



# DETAILED PROJECT REPORT

## Steel Juna Making Unit



By



2023



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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. Objective 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**

##### **Steel Juna Making Unit**

A **steel juna making unit**, also known as a steel rolling mill, is a facility that takes raw steel material, typically in the form of ingots or billets, and processes it into finished steel products such as bars, rods, sheets, and tubes. The basic process involves passing the steel through a series of rollers, which apply pressure to shape and form the material into the desired product.

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

- **Quality control and assurance:** The business would ensure that the products are of high quality and meet the required industry standards. This would involve implementing quality control measures at each stage of the manufacturing process.





- **Durability:** Steel junas are known for their durability, which makes them a popular choice among consumers who want a long-lasting cleaning tool.
- **Safety:** Steel junas are safe to use on most surfaces, and they do not contain any harmful chemicals that could damage the surfaces being cleaned.
- **Versatility:** Steel junas can be used to clean a variety of surfaces, making them a versatile cleaning tool for both commercial and residential applications.

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

Table: Detailed Project Assumptions		
Parameter	Value	
Assumed capacity of the Steel Juna Making Unit per day	100	
Utilization of capacity:	Year 1	Implementation
	Year 2	65%
	Year 3	70 %
	Year 4	75 %
	Year 5 ONWARDS	80 %
Working days per year:	300 days	



Working hours per day:	10-12 hours	
Average price of raw material:	Rs. 120	
Average sale price of product	Rs. 175	

**Equipment:**



**3 Phase Steel Juna Making Machine**

**Material: Mild Steel**

**Motor Power: 5HP**

**Production Capacity: 10kg/hr**

**Price: Rs. 3.5 lakh**

**Olcee International Pvt. Ltd**

**New Dhoraji, Rajkot, Gujarat**



There is a consistent demand for steel scrubbers in households and industries for cleaning purposes, which can provide a steady customer base. Steel junas are durable and long-lasting, which means that customers may not need to purchase them as frequently, leading to potential recurring sales.



Steel junas are affordable to manufacture, allowing for a relatively low-cost startup, and the production process can be easily automated to scale the business.

The end users will be as follows:

<b><u>Market Linkage</u></b>	
❖ <b><u>Supermarkets</u></b>	❖ <b><u>E-commerce</u></b>
❖ <b><u>Hypermarkets</u></b>	❖ <b><u>Quick commerce</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
- 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:

<b>Sl. No.</b>	<b>Details</b>	<b>Cost in Rs.</b>	<b>Percentage</b>
1	Bank Loan	4,05,000	90%
2	JLG contribution	40,500	10%
3	<b>Total</b>	<b>4,50,000</b>	<b>100%</b>

<b>Sl. No.</b>	<b>Details</b>	<b>Cost in Rs.</b>
1	Machine Cost	3,50,000
2	Furniture	30,000
3	Working capital (Shed deposit,	1,10,000





	electric connection deposit, Miscellaneous and preoperative expenses)	
	TOTAL	4,90,000

## 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

- Steel junas are commonly used in households and industries for cleaning purposes, creating a consistent demand for the product.
- There is a high potential for repeat customers and positive word-of-mouth referrals.
- The manufacturing process for steel junas can be automated and scaled quickly, allowing for increased production to meet demand.
- The JLG members are having good coordination and co-operation among



themselves.

- Government is very favorable for supporting the youths.

## II. Weakness

- The demand for steel junas is heavily reliant on the demand for cleaning products, which can be affected by economic downturns or changes in consumer preferences.
- The manufacturing process requires specialized machinery and equipment, which can be costly to acquire and maintain.
- The steel juna making industry can be highly competitive, with established players having an advantage in pricing and distribution.
- The JLG members lack insufficient place for working in their units. All the process was being carried at one small area.
- There is no branding for the program.

## III. Opportunities

- Expanding the product line to include other hardware products can attract new customers and increase revenue.
- JLG members are still very young if they start performing well in business.
- Investing in marketing and advertising will increase brand awareness and attract new customers.

## IV. Threats





- The cost of steel wire, which is the primary material used in making junas, can fluctuate depending on market conditions.
- Government regulations and trade policies can affect the import and export of raw materials and finished products, which can impact the business's profitability.
- New cleaning technologies could disrupt the traditional steel juna industry, potentially making existing production processes obsolete.

## **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**

- **Recyclable:** Steel junas are recyclable, meaning they can be melted down and reused to make new products, reducing waste and conserving resources.
- **Durable:** Steel junas are long-lasting and can withstand heavy usage, reducing the need for frequent replacements and ultimately reducing waste.



- **Eco-friendly production:** The manufacturing of steel junas can be designed to minimize environmental impact, such as reducing energy consumption or using eco-friendly coatings or cleaning agents.
- **Alternative to synthetic materials:** Steel scrubbers can be a more sustainable alternative to synthetic materials, such as plastic scrubbers, which can take hundreds of years to decompose and release harmful chemicals into the environment.

## **12. THE END PRODUCTS OF STEEL JUNA MAKING UNIT**



**Spiral steel junas**



**Flat steel junas**



### 13. Financials

#### CASH FLOW STATEMENT

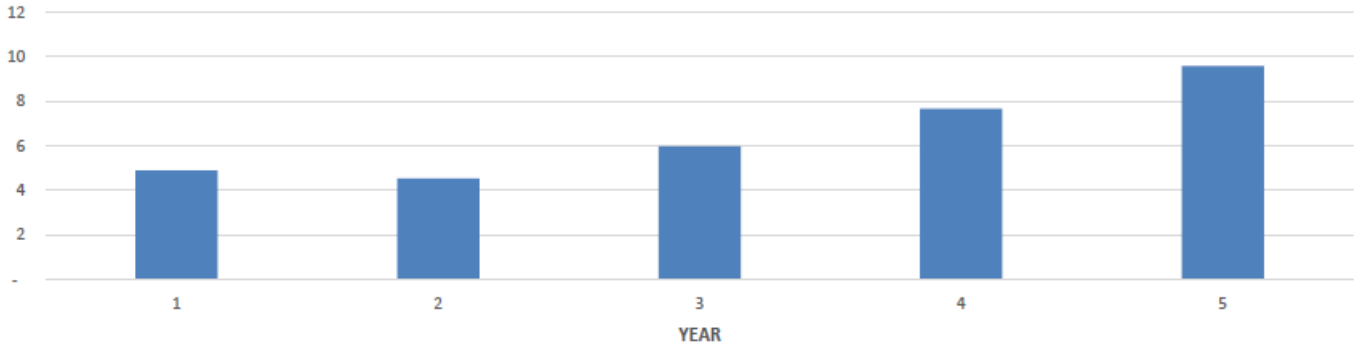
	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Particulars</b>					
<b><u>REVENUE FROM SALE OF STEEL JUNA</u></b>					
No. of working days in a Year	300	300	300	300	300
Less : Days for off Season	-	-	-	-	-
No. of Machine Running days in a Year	300	300	300	300	300
Capacity of the machine in kgs per day	100	100	100	100	100
Production in KGs	100%	100%	100%	100%	100%
Utilisation of the Capacity (%)	60%	65%	70%	75%	80%
Production during the year (in KGs)	18,000	19,500	21,000	22,500	24,000
Rate per KG	175	193	212	233	256
<b>Gross Revenue earned per annum - A</b>	<b>31,50,000</b>	<b>37,53,750</b>	<b>44,46,750</b>	<b>52,40,813</b>	<b>61,49,220</b>
<b><u>COST OF RAW MATERIALS</u></b>					
Consumption of Raw Materials	18,000	19,500	21,000	22,500	24,000
Rate per KG	120	132	145	160	176
<b>Total Cost of Raw Material per annum - B</b>	<b>21,60,000</b>	<b>25,74,000</b>	<b>30,49,200</b>	<b>35,93,700</b>	<b>42,16,608</b>
<b><u>EXPENDITURE</u></b>					
Salaries and Wages	4,32,000	4,75,200	5,22,720	5,74,992	6,32,491
Electricity Charges	36,000	39,600	43,560	47,916	52,708
Transportation and Travelling	30,000	33,000	36,300	39,930	43,923
Rent	72,000	79,200	87,120	95,832	1,05,415
Packaging and Promotion Expenses	30,000	33,000	36,300	39,930	43,923
Miscellaneous Expense	25,000	27,500	30,250	33,275	36,603
<b>Total Expenditure - C</b>	<b>6,25,000</b>	<b>6,87,500</b>	<b>7,56,250</b>	<b>8,31,875</b>	<b>9,15,063</b>
<b>Net Profit before Interest /Cash Flow (A-B-C)</b>	<b>3,65,000</b>	<b>4,92,250</b>	<b>6,41,300</b>	<b>8,15,238</b>	<b>10,17,550</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	3,65,000	4,92,250	6,41,300	8,15,238	10,17,550
Loan	28,750	61,747	67,875	74,611	82,01
Repayment	29,361	24,551	18,423	11,686	6
Interest on Term Loan					4,281
<b>Debt to be Served</b>	<b>58,111</b>	<b>86,298</b>	<b>86,298</b>	<b>86,298</b>	<b>86,298</b>
Debt Service Coverage Ratio	6	6	7	9	12
<b>AVERAGE DSCR</b>	<b>8</b>				

**DEBT SERVICE CEVERAGE 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	3,65,000	4,92,250	6,41,300	8,15,238	10,17,550
Less : Interest on Loan	29,361	24,551	18,423	11,686	4,281
Less : Estimated Drawings/Personal Expenses	1,82,500	2,46,125	3,20,650	4,07,619	5,08,775
<b>Net Cash Flow</b>	<b>1,53,139</b>	<b>2,21,574</b>	<b>3,02,227</b>	<b>3,95,932</b>	<b>5,04,493</b>
<b>Cumulative Cash Flow</b>	<b>1,53,139</b>	<b>3,74,713</b>	<b>6,76,940</b>	<b>10,72,872</b>	<b>15,77,365</b>
<b>Break Even Investment (in years)</b>	<b>1 Year and 10.7 Months</b>				



**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	11,686
	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	
5	1	21,574	19,782	62,234	1,792	4,281
	2	21,574	20,256	41,978	1,319	
	3	21,574	20,741	21,237	834	
	4	21,574	21,237	-	337	
<b>Total</b>		<b>4,03,303</b>	<b>3,15,000</b>		<b>88,303</b>	<b>88,303</b>



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