce the environmental impact of the material.
- Expansion of market reach by utilizing e-commerce platforms and marketing through social media.
- Finding new applications for aluminum foil in areas such as renewable energy and medical devices could create new opportunities for the material.

IV. Threats

- 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 to this industry is due to lower price at the beginning and JLG members need to work hard.
- Aluminum foil faces competition from other materials such as plastic, paper, and glass, which could limit its market share in certain industries.
- Fluctuations in the price of aluminum metal could impact the cost of producing aluminum foil and affect its competitiveness in the market.



10. 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.

11. THE END PRODUCTS PRODUCED FROM THE MACHINE





12. FINANCIALS

CASH FLOW STATEMENT

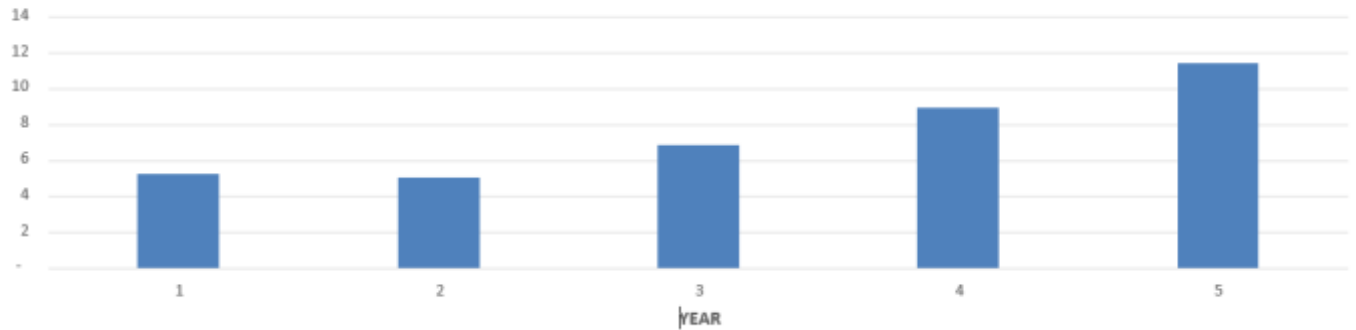
Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF ALUMIUM FOIL</u>					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	-	-	-	-	-
No. of Machine Running days in a Year	300	300	300	300	300
Capacity of the machine in KGs per day	50	50	50	50	50
Production in KGs	100%	100%	100%	100%	100%
Utilisation of the Capacity (%)	65%	70%	75%	80%	85%
Production during the year (in KGs)	9,750	10,500	11,250	12,000	12,750
Rate per KG	600	660	726	799	878
Gross Revenue earned per annum - A	58,50,000	69,30,000	81,67,500	95,83,200	1,12,00,365
<u>COST OF RAW MATERIALS</u>					
Consumption of Raw Materials	9,750	10,500	11,250	12,000	12,750
Rate per KG	450	495	545	599	659
Total Cost of Raw Material per annum - B	43,87,500	51,97,500	61,25,625	71,87,400	84,00,274
<u>EXPENDITURE</u>					
Salaries and Wages	7,20,000	7,92,000	8,71,200	9,58,320	10,54,152
Electricity Charges	1,08,000	1,18,800	1,30,680	1,43,748	1,58,123
Transportation and Travelling	60,000	66,000	72,600	79,860	87,846
Rent	1,44,000	1,58,400	1,74,240	1,91,664	2,10,830
Packaging and Promotion Expenses	36,000	39,600	43,560	47,916	52,708
Miscellaneous Expense	25,000	27,500	30,250	33,275	36,603
Total Expenditure - C	10,93,000	12,02,300	13,22,530	14,54,783	16,00,261
Net Profit before Interest /Cash Flow (A-B-C)	3,69,500	5,30,200	7,19,345	9,41,017	11,99,830



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	3,69,500	5,30,200	7,19,345	9,41,017	11,99,830
Loan Repayment	34,91	74,97	82,42	90,60	99,59
Interest on Term Loan	1	8	0	0	1
Debt to be Served	70,564	1,04,790	1,04,790	1,04,790	1,04,790
Debt Service Coverage Ratio	5	5	7	9	11
AVERAGE DSCR	8				

DEBT SERVICE COVERAGE RATIO





BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 425000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	3,69,500	5,30,200	7,19,345	9,41,017	11,99,830
Less : Interest on Loan	35,653	29,812	22,371	14,191	5,199
Less : Estimated Drawings/Personal Expenses	1,84,750	2,65,100	3,59,673	4,70,509	5,99,915
Net Cash Flow	1,49,097	2,35,288	3,37,302	4,56,318	5,94,716
Cumulative Cash Flow	1,49,097	3,84,385	7,21,687	11,78,005	17,72,721
Break Even Investment (in years)		2 Year and 1.4 Months			

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	9,084	-	3,82,500	9,084	35,653
	2	9,084	-	3,82,500	9,084	
	3	26,198	17,249	3,65,251	8,949	
	4	26,198	17,662	3,47,589	8,536	
2	1	26,198	18,085	3,29,504	8,113	29,812
	2	26,198	18,518	3,10,987	7,680	
	3	26,198	18,961	2,92,026	7,237	
	4	26,198	19,415	2,72,611	6,783	
3	1	26,198	19,880	2,52,731	6,318	22,371
	2	26,198	20,356	2,32,376	5,842	
	3	26,198	20,843	2,11,533	5,355	
	4	26,198	21,342	1,90,191	4,856	
4	1	26,198	21,853	1,68,338	4,345	14,191
	2	26,198	22,376	1,45,963	3,822	
	3	26,198	22,911	1,23,051	3,286	
	4	26,198	23,460	99,591	2,738	
5	1	26,198	24,021	75,570	2,176	5,199
	2	26,198	24,596	50,973	1,601	
	3	26,198	25,185	25,788	1,012	
	4	26,198	25,788	-	409	
Total		4,89,725	3,82,500		1,07,225	1,07,225



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