



Detailed Project Report

Cotton Surgical Materials Making Unit



By



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TABLE OF CONTENT

SL NO	Content	Page No
1	Overview of the JLG members	3
2	Objectives of SVSY	4
3	About VKF	6
4	Name of the product & technology	7
5	Deliverables and market	9
6	Role of each JLG member	11
7	Soft intervention	11
8	Break up and Margin cost of Project & Implementation Schedule	12
9	Land/shed Status	13
10	SWOT Analysis	13
11	Youth empowerment Impact of the project on ecosystem	15
12	The end products produced from the machine	16
13	Financials	17



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 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 Common Facility Centres.

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 working with MSME, ESTC, IDEMI, Tribes India, NRLM and WCD to support rural masses in terms upgrading their livelihood opportunities. It also facilitates in preparation of DPR, Govt. liaising, market linkage activities, brand awareness, branding initiatives, value addition of the products produced by clusters etc.



4. NAME OF PRODUCT AND TECHNOLOGY

Cotton Surgical material making Machine

A surgical bandage making machine is a type of manufacturing equipment that is specifically designed to produce surgical bandages. The machine typically involves a series of processes such as cutting, weaving, and rolling bandages, and may be automated or semi-automated. These machines can produce bandages of various sizes and materials, and are used in hospitals, clinics, and other medical facilities to ensure a reliable supply of high-quality bandages. Other surgical cotton materials can also be done in the unit.

5. DELIVERABLES AND MARKET OF THE PRODUCT

The deliverable products of a surgical bandage making machine are surgical bandages, which are medical dressings used to cover and protect wounds, incisions, and other injuries. The bandages can be made of different materials such as cotton, gauze, or synthetic materials, and may come in various sizes and shapes depending on the specific application. The bandages may also be pre-sterilized to prevent infection and packaged for convenient storage and distribution. The deliverable products of the surgical bandage making machine are intended for use in hospitals, clinics, and other medical facilities.

Project Assumptions:

This model DPR for Cotton surgical materials 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 below. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.

Table: Detailed Project Assumptions		
Parameter	Value	
Average Output Capacity of the paper cup unit	50 Kgs/day	
Utilization of capacity:	Year 1	70%
	Year 2	75%
	Year 3	80%
	Year 4	85%
	Year 5	90%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material :	Rs. 250/ kg	
Average sale price of Finished product	Rs. 400/ kg	

Market Output:

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

<u>Market Linkage</u>	<u>Hospitals</u>
<ul style="list-style-type: none">❖ <u>Super markets</u>❖ <u>E commerce</u>❖ <u>Medical shops</u>	<ul style="list-style-type: none">❖ <u>Quick commerce</u>



6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

2 persons will be used to do procurement of raw materials, moulds

2 persons for production

2 persons for the logistics & sales

2 people to accounts.

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. BREAK UP COST AND MARGIN OF THE PROJECT AND THE IMPLEMENTATION SCHEDULE

The proposed cost of the project is as follows:

Sl. No.	Details	Cost in Rs.
1	Bank Loan	4,05,000
2	JLG contribution	45,000
3	Total	4,50,000

Sl. No.	Details	Cost in Rs
1.	Machine cost	3,00,000
2.	Furniture	30,000
3.	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,20,000
	Total	4,50,000

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. Strength

- Growing awareness among entrepreneurs about the need for modernization, managerial and technical skill.
- Higher export potential.
- Enables high-volume production of surgical bandages with consistent quality and efficiency.
- Can be customized to produce bandages of different sizes, shapes, and materials to meet specific customer requirements.
- Reduces production costs by automating repetitive and time-consuming processes

II. Weakness



- May require a significant initial investment to purchase and set up the equipment.
- The machine may require regular maintenance and repairs to keep it running at optimal levels.
- May not be suitable for small-scale operations due to the high capital investment and operational costs.

III. Opportunities

- Growing demand for medical supplies, including surgical bandages, creates a vast market for the machine.
- Technological advancements in manufacturing equipment and materials could lead to further improvements in the efficiency and quality of the surgical bandage making machine.
- The machine can be exported to international markets with a demand for high-quality medical supplies.

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.
- Fluctuating prices of raw materials and other inputs required to operate the machine.
- Changes in regulations or industry standards that could impact the



manufacturing process and affect the machine's compliance.

- Intense competition from other manufacturers of surgical bandages, some of which may have established brand recognition and a loyal customer base.

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 PRODUCED WITH Machine





13. FINANCIALS

CASH FLOW STATEMENT

CASH FLOW STATEMENT

Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF COTTON SURGICAL MATERIAL</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	95%	95%	95%	95%	95%
Utilisation of the Capacity (%)	70%	75%	80%	85%	90%
Production during the year (in KGs)	9,975	10,688	11,400	12,113	12,825
Rate per KG	400	440	484	532	586
Gross Revenue earned per annum - A	39,90,000	47,02,500	55,17,600	64,48,695	75,10,833
<u>COST OF RAW MATERIALS</u>					
Consumption of Raw Materials	10,500	11,250	12,000	12,750	13,500
Rate per KG	250	275	303	333	366
Total Cost of Raw Material per annum - B	26,25,000	30,93,750	36,30,000	42,42,563	49,41,338
<u>EXPENDITURE</u>					
Salaries and Wages	6,24,000	6,86,400	7,55,040	8,30,544	9,13,598
Electricity Charges	96,000	1,05,600	1,16,160	1,27,776	1,40,554
Transportation and Travelling	36,000	39,600	43,560	47,916	52,708
Rent	1,20,000	1,32,000	1,45,200	1,59,720	1,75,692
Packaging and Promotion Expenses	36,000	39,600	43,560	47,916	52,708
Miscellaneous Expense	24,000	26,400	29,040	31,944	35,138
Total Expenditure - C	9,36,000	10,29,600	11,32,560	12,45,816	13,70,398
Net Profit before Interest /Cash Flow (A-B-C)	4,29,000	5,79,150	7,55,040	9,60,317	11,99,098

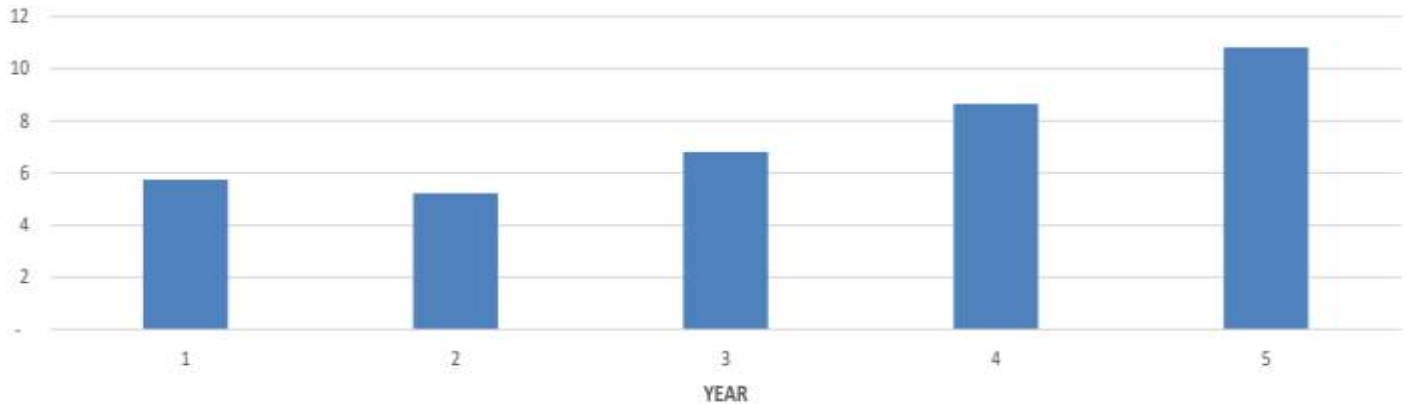


DSCR STATEMENT

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	4,29,000	5,79,150	7,55,040	9,60,317	11,99,098
Loan Repayment	36,965	79,389	87,268	95,929	1,05,450
Interest on Term Loan	37,750	31,566	23,687	15,025	5,505
Debt to be Served	74,715	1,10,954	1,10,954	1,10,954	1,10,954
Debt Service Coverage Ratio	6	5	7	9	11
AVERAGE DSCR	7				

DEBT SERVICE CEVERAGE 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	4,29,000	5,79,150	7,55,040	9,60,317	11,99,098
Less : Interest on Loan	37,750	31,566	23,687	15,025	5,505
Less : Estimated Drawings/Personal Expenses	2,14,500	2,89,575	3,77,520	4,80,158	5,99,549
Net Cash Flow	1,76,750	2,58,009	3,53,833	4,65,133	5,94,044
Cumulative Cash Flow	1,76,750	4,34,759	7,88,593	12,53,725	18,47,770
Break Even Investment (in years)	2 Year and 0.5 Months				



REPAYMENT SCHEDULE

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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