Detailed Project Report

TIN CAN 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. 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

Tin Can Making Machine

A tin can making machine is a type of manufacturing equipment that is used to produce metal cans used for packaging various products, such as food, beverages, chemicals, and other materials. The process of making a can involves several steps, including cutting and forming the metal sheets, coating the sheets with a protective layer, printing or labeling the sheets, and finally assembling the sheets into a finished can.

Tin can making machines can be either fully automatic or semi-automatic, depending on the level of automation involved in the process. Fully automatic machines can handle all the steps involved in making a can, from sheet cutting to can sealing, with minimal human intervention. Semi-automatic machines, on the other hand, require

more manual input from operators, such as loading and unloading the sheets, or adjusting the machine settings.

Tin can making machines come in different sizes and configurations to accommodate different production requirements. Some machines are designed for high-volume production, while others are intended for smaller runs. The choice of machine depends on the specific needs of the manufacturer, such as the type and size of cans to be produced, the level of automation desired, and the available budget.

5. DELIVERABLES AND MARKET OF THE PRODUCT

- Metal sheets: Tin can making machines often produce metal sheets in different sizes and thicknesses that are used to create the can bodies and ends.
- Can bodies: The main product of a tin can making machine is the can body, which is formed from the metal sheets and typically comes in different sizes and shapes, such as round, rectangular or square.
- Can ends: Can ends are also produced by tin can making machines and are used to seal the can body.
- Printed or labeled sheets: Some tin can making machines also have printing or labeling capabilities, allowing manufacturers to customize their cans with branding, product information or other designs.

- Finished cans: After the can bodies and ends are produced, they are assembled and sealed to create a finished can, which is then ready for use as a packaging material for various products such as food, beverages, chemicals and more.

Project Assumptions:

This model DPR for Tin Can Making Machine 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 Tin Can Making unit:	400 pcs/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. 15/ kg	
Average sale price of product	Rs. 25/piece	

Machineries

Unity Metals Tin Can Making Machine, 5.0 Hp,

Brand: **Unity Metals**

Market Linkage

- **Farmers produce,**
- **Super Markets,**
- **Last mile connectivity on delivery**

6. ROLE OF EACH OF THE JLG MEMBERS

How JLG will participate:

- 2 persons will be used to procurement of raw materials
- 4 persons for production

- 3 person for the logistics & sales
- 1person on training and monitoring process.

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	2,25,000	90%
2	JLG contribution	25,000	10%
3	**Total**	**2,50,000**	**100%**

Sl. No.	Details	Cost in Rs.
1	Machine Cost	1,50,000
2	Furniture	20,000
3	Working capital (Shed deposit, electric connection deposit, Miscellaneous and preoperative expenses)	80,000
	TOTAL	2,50,000

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

- Growing awareness among entrepreneurs about the need for modernization, managerial and technical skill.
- Higher export potential.
- High-quality production: Tin can making machines can produce high-quality cans in large quantities with consistent quality.
- Efficiency: With the ability to produce cans at a high rate, tin can making machines can increase production efficiency, which can result in cost savings and increased revenue.
- Customizable: Tin can making machines can be customized to produce cans in different shapes, sizes, and materials.
- Durability: The use of durable materials in the construction of tin can making machines can result in machines with long lifespans.

II. Weakness

- High capital costs: Tin can making machines can be expensive to purchase and install, making them less accessible to small businesses.
- Maintenance: Tin can making machines require regular maintenance to keep them running efficiently and to ensure the production of high-quality cans.

III. Opportunities

- I Growing demand: As the food and beverage industry continues to grow, the demand for tin cans is likely to increase, creating opportunities for tin can making machine manufacturers.
- Sustainability: The push for sustainability in the packaging industry can create opportunities for tin can making machines to produce eco-friendly cans.
- 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.
- Main attributed to less profitability to this industry is due to lower price at the beginning and JLG members need to work hard.
- Competition: The packaging industry is highly competitive, with many different packaging materials and solutions available.
- Changing consumer preferences: Consumer preferences for packaging materials can change rapidly, potentially reducing demand for tin cans and tin can making machines.

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

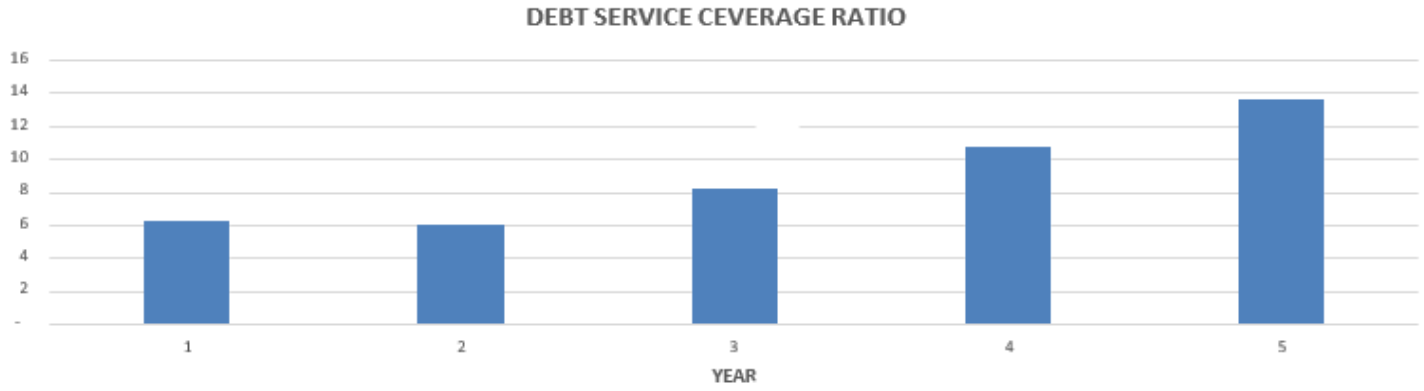
13. FINANCIALS

CASH FLOW STATEMENT

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE FROM SALE OF TIN CAN					
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 Pcs per day	400	400	400	400	400
Production in Pcs	100%	100%	100%	100%	100%
Utilisation of the Capacity (%)	60%	65%	70%	75%	80%
Production during the year (in Pcs)	72,000	78,000	84,000	90,000	96,000
Rate per Piece	25	28	30	33	37
Gross Revenue earned per annum - A	**18,00,000**	**21,45,000**	**25,41,000**	**29,94,750**	**35,13,840**
COST OF RAW MATERIALS					
Consumption of Raw Materials	72,000	78,000	84,000	90,000	96,000
Rate per KG	15	17	18	20	22
Total Cost of Raw Material per annum - B	**10,80,000**	**12,87,000**	**15,24,600**	**17,96,850**	**21,08,304**
EXPENDITURE					
Salaries and Wages	2,88,000	3,16,800	3,48,480	3,83,328	4,21,661
Electricity Charges	72,000	79,200	87,120	95,832	1,05,415
Transportation and Travelling	20,000	22,000	24,200	26,620	29,282
Rent	1,08,000	1,18,800	1,30,680	1,43,748	1,58,123
Packaging and Promotion Expenses	20,000	22,000	24,200	26,620	29,282
Miscellaneous Expense	10,000	11,000	12,100	13,310	14,641
Total Expenditure - C	**5,18,000**	**5,69,800**	**6,26,780**	**6,89,458**	**7,58,404**
Net Profit before Interest /Cash Flow (A-B-C)	**2,02,000**	**2,88,200**	**3,89,620**	**5,08,442**	**6,47,132**

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	**2,02,000**	**2,88,200**	**3,89,620**	**5,08,442**	**6,47,132**
Loan Repay ment Interest on Term Loan	20,536 20,972	44,105 17,536	48,482 13,159	53,294 8,347	58,583 3,058
Debt to be Served	**41,508**	**61,641**	**61,641**	**61,641**	**61,641**
Debt Service Coverage Ratio	5	5	6	8	10
AVERAGE DSCR	**7**				



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	2,02,000	2,88,200	3,89,620	5,08,442	6,47,132
Less : Interest on Loan	20,972	17,536	13,159	8,347	3,058
Less : Estimated Drawings/Personal Expenses	1,01,000	1,44,100	1,94,810	2,54,221	3,23,566
Net Cash Flow	**80,028**	**1,26,564**	**1,81,651**	**2,45,874**	**3,20,508**
Cumulative Cash Flow	**80,028**	**2,06,591**	**3,88,242**	**6,34,116**	**9,54,623**
Break Even Investment (in years)	**2 Year and 2.9 Months**				

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	
	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	20,972
2	1	15,410	10,638	1,93,826	4,772	
	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	17,536
3	1	15,410	11,694	1,48,665	3,716	
	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	13,159
4	1	15,410	12,854	99,023	2,556	
	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	8,347
5	1	15,410	14,130	44,453	1,280	
	2	15,410	14,469	29,984	942	
	3	15,410	14,815	15,170	595	
	4	15,410	15,170	0	241	3,058
Total		**2,88,074**	**2,25,000**		**63,074**	**63,074**

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