



# Detailed Project Report

## Mushroom Powder 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:**



## **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**

##### **Mushroom Powder Unit**

Mushroom powder is a fine, dried powder made from ground mushrooms. It can be made from a variety of mushrooms, including shiitake, portobello, button, and more. Mushroom powder is often used as a seasoning or flavouring in cooking, as it adds an earthy, umami flavour to dishes.

Mushroom powder can be used in a variety of dishes, such as soups, stews, sauces, and gravies. It can also be used as a rub or seasoning for meat, poultry, and fish, or sprinkled on vegetables or popcorn for a flavourful twist. Some people also use mushroom powder as a dietary supplement, as mushrooms contain a variety of nutrients and bioactive compounds that are believed to have health benefits. Mushrooms contain various nutrients and bioactive compounds, such as beta-glucans, which have been shown to have immune-boosting and anti-inflammatory effects.





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

- Flavor and aroma: Mushroom powder is often used to enhance the savory or umami flavor of dishes, and it can provide a rich, earthy aroma.
- Nutritional value: Mushrooms are a good source of various nutrients, such as B vitamins, potassium, and fiber. When mushrooms are dried and ground into powder form, they can be used as a natural source of these nutrients.
- Extended shelf life: Since mushroom powder is made from dried mushrooms, it can have a longer shelf life than fresh mushrooms.
- Versatility: Mushroom powder can be used in a variety of dishes, including soups, stews, sauces, marinades, rubs, and seasonings. It can also be added to smoothies or sprinkled on top of salads.
- Convenience: Using mushroom powder can be more convenient than using fresh mushrooms, since it eliminates the need for cleaning, chopping, and cooking fresh mushrooms.
- Cost-effectiveness: Mushroom powder can be more cost-effective than fresh mushrooms, since it can be stored for longer periods of time and used in smaller quantities.

**Project Assumptions:** This model DPR for Mushroom Powder 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. Therefore, land and civil infrastructures are assumed as already available with the entrepreneur.

Table: Detailed Project Assumptions		
Parameters	Value	
Assumed Capacity of the Mushroom powder making machine:	15 kg/day	
Utilization of capacity:	Year 1	60%
	Year 2	65%
	Year 3	70%
	Year 4	75%
	Year 5	80%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs. 800/kg	
Average sale price of product	Rs. 1500/kg	

### Machineries:



Automatic Mushroom Powder Making Machine, Three Phase, Blower Pulverizer



### Market Linkage

- ❖ Restaurants
- ❖ Hotels
- ❖ Grocery Stores
- ❖ Condiment Stores
- ❖ Caterers and food suppliers

### ❖ Supermarkets and Departmental Stores

- ❖ Food Processors
- ❖ E-commerce
- ❖ Quick Commerce

## **6. 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
- 1 person 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.
1	Bank Loan	2,25,000
2	JLG contribution	25,000
3	<b>Total</b>	<b>Rs.2,50,000/-</b>

Sl. No.	Details	Cost in Rs.
1	Machine Cost	1,30,000
2	Furniture	20,000



3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	1,00,000
	<b>TOTAL</b>	<b>Rs.2,50,000/-</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. Strength

- Mushroom powder is rich in antioxidants, vitamins, and minerals, which can boost the immune system, improve digestion, and help manage blood sugar levels.
- Mushroom powder can be used in a variety of ways, including as a seasoning for food, as a supplement in smoothies or shakes, or as an ingredient in capsules or tablets.
- Mushroom cultivation can be an environmentally-friendly alternative to traditional agriculture, as it requires less water and land, and produces fewer greenhouse gas emissions.
- Mushroom powder can be stored for long periods of time without spoiling, making it a convenient pantry staple.
- The JLG members are having good coordination among themselves to run the business.

### II. Weakness

- Not all types of mushrooms can be easily grown in all regions, which can limit the availability of mushroom powder.
- Some people may not enjoy the taste of mushroom powder, which can make it less appealing as a food seasoning or supplement.



- High-quality mushroom powder can be expensive, which may make it less accessible to some consumers.

### **III. Opportunities**

- As more people become interested in natural and holistic approaches to health and wellness, mushroom powder could be positioned as a healthy and convenient option.
- Mushroom powder could be marketed to a variety of different groups, including athletes, busy professionals, and seniors, as it has the potential to provide a range of health benefits
- Companies could develop new products that incorporate mushroom powder, such as energy bars, teas, or beauty products, to further expand their market reach.
- Modern process machinery that can give better productivity and quality as well as special features for the final products are available globally.

### **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.
- Mushroom powder is not the only health supplement on the market, and other natural products, such as turmeric or ginger, may be seen as more popular or appealing to consumers.





- Main attributed to less profitability to this industry is due to 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 PRODUCED FROM THE MACHINE**





## 13. FINANCIALS

### CASH FLOW STATEMENT

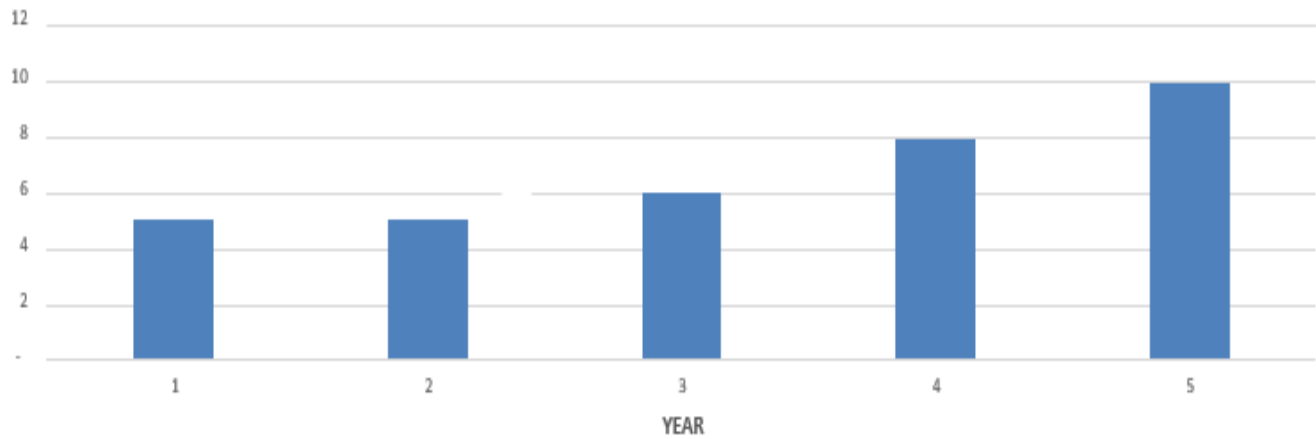
Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>REVENUE FROM SALE OF MUSHROOM POWDER</b>					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	-	-	-	-	-
No. of Machine Running days in a Year	300	300	300	300	300
Capacity of the machine in kgs per day	15	15	15	15	15
Production in KGs	75%	75%	75%	75%	75%
Utilisation of the Capacity (%)	60%	65%	70%	75%	80%
Production during the year (in KGs)	2,025	2,194	2,363	2,531	2,700
Rate per KG	1,500	1,650	1,815	1,997	2,196
<b>Gross Revenue earned per annum – A</b>	<b>30,37,500</b>	<b>36,19,688</b>	<b>42,87,938</b>	<b>50,53,641</b>	<b>59,29,605</b>
<b>COST OF RAW MATERIALS</b>					
Consumption of Raw Materials	2,025	2,194	2,363	2,531	2,700
rate per kg	800	880	968	1,065	1,171
<b>Total Cost of Raw Material per annum – B</b>	<b>16,20,000</b>	<b>19,30,500</b>	<b>22,86,900</b>	<b>26,95,275</b>	<b>31,62,456</b>
<b>EXPENDITURE</b>					
Salaries and Wages	7,80,000	8,97,000	10,31,550	11,86,283	13,64,225
Electricity Charges	1,08,000	1,18,800	1,30,680	1,43,748	1,58,123
Other Manufacturing Expenses	78,000	85,800	94,380	1,03,818	1,14,200
Transportation and Travelling	90,000	99,000	1,08,900	1,19,790	1,31,769
Rent	1,02,000	1,12,200	1,23,420	1,35,762	1,49,338
Packaging and Promotion Expenses	48,000	52,800	58,080	63,888	70,277
Miscellaneous Expenses	36,000	39,600	43,560	47,916	52,708
<b>Total Expenditure – C</b>	<b>12,42,000</b>	<b>14,05,200</b>	<b>15,90,570</b>	<b>18,01,205</b>	<b>20,40,639</b>
<b>Net Profit before Interest /Cash Flow (A-B-C)</b>	<b>1,75,500</b>	<b>2,83,988</b>	<b>4,10,468</b>	<b>5,57,161</b>	<b>7,26,510</b>



**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	1,75,500	2,83,988	4,10,468	5,57,161	7,26,510
Loan Repayment	20,536	44,105	48,482	53,294	58,583
Interest on Term Loan	20,972	17,536	13,159	8,347	3,058
<b>Debt to be Served</b>	<b>41,508</b>	<b>61,641</b>	<b>61,641</b>	<b>61,641</b>	<b>61,641</b>
Debt Service Coverage Ratio	4	5	7	9	12
<b>AVERAGE DSCR</b>	<b>7</b>				

**DEBT SERVICE CEVERAGE RATIO**



**BREAKEVEN ANALYSIS**

Investment Value Including Margin Rs. 250000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	1,75,500	2,83,988	4,10,468	5,57,161	7,26,510
Less : Interest on Loan	20,972	17,536	13,159	8,347	3,058
Less : Estimated Drawings/Personal Expenses	87,750	1,41,994	2,05,234	2,78,581	3,63,255
<b>Net Cash Flow</b>	<b>66,778</b>	<b>1,24,457</b>	<b>1,92,075</b>	<b>2,70,233</b>	<b>3,60,197</b>
<b>Cumulative Cash Flow</b>	<b>66,778</b>	<b>1,91,235</b>	<b>3,83,310</b>	<b>6,53,543</b>	<b>10,13,739</b>
<b>Break Even Investment (in years)</b>	<b>2 Year and 3.7 Months</b>				



## DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	5,344	-	2,25,000	5,344	20,972
	2	5,344	-	2,25,000	5,344	
	3	15,410	10,146	2,14,854	5,264	
	4	15,410	10,389	2,04,464	5,021	
2	1	15,410	10,638	1,93,826	4,772	17,536
	2	15,410	10,893	1,82,933	4,518	
	3	15,410	11,154	1,71,780	4,257	
	4	15,410	11,421	1,60,359	3,990	
3	1	15,410	11,694	1,48,665	3,716	13,159
	2	15,410	11,974	1,36,692	3,437	
	3	15,410	12,260	1,24,431	3,150	
	4	15,410	12,554	1,11,877	2,856	
4	1	15,410	12,854	99,023	2,556	8,347
	2	15,410	13,162	85,860	2,248	
	3	15,410	13,477	72,383	1,933	
	4	15,410	13,800	58,583	1,610	
5	1	15,410	14,130	44,453	1,280	3,058
	2	15,410	14,469	29,984	942	
	3	15,410	14,815	15,170	595	
	4	15,410	15,170	0	241	
<b>Total</b>		<b>2,88,074</b>	<b>2,25,000</b>		<b>63,074</b>	<b>63,074</b>



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