



DETAILED PROJECT REPORT

Inlay Wood Art Making



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:



Inlay wood art is a decorative technique where pieces of contrasting wood, or other materials like metal, shell or stone, are embedded into a base material to create a decorative pattern or image. Inlay wood art has been used for centuries in various cultures and can be found in a wide range of objects, including furniture, musical instruments, and decorative boxes.

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

Inlay Wood Art Making

Inlay wood art making is a skilled and intricate decorative technique that involves embedding contrasting materials into a base material to create a pattern or image. The process requires precision and patience, as the design is created by carefully carving a cavity into the base material and fitting the contrasting material into it. The result is a seamless design that appears to be made of separate pieces of wood.



Inlay wood art has been used for centuries and can be found in a wide range of objects, including furniture and musical instruments.

5. DELIVERABLES AND MARKET OF THE PRODUCT

- **Finished inlay wood art pieces:** These could be decorative boxes, picture frames, furniture, or any other item that has been enhanced by the inlay wood art technique.
- **Instructional materials:** The unit could create instructional materials, such as videos, books, or online courses, to teach others about inlay wood art making.
- **Custom design services:** The unit could offer custom design services to create unique and personalized inlay wood art pieces for clients.
- **Tools and materials:** The unit could sell or provide tools and materials needed for inlay wood art making, such as chisels, carving knives, wood glue, and various types of wood and contrasting materials.
- **Maintenance and repair services:** The unit could offer maintenance and repair services for inlay wood art pieces, ensuring that they remain in good condition and can be enjoyed for years to come.

Project Assumptions: This model DPR for Inlay Wood Art Making 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 machine in Article per day:	10 arts /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/article	
Average sale price of product	Rs. 1000/article	

Machineries



Wood Carving and Engraving Machine
X-Y Axis Working Area: 1300 x 2500 mm
Spindle Power: 3 KW
Spindle Speed: 24000 RPM
K Tech CNC
Hyderabad, Telangana

Machinery is also available in Bengaluru and Coimbatore.

Market Output:



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

The end users will be as follows:

Market Linkage

- | | |
|--------------------------|---------------------------|
| ❖ <u>Supermarkets</u> | ❖ <u>Furniture stores</u> |
| ❖ <u>Art exhibitions</u> | ❖ <u>Home decors</u> |
| ❖ <u>Galleries</u> | |

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons for procurement
- 3 persons for production
- 2 person for logistics & sales
- 2 persons for value addition
- 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	4,14,000	90%
2	JLG contribution	41,400	10%
3	Total	4,55,400	100%

Sl. No.	Details	Cost in Rs.
1	Machine Cost	2,70,400
2	Furniture	55,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,30,000



	TOTAL	4,55,400
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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

- Inlay wood art is a specialized and unique craft that can set a business apart from competitors.



- High-quality craftsmanship: Inlay wood art requires a high level of skill and precision, which can result in high-quality finished products.
- 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 production of inlay wood art pieces can be expensive due to the use of high-quality materials and the time-intensive process.
- The machines require regular maintenance, which can add to the overall cost of ownership.
- Products have lower export potential as there is poor quality due to lack of proper technologies. Hence, there is a need to popularize scientific and eco-friendly methods of tofu making.
- 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.



III. Opportunities

- The trend towards handmade and unique items can create opportunities for inlay wood art makers.
- 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.
- Partnerships with interior design and architecture firms can provide opportunities to create larger, more complex pieces.
- Offering workshops and classes can help to educate customers and build a community around the craft.
- 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

- 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.
- Disruptions to the supply chain for materials can impact the ability to produce inlay wood art pieces.



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

- **Use of sustainable materials:** Many inlay wood art makers use sustainably sourced wood and other natural materials, which reduces the environmental impact of their products.
- **Recycling and repurposing:** Inlay wood art makers may also use recycled or repurposed materials, such as salvaged wood or reclaimed metal, which reduces waste and promotes circularity.
- **Longevity and durability:** Inlay wood art pieces are often made to last for generations and can be repaired and maintained over time, reducing the need for frequent replacement and reducing waste.
- **Educational value:** Inlay wood art making can also have educational value, as it promotes awareness and appreciation for the natural world, and encourages the development of traditional artisanal skills.



12. THE END PRODUCTS PRODUCED FROM INLAY WOOD ART MAKING



13. FINANCIALS

CASH FLOW STATEMENT

Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF INLAY WOOD ART MAKING</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 Article per day	10	10	10	10	10
Production in Article	100%	100%	100%	100%	100%
Utilisation of the Capacity (%)	70%	75%	80%	85%	90%
Production during the year (in Articles)	2,100	2,250	2,400	2,550	2,700
Rate per Article	1,000	1,100	1,210	1,331	1,464
Gross Revenue earned per annum - A	21,00,000	24,75,000	29,04,000	33,94,050	39,53,070
<u>COST OF RAW MATERIALS</u>					
Consumption of Raw Materials	2,100	2,250	2,400	2,550	2,700
Rate per Article	250	275	303	333	366
Total Cost of Raw Material per annum - B	5,25,000	6,18,750	7,26,000	8,48,513	9,88,268



EXPENDITURE					
Salaries and Wages	7,68,000	8,44,800	9,29,280	10,22,208	11,24,429
Electricity Charges	1,20,000	1,32,000	1,45,200	1,59,720	1,75,692
Rent	1,44,000	1,58,400	1,74,240	1,91,664	2,10,830
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	25,000	27,500	30,250	33,275	36,603
Total Expenditure - C	11,65,000	12,81,500	14,09,650	15,50,615	17,05,677
Net Profit before Interest /Cash Flow (A-B-C)	4,10,000	5,74,750	7,68,350	9,94,923	12,59,126

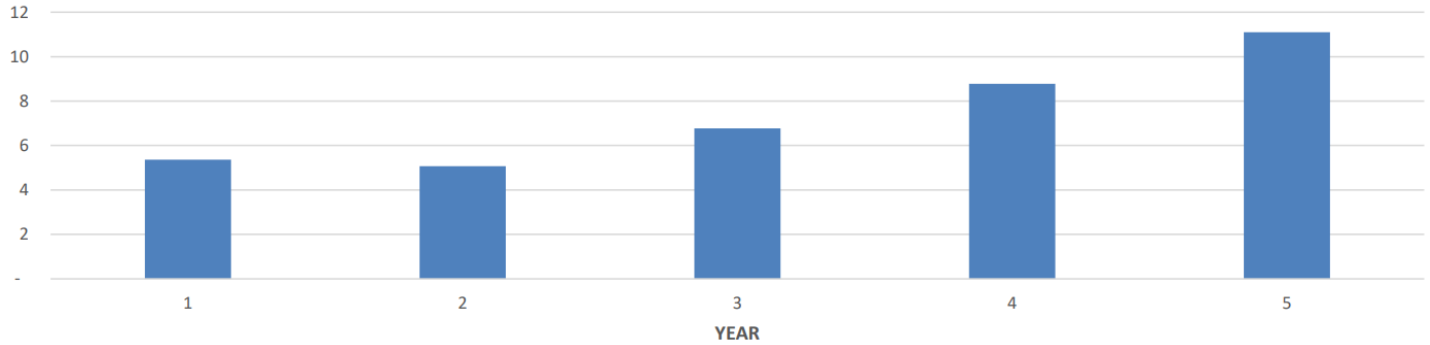
DSCR STATEMENT

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	4,10,000	5,74,750	7,68,350	9,94,923	12,59,126
Loan Repayment	37,786	81,153	89,207	98,061	1,07,793
Interest on Term Loan	38,589	32,267	24,213	15,359	5,627
Debt to be Served	76,375	1,13,420	1,13,420	1,13,420	1,13,420
Debt Service Coverage Ratio	5	5	7	9	11
AVERAGE DSCR			7		



DEBT SERVICE COVERAGE RATIO



BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 460000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	4,10,000	5,74,750	7,68,350	9,94,923	12,59,126
Less : Interest on Loan	38,589	32,267	24,213	15,359	5,627
Less : Estimated Drawings/Personal Expenses	2,05,000	2,87,375	3,84,175	4,97,461	6,29,563
Net Cash Flow	1,66,411	2,55,108	3,59,962	4,82,102	6,23,936
Cumulative Cash Flow	1,66,411	4,21,519	7,81,481	12,63,583	18,87,519
Break Even Investment (in years)				2 Year and 1.3 Months	

REPAYMENT

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	9,833	-	4,14,000	9,833	38,589
	2	9,833	-	4,14,000	9,833	
	3	28,355	18,670	3,95,330	9,685	
	4	28,355	19,116	3,76,214	9,239	
2	1	28,355	19,574	3,56,640	8,781	32,267
	2	28,355	20,043	3,36,597	8,312	
	3	28,355	20,522	3,16,075	7,833	
	4	28,355	21,014	2,95,061	7,341	
3	1	28,355	21,517	2,73,544	6,838	
	2	28,355	22,032	2,51,512	6,323	



	3	28,355	22,559	2,28,953	5,796	
	4	28,355	23,099	2,05,854	5,256	24,213
4	1	28,355	23,652	1,82,202	4,703	
	2	28,355	24,218	1,57,983	4,137	
	3	28,355	24,798	1,33,185	3,557	
	4	28,355	25,392	1,07,793	2,963	15,359
5	1	28,355	26,000	81,793	2,355	
	2	28,355	26,622	55,171	1,733	
	3	28,355	27,259	27,912	1,096	
	4	28,355	27,912	0	443	5,627
Total		5,30,055	4,14,000		1,16,055	1,16,055



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