



DETAILED PROJECT REPORT

BANANA CHIPS/POTATO CHIPS UNIT



By



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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:



Banana chips/ Potato chips are a popular snack made from thinly sliced, dried or fried. They are a common snack food in many countries and can be found in supermarkets, convenience stores, and street vendors.

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

Banana Chips Unit

A banana chips making unit is a small-scale business that involves the production of banana chips for commercial purposes. Banana chips are a popular snack made from thinly sliced, dried, or fried bananas that are commonly eaten in many countries around the world.

Drying or frying, the chips are cooled and packaged in airtight containers to maintain their freshness.

5. DELIVERABLES AND MARKET OF THE PRODUCT

Banana Chips/ Potato chips

The rising adoption of ready to eat food products with longer shelf life is increasing in the market. The advent of frying technologies has made it possible to manufacture fried chips in less time which increases better taste.



The food products are having demand due to following reasons:

- Increasing demand for convenient and ready-to-eat food products.
- Rising awareness about the health benefits of consuming healthy and tasty foods.
- Growing popularity of organic and non-GMO products.
- Expanding distribution channels, such as online retail and supermarkets.

Project Assumptions:

This model DPR for Banana/Potato Chips 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 Banana/Potato chips Manufacturing Unit:	50 kg per day	
Utilization of capacity:	Year 1	65%
	Year 2	70%
	Year 3	75%
	Year 4	80%
	Year 5	85%
Working days per year:	240 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs.100/kg	
Average sale price of final product	Rs.300/kg	



Machinery



Automatic Banana Slicer Machine

Capacity: 150 kg/hr

Power: 0.5hp motor

Material: Stainless Steel

Supplier: Global Kitchen Equipments
Company

Coimbatore, Tamil Nadu

SAKTHI



Automatic Banana Frying Machine

Power: 0.5hp motor

Material: Stainless Steel

Supplier: Sakthi Automated Food
Machines Manufacturing Company

Coimbatore, Tamil Nadu



Automatic Chips packing Machine

Capacity: 250 gms/pouch

Power: Single phase motor

Material: Stainless Steel

Supplier: Noahs Engineering Works

Villupuram, Tamil Nadu

Machineries are also available in Bengaluru



Market Output:

VKF will hand hold them to facilitating better packing and market linkage.

Market Linkage

- ❖ Hotels
- ❖ Chips making units
- ❖ Snacks making units

❖ Bakeries

- ❖ Food processing Industries
- ❖ Caterers and food suppliers

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons will be used to procurement
- 2 persons for production
- 2 persons for the logistics & sales
- 2 persons for marketing

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	4,05,000	90%
2	JLG Contribution	40,500	10%
3	Total	4,45,500	100%

Sl. No.	Details	Cost in Rs.
1	Machine Cost	2,85,500
2	Furniture	30,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,30,000
	TOTAL	Rs.4,45,500/-



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. Strength

- JLG members are very young and aware of demand of processed healthy and tasty foods in the local as well as the national market.
- The source of raw material procurement is very convenient due to local availability and helping farmers.
- JLG members bring raw bananas and potatoes from the farmers and process them in the machines for getting good quality chips.
- Waste from the raw banana and potato peels will be used for making



compost.

- The JLG members are having good coordination and co-operation among themselves and their friends. From this process they can support lot of their friends.

II. Weakness

- There are hardly any systematic efforts made to improve in the local food processing industries which is so vital from the point of view of its importance of using machines and equipment's to produce high volume banana chips for greater self-employment potential.
- Products have lower export potential as there is poor quality due to lack of proper packing.
- 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

- It has been realized that by organizing modern trend of processed healthy and tasty food snacks.



- 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 which can be done within JLG members.

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.
- Major player in the industry will sell it for 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.



12. THE END PRODUCTS



Fig: Banana and potato Chips with packing



13. FINANCIALS

CASH FLOW STATEMENT

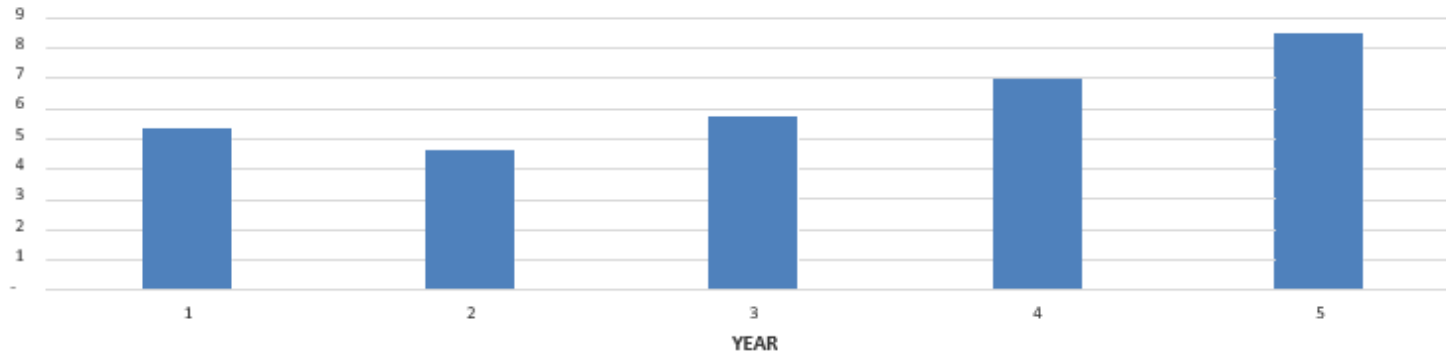
Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF BANANA & POTATO CHIPS</u>					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	60	60	60	60	60
No. of Machine Running days in a Year	240	240	240	240	240
Capacity of the machine in kgs per Day	50	50	50	50	50
Production in KGs	80%	80%	80%	80%	80%
Utilisation of the Capacity (%)	65%	70%	75%	80%	85%
Production in Number of Kgs in a year	6,240	6,720	7,200	7,680	8,160
Rate per Kgs	300	330	363	399	439
Gross Revenue earned per annum – A	18,72,000	22,17,600	26,13,600	30,66,624	35,84,117
<u>COST OF RAW MATERIALS</u>					
Consumption of Raw Materials	6,240	6,720	7,200	7,680	8,160
Rate per kg	100	110	121	133	146
Total Cost of Raw Material per annum – B	6,24,000	7,39,200	8,71,200	10,22,208	11,94,706
<u>EXPENDITURE</u>					
Salaries and Wages	4,68,000	5,38,200	6,18,930	7,11,770	8,18,535
Electricity Charges	96,000	1,10,400	1,26,960	1,46,004	1,67,905
Other Manufacturing Expenses	30,000	34,500	39,675	45,626	52,470
Transportation and Travelling	30,000	34,500	39,675	45,626	52,470
Rent	1,08,000	1,18,800	1,30,680	1,43,748	1,58,123
Packaging and Promotion Expenses	90,000	1,03,500	1,19,025	1,36,879	1,57,411
Miscellaneous Expenses	24,000	27,600	31,740	36,501	41,976
Total Expenditure – C	8,46,000	9,67,500	11,06,685	12,66,154	14,48,889
Net Profit before Interest /Cash Flow (A-B-C)	4,02,000	5,10,900	6,35,715	7,78,262	9,40,522



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	4,02,000	5,10,900	6,35,715	7,78,262	9,40,522
Loan Repayment	36,965	79,389	87,268		1,05,450
Interest on Term Loan	37,750	31,566	23,687	95,929	5,505
				15,025	
Debt to be Served	74,715	1,10,954	1,10,954	1,10,954	1,10,954
Debt Service Coverage Ratio	5	5	6	7	8
AVERAGE DSCR	6				

DEBT SERVICE COVERAGE RATIO



BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 450000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	4,02,000	5,10,900	6,35,715	7,78,262	9,40,522
Less : Interest on Loan	37,750	31,566	23,687	15,025	5,505
Less : Estimated Drawings/Personal Expenses	2,01,000	2,55,450	3,17,858	3,89,131	4,70,261
Net Cash Flow	1,63,250	2,23,884	2,94,171	3,74,106	4,64,756
Cumulative Cash Flow	1,63,250	3,87,134	6,81,305	10,55,411	15,20,167
Break Even Investment (in years)		2 Year and 2.6 Months			



DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	9,619	-	4,05,000	9,619	37,750
	2	9,619	-	4,05,000	9,619	
	3	27,739	18,264	3,86,736	9,475	
	4	27,739	18,701	3,68,035	9,038	
2	1	27,739	19,149	3,48,887	8,590	31,566
	2	27,739	19,607	3,29,280	8,132	
	3	27,739	20,076	3,09,204	7,662	
	4	27,739	20,557	2,88,647	7,182	
3	1	27,739	21,049	2,67,598	6,690	23,687
	2	27,739	21,553	2,46,045	6,186	
	3	27,739	22,069	2,23,976	5,670	
	4	27,739	22,597	2,01,379	5,141	
4	1	27,739	23,138	1,78,241	4,601	15,025
	2	27,739	23,692	1,54,549	4,047	
	3	27,739	24,259	1,30,290	3,479	
	4	27,739	24,840	1,05,450	2,899	
5	1	27,739	25,434	80,015	2,304	5,505
	2	27,739	26,043	53,972	1,695	
	3	27,739	26,667	27,305	1,072	
	4	27,739	27,305	(0)	433	
Total		5,18,533	4,05,000		1,13,533	1,13,533



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