



DETAILED PROJECT REPORT

Papad Manufacturing



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:



Papad is a thin, crisp, round, or oval-shaped snack food originating from India. It is typically made from a mixture of lentil flour, spices, and seasonings, which is then shaped and dried in the sun or oven.

1. 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.

2. 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.

3. NAME OF PRODUCT AND TECHNOLOGY

Papad:

Papad is a thin, crisp, round, or oval-shaped snack food originating from India. It is typically made from a mixture of lentil flour, spices, and seasonings, which is then shaped and dried in the sun or oven. Papad is usually served as an accompaniment to a meal or as a snack, either plain or roasted, and can be eaten with a variety of dips or chutneys. There are many different types of Papad, each with its own unique flavor and texture, ranging from spicy to mild, crunchy to soft.

4. DELIVERABLES AND MARKET OF THE PRODUCT



- **Taste:** Papad is known for its unique taste and texture, which is often described as crunchy, spicy, and savory.
- **Versatility:** Papad can be eaten as a snack on its own or used as an accompaniment to a meal, such as being served with rice or as a topping for soups and stews.
- **Convenience:** Papad is a quick and easy food item that requires minimal preparation, making it a popular choice for busy individuals and families.
- **Shelf-life:** Papad has a long shelf-life and does not require refrigeration, making it a convenient food item for people on the go or for those living in areas without reliable refrigeration.
- **Cultural significance:** Papad is often associated with Indian culture and is often served during special occasions and celebrations. It is also a staple food item in many South Asian households.

Project Assumptions: This model DPR for Papad Manufacturing 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

Parameter	Value	
Assumed Capacity of the Papad Manufacturing unit:	50 kg per 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. 50/kg	
Average sale price of product	Rs. 150/kg	

Machineries:



Stainless Steel Semi-Automatic Papad Making Machine
Capacity: 150 kg/day
Motor Power: 2.5 HP
Material: Stainless Steel
R.C.C Engineering Works, Bengaluru, Karnataka



<u>Market Linkage</u> <ul style="list-style-type: none">❖ <u>Restaurants</u>❖ <u>Hotels</u>❖ <u>Darshinis</u>❖ <u>Grocery Stores</u>	<u>❖ Supermarkets and Departmental Stores</u> <ul style="list-style-type: none">❖ <u>Canteens</u>❖ <u>E-commerce</u>❖ <u>Quick Commerce</u>
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The market linkage for Papad is vast and can be sold across various markets based on its usage and demand.

5. 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
- 2 persons for sieving
- 2 persons for maintenance of machines

6. 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 program on product quality, handling practices.



- Capacity Building activity
- Trust Building activities
- Programs on technical skill enhancement to unit owners.
- Programs on Business and entrepreneurship skill enhancement to unit owners
- Mass entrepreneurship development program in the JLG eco system.

7. 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	3,15,000	90%
2	JLG contribution	31,500	10%
3	Total	3,46,500	100%

S. No.	Details	Cost
1	Machine Cost	2,06,500
2	Furniture	30,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and	1,10,000



	preoperative expenses)	
Total		3,46,500

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

8. LAND/SHED STATUS:

The JLG has already identified the shed required for the project within the project area.

9. SWOT ANALYSIS OF THE PROJECT

I. Strength

- Papad has a distinctive taste and texture that sets it apart from other snack foods, making it appealing to a wide range of consumers.



- There is abundant raw material available in the district.
- The source of raw material procurement is very convenient due to local availability.
- Papad can be used in a variety of ways, including as a snack, a side dish, or a topping, making it a versatile food item that can be incorporated into a variety of meals and recipes.
- Papad is a quick and easy food item that requires minimal preparation, making it a popular choice for busy individuals and families.
- Papad has a long shelf-life and does not require refrigeration, making it a convenient food item for people on the go or for those living in areas without reliable refrigeration.
- Government is very favorable for supporting the youths.

II. Weakness

- Although Papad is popular in South Asian countries, it may not have the same level of popularity in other regions, limiting its market potential.
- The snack food market is highly competitive, and Papad faces competition from a wide range of snack foods, including chips, crackers, and other types of crispy snacks.
- 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

- There is potential to expand the market for Papad into new regions, particularly as the popularity of South Asian cuisine continues to grow globally.
- There is an opportunity to develop healthier versions of Papad, such as baked or roasted Papad, to address health concerns and appeal to health-conscious consumers.
- There is an opportunity to innovate and diversify the product line, such as by offering different flavors, sizes, and shapes of Papad.

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.
- Economic conditions can impact the demand for Papad, as consumers may be less likely to purchase non-essential food items during economic downturns.
- Papads may face competition from international snack food brands that are expanding into South Asian markets.

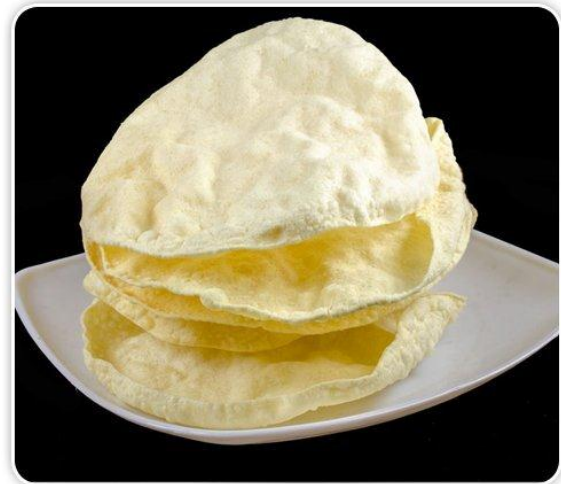
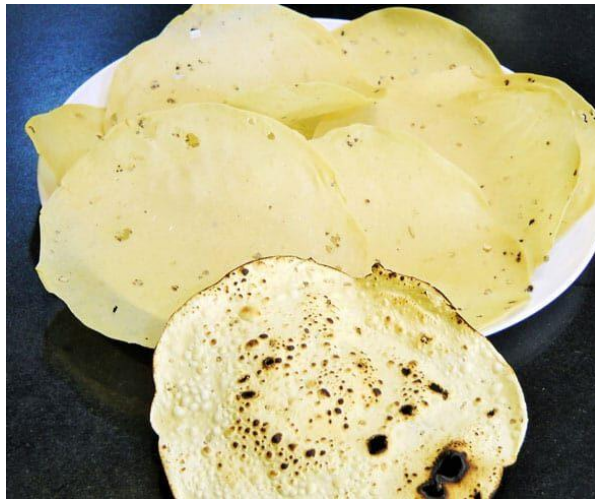
10. YOUTH EMPOWERMENT IMPACT OF THE PROJECT ON ECOSYSTEM

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.

11. THE END PRODUCTS PRODUCED FROM THE MACHINE



12. FINANCIALS

CASH FLOW STATEMENT

Particulars	Year	Year 1	Year 2	Year 3	Year 4	Year 5
<u>REVENUE FROM SALE OF PAPADS</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		100%	100%	100%	100%	100%
Utilisation of the Capacity (%)		70%	75%	80%	85%	90%
Production during the year (in KGs)		10,500	11,250	12,000	12,750	13,500
Rate per KG		150	165	182	200	220
Gross Revenue earned per annum - A		15,75,000	18,56,250	21,78,000	25,45,538	29,64,803



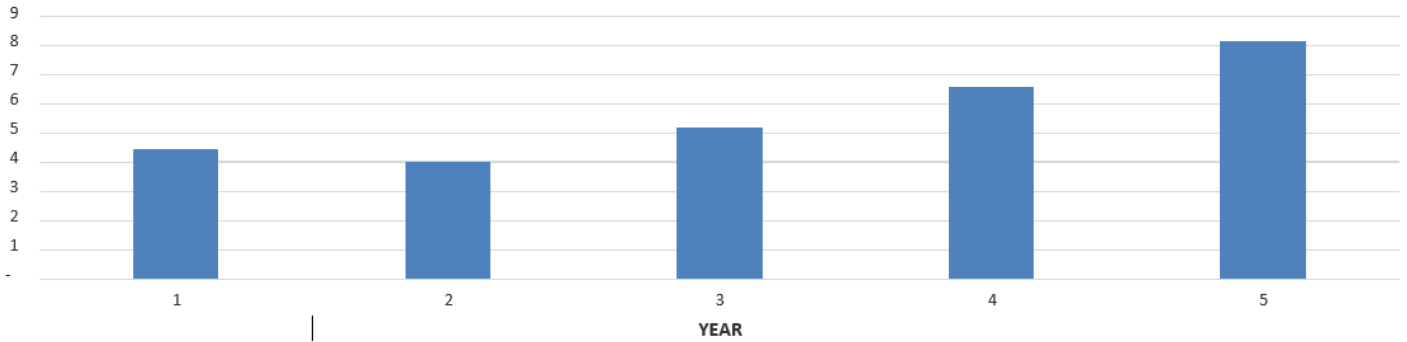
<u>COST OF RAW MATERIALS</u>					
Consumption of Raw Materials	10,500	11,250	12,000	12,750	13,500
Rate per KG	50	55	61	67	73
Total Cost of Raw Material per annum - B	5,25,000	6,18,750	7,26,000	8,48,513	9,88,268
<u>EXPENDITURE</u>					
Salaries and Wages	3,96,000	4,55,400	5,23,710	6,02,267	6,92,606
Electricity Charges	1,32,000	1,45,200	1,59,720	1,75,692	1,93,261
Rent	1,20,000	1,32,000	1,45,200	1,59,720	1,75,692
Transportation and Travelling	60,000	66,000	72,600	79,860	87,846
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	7,93,000	8,92,100	10,04,080	11,30,674	12,73,854
Net Profit before Interest /Cash Flow (A-B-C)	2,57,000	3,45,400	4,47,920	5,66,352	7,02,681

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	2,57,000	3,45,400	4,47,920	5,66,352	7,02,681
Loan Repayment	28,750	61,747	67,875	74,611	82,016
Interest on Term Loan	29,361	24,551	18,423	11,686	4,281
Debt to be Served	58,111	86,298	86,298	86,298	86,298
Debt Service Coverage Ratio	4	4	5	7	8
AVERAGE DSCR	6				



DEBT SERVICE COVERAGE RATIO



BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 350000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	2,57,000	3,45,400	4,47,920	5,66,352	7,02,681
Less : Interest on Loan	29,361	24,551	18,423	11,686	4,281
Less : Estimated Drawings/Personal Expenses	1,28,500	1,72,700	2,23,960	2,83,176	3,51,340
Net Cash Flow	99,139	1,48,149	2,05,537	2,71,489	3,47,059
Cumulative Cash Flow	99,139	2,47,288	4,52,825	7,24,314	10,71,373
Break Even Investment (in years)		2 Year and 6 Months			

DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	7,481	-	3,15,000	7,481	29,361
	2	7,481	-	3,15,000	7,481	
	3	21,574	14,205	3,00,795	7,369	
	4	21,574	14,545	2,86,250	7,029	
2	1	21,574	14,893	2,71,356	6,681	24,551
	2	21,574	15,250	2,56,107	6,325	
	3	21,574	15,615	2,40,492	5,960	
	4	21,574	15,989	2,24,503	5,586	
3	1	21,574	16,371	2,08,132	5,203	18,423
	2	21,574	16,763	1,91,368	4,811	
	3	21,574	17,165	1,74,203	4,410	
	4	21,574	17,576	1,56,628	3,999	
4	1	21,574	17,996	1,38,632	3,578	
	2	21,574	18,427	1,20,205	3,147	
	3	21,574	18,868	1,01,336	2,706	



	4	21,574	19,320	82,016	2,255	
						11,686
5	1	21,574	19,782	62,234	1,792	
	2	21,574	20,256	41,978	1,319	
	3	21,574	20,741	21,237	834	
	4	21,574	21,237	-	337	4,281
Total		4,03,303	3,15,000		88,303	88,303



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