



# DETAILED PROJECT REPORT

## Jute Bag Sewing Machine



By



2023



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## **1. OVERVIEW OF THE JLG MEMBERS**

**Name of the JLG:**

**Number of 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:**



**Jute bags are bags made from natural jute fibers that are grown mainly in the Indian subcontinent. Jute is an eco-friendly and sustainable material that is often used as a substitute for plastic bags, which are harmful to the environment. Jute bags are available in different sizes, shapes, and designs, and are used for a variety of purposes, such as carrying groceries, books, and other items.**

## **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**

##### **Jute Bag Sewing Making Machine**

**Jute bags** are commonly used for carrying various items, and a jute bag sewing machine is designed to specifically sew jute bags. These machines are typically heavy-duty, designed to handle the thicker and coarser material of jute.

Jute bag sewing machines can be manual or motorized, with the motorized versions being more common. They typically have a larger needle and bobbin size than regular sewing machines, and they may also have a specialized presser foot to help





feed the thicker jute material through the machine. Jute bag sewing machines can be purchased from industrial sewing machine suppliers or online retailers.

## **5. DELIVERABLES AND MARKET OF THE PRODUCT**

- **Environmentally friendly:** Jute bags are made from natural plant fibers, which are biodegradable and do not contribute to plastic pollution or harm wildlife in the same way that plastic bags do.
- **Reusable:** Jute bags can be used multiple times, reducing the need to constantly purchase new bags and reducing waste.
- **Durable:** Jute bags are known for their strength and durability, making them a reliable option for carrying heavy items.
- **Attractive appearance:** Jute bags have a natural, rustic look that many people find appealing. They can also be customized with logos, designs, or other branding elements.
- **Versatile:** Jute bags come in various sizes and designs, making them suitable for a wide range of uses, including grocery shopping, carrying books, and more.
- **Affordable:** Jute bags are often less expensive than other eco-friendly options, such as cotton bags or reusable water bottles, making them a cost-effective choice.

**Project Assumptions:** This model DPR for Jute bag sewing machines 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.

| <b>Table: Detailed Project Assumptions</b>              |                   |     |
|---|-------------------|-----|
| Parameter   | Value             |     |
| Assumed Capacity of the Jute Bag Sewing making machine: | 100 piece/ day    |     |
| Utilization of capacity :                               | Year 1            | 70% |
|   | Year 2            | 75% |
|   | Year 3            | 80% |
|   | Year 4            | 8%  |
|   | Year 5            | 90% |
| Working days per year:                                  | 300 days          |     |
| Working hours per day:                                  | 8-10 hours        |     |
| Average price of raw material:                          | Rs. 45/Per Piece  |     |
| Average sale price of product                           | Rs. 100/Per Piece |     |

**Machineries**



|   |
|---|
| <b>Jute Bag Sewing Making Machine</b>   |
| <b>Capacity per day: 1000 piece/day</b> |
| <b>Material: Stainless Steel</b>        |
| <b>Aman Impex</b>                       |
| <b>New Delhi</b>                        |

**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**

- |                                      |  |
|--------------------------------------|--|
| ❖ <b><u>Agriculture</u></b>          | ❖ <b><u>Food and beverage</u></b>      |
| ❖ <b><u>Fashion and textiles</u></b> | ❖ <b><u>Retail and grocery NGO</u></b> |
| ❖ <b><u>Construction</u></b>         | ❖ <b><u>Packaging and shipping</u></b> |

## **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
- 2 persons for value addition
- 2 person for waste management and training

## **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        | 1,98,000        | 90%         |
| 2       | JLG contribution | 19,800          | 10%         |
| 3       | <b>Total</b>     | <b>2,17,800</b> | <b>100%</b> |

| Sl. No. | Details      | Cost in Rs. |
|---------|--------------|-------------|
| 1       | Machine Cost | 97,800      |
| 2       | Furniture    | 30,000      |



|   |  |                 |
|---|--|-----------------|
| 3 | Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses) | 90,000          |
|   | <b>TOTAL</b>   | <b>2,17,800</b> |

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

- The demand for eco-friendly products is growing, and jute bags are a sustainable alternative to plastic bags.
- Jute bags can be customized with company logos, slogans, and designs, making them a great marketing tool for businesses.
- Jute bags are relatively inexpensive to produce, which can lead to a higher profit margin for the business.
- Jute bags are strong and durable, which makes them suitable for a range of uses.

### II. Weaknesses

- Some consumers may not find jute bags as visually appealing as bags made from other materials, which may limit their sales potential.
- While jute bags can be used for a range of purposes, they may not be suitable for all situations.
- The availability of raw materials can be a challenge for jute bag businesses, as jute is not as widely cultivated as other crops.



### III. Opportunities

- As the awareness of the environmental impact of plastic bags grows, the demand for jute bags is likely to increase.
- Jute bags can be diversified into various designs and styles, offering the opportunity to cater to a broader range of customers.
- Jute bags have export potential, as the demand for eco-friendly products is growing globally.

### IV. Threats

- The jute bag market is becoming increasingly competitive, with more businesses entering the market.
- There are substitutes available for jute bags, such as bags made from other eco-friendly materials like cotton, hemp, and bamboo.
- Price fluctuations in raw materials, transportation, and other factors can impact the profitability of the business.

## **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**

- **Environmental benefits:** Jute is a sustainable and eco-friendly crop that requires less water and fewer chemicals compared to other crops. Jute bags are biodegradable and do not pollute the environment.
- **Economic benefits:** The jute bag business can provide economic benefits to the local communities where the jute is grown and processed. This can create job opportunities and improve the standard of living for the local people.
- **Social benefits:** Jute bag business can also provide social benefits to the local communities by supporting fair trade practices, ensuring worker safety, and promoting gender equality in the workforce. By promoting sustainable practices and ethical standards, the jute bag business can help build a more equitable and just society.
- **Biodiversity conservation:** Jute is a crop that is grown in rotation with other crops, which can help maintain soil fertility and reduce soil erosion.





## **12. THE END PRODUCTS PRODUCED FROM JUTE BAG SEWING MACHINE**





## 13. FINANCIALS

### CASH FLOW STATEMENT

| Particulars  | Year             |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
|  | Year 1           | Year 2           | Year 3           | Year 4           | Year 5           |
| <b><u>REVENUE FROM SALE OF JUTE BAG Sewing</u></b>   |                  |                  |                  |                  |                  |
| 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 (%)                      | 70%              | 75%              | 80%              | 85%              | 90%              |
| Production during the year (in Pieces)               | 19,950           | 21,375           | 22,800           | 24,225           | 25,650           |
| Rate per Piece                                       | 100              | 110              | 121              | 133              | 146              |
| <b>Gross Revenue earned per annum - A</b>            | <b>19,95,000</b> | <b>23,51,250</b> | <b>27,58,800</b> | <b>32,24,348</b> | <b>37,55,417</b> |
| <b><u>COST OF RAW MATERIALS</u></b>                  |                  |                  |                  |                  |                  |
| Consumption of Raw Materials                         | 21,000           | 22,500           | 24,000           | 25,500           | 27,000           |
| Rate per Piece                                       | 45               | 50               | 54               | 60               | 66               |
| <b>Total Cost of Raw Material per annum - B</b>      | <b>9,45,000</b>  | <b>11,13,750</b> | <b>13,06,800</b> | <b>15,27,323</b> | <b>17,78,882</b> |
| <b><u>EXPENDITURE</u></b>                            |                  |                  |                  |                  |                  |
| Salaries and Wages                                   | 4,32,000         | 4,96,800         | 5,71,320         | 6,57,018         | 7,55,571         |
| Electricity Charges                                  | 1,20,000         | 1,32,000         | 1,45,200         | 1,59,720         | 1,75,692         |
| 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                                | 25,000           | 27,500           | 30,250           | 33,275           | 36,603           |
| <b>Total Expenditure - C</b>                         | <b>8,17,000</b>  | <b>9,20,300</b>  | <b>10,37,170</b> | <b>11,69,453</b> | <b>13,19,249</b> |
| <b>Net Profit before Interest /Cash Flow (A-B-C)</b> | <b>2,33,000</b>  | <b>3,17,200</b>  | <b>4,14,830</b>  | <b>5,27,572</b>  | <b>6,57,286</b>  |

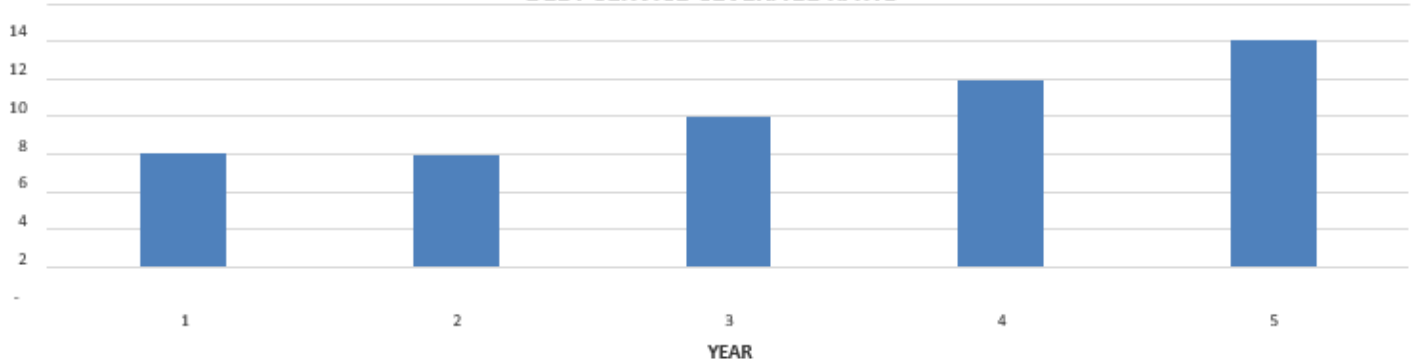


## DSCR STATEMENT

### 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 | 2,33,000      | 3,17,200      | 4,14,830      | 5,27,572      | 6,57,286      |
| Loan Repayment                       | 18,072        | 38,812        | 42,664        | 46,899        | 51,553        |
| Interest on Term Loan                | 18,456        | 15,432        | 11,580        | 7,346         | 2,691         |
| <b>Debt to be Served</b>             | <b>36,527</b> | <b>54,244</b> | <b>54,244</b> | <b>54,244</b> | <b>54,244</b> |
| Debt Service Coverage Ratio          | 6             | 6             | 8             | 10            | 12            |
| <b>AVERAGE DSCR</b>                  | <b>8</b>      |               |               |               |               |

**DEBT SERVICE CEVERAGE 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        | 2,33,000         | 3,17,200                      | 4,14,830         | 5,27,572         | 6,57,286         |
| Less : Interest on Loan                     | 18,456           | 15,432                        | 11,580           | 7,346            | 2,691            |
| Less : Estimated Drawings/Personal Expenses | 1,16,500         | 1,58,600                      | 2,07,415         | 2,63,786         | 3,28,643         |
| <b>Net Cash Flow</b>                        | <b>98,044</b>    | <b>1,43,168</b>               | <b>1,95,835</b>  | <b>2,56,440</b>  | <b>3,25,952</b>  |
| <b>Cumulative Cash Flow</b>                 | <b>98,044</b>    | <b>2,41,212</b>               | <b>4,37,047</b>  | <b>6,93,487</b>  | <b>10,19,439</b> |
| <b>Break Even Investment (in years)</b>     |                  | <b>1 Year and 10.2 Months</b> |                  |                  |                  |



## REPAYMENT

### DETAIL REPAYMENT SCHEDULE

| Year         | Quarter | Loan Installment | Principal Payment | Loan Outstanding | Interest at 9.5% | Cumulative Interest |
|--------------|---------|------------------|-------------------|------------------|------------------|---------------------|
| 1            | 1       | 4,703            | -                 | 1,98,000         | 4,703            | 18,456              |
|              | 2       | 4,703            | -                 | 1,98,000         | 4,703            |                     |
|              | 3       | 13,561           | 8,929             | 1,89,071         | 4,632            |                     |
|              | 4       | 13,561           | 9,143             | 1,79,928         | 4,418            |                     |
| 2            | 1       | 13,561           | 9,362             | 1,70,567         | 4,200            | 15,432              |
|              | 2       | 13,561           | 9,586             | 1,60,981         | 3,975            |                     |
|              | 3       | 13,561           | 9,815             | 1,51,166         | 3,746            |                     |
|              | 4       | 13,561           | 10,050            | 1,41,116         | 3,511            |                     |
| 3            | 1       | 13,561           | 10,291            | 1,30,826         | 3,270            | 11,580              |
|              | 2       | 13,561           | 10,537            | 1,20,289         | 3,024            |                     |
|              | 3       | 13,561           | 10,789            | 1,09,499         | 2,772            |                     |
|              | 4       | 13,561           | 11,047            | 98,452           | 2,514            |                     |
| 4            | 1       | 13,561           | 11,312            | 87,140           | 2,249            | 7,346               |
|              | 2       | 13,561           | 11,583            | 75,557           | 1,978            |                     |
|              | 3       | 13,561           | 11,860            | 63,697           | 1,701            |                     |
|              | 4       | 13,561           | 12,144            | 51,553           | 1,417            |                     |
| 5            | 1       | 13,561           | 12,435            | 39,119           | 1,126            | 2,691               |
|              | 2       | 13,561           | 12,732            | 26,386           | 829              |                     |
|              | 3       | 13,561           | 13,037            | 13,349           | 524              |                     |
|              | 4       | 13,561           | 13,349            | (0)              | 212              |                     |
| <b>Total</b> |         | <b>2,53,505</b>  | <b>1,98,000</b>   |                  | <b>55,505</b>    | <b>55,505</b>       |



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