



# DETAILED PROJECT REPORT

## Wood Carving 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:**



Wood carving is a form of woodworking where the wood is shaped and sculpted into a three-dimensional object using hand tools or power tools. Wood carving can be a hobby, a form of artistic expression, or a profession. Wood carving requires patience, skill, and attention to detail. It can be a very rewarding hobby or profession, as you can create beautiful and unique objects from a simple piece of wood.

## **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.

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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**

##### **Wood Carving Machine**

A wood carving machine is a power tool that is designed to automate the wood carving process. These machines come in various forms, including CNC routers, electric chisels, and power carvers. They can be used to create intricate designs and sculptures in wood, and can significantly speed up the carving process. However, while wood carving machines can make the carving process easier and more efficient, they still require skill and experience to use effectively.

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





- **Intricate designs and patterns:** A CNC router or power carver can produce intricate and detailed designs that would be difficult or impossible to create by hand.
- **Repetitive shapes and carvings:** A wood carving machine can quickly and accurately produce multiple copies of the same shape or carving, making it ideal for mass production or creating consistent parts for furniture or other objects.
- **Three-dimensional sculptures:** Some wood carving machines can carve three-dimensional objects, such as figurines or architectural details.
- **Decorative objects:** Wood carving can be used to create decorative objects, such as bowls, boxes, and picture frames.
- **Musical instruments:** Wood carving can be used to create intricate designs on musical instruments, such as guitars and violins.

**Project Assumptions:** This model DPR for Tofu 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 Wood Carving machine:	5 cubic feet per day	
Utilization of capacity:	Year 1	60%
	Year 2	65%
	Year 3	70%
	Year 4	75%
	Year 5 ONWARDS	80%
Working days per year:	300 days	
Working hours per day:	8-10 hours	
Average price of raw material:	Rs. 3400/ cubic feet	
Average sale price of product	Rs. 5000/ cubic feet	

### Machineries



<b>Wood CNC Carving Machine</b>
<b>Max Job Size: 1300 X 2500 mm</b>
<b>Automatic grade: Fully automatic</b>
<b>Power: 330V</b>
<b>Aaradhana Technology Systems</b>
<b>Jaipur, Rajasthan</b>

**Machinery is also available in Bengaluru and Coimbatore.**

### **Market Output:**

**VKF will hand hold them to facilitating better packing and market linkage.**



### Market Linkage

- |                                  |                           |
|----------------------------------|---------------------------|
| ❖ <u>Direct sales</u>            | ❖ <u>Wholesale stores</u> |
| ❖ <u>E-commerce</u>              | ❖ <u>Super Markets</u>    |
| ❖ <u>Craft fairs and markets</u> |                           |

## **6. ROLE OF EACH OF THE JLG MEMBERS**

### How JLG will participate:

- 2 persons for procurement
- 3 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:

Sl. No.	Details	Cost in Rs.	Percentage
1	Bank Loan	2,70,000	90%
2	JLG contribution	27,000	10%
3	<b>Total</b>	<b>2,97,000</b>	<b>100%</b>

Sl. No.	Details	Cost in Rs.
1	Machine Cost	2,02,000
2	Furniture	25,000
3	Working capital (Shed deposit, electric connection deposit,	70,000



	Miscellaneous and preoperative expenses)	
	TOTAL	2,97,000

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 month of Order
4	Erection of Machinery	Within 6 days of arrival
5	Commissioning	Within 2-5 days of erection
6	Commercial Usage	Within 1 month 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

- Wood carving machines can create carvings much faster than by hand, increasing productivity.
- Wood carving businesses create unique and high-quality products that are often sought after by customers who appreciate craftsmanship and artistry.
- There is abundant raw material available in the district.
- The source of raw material procurement is very convenient due to local availability.
- The JLG members are having good coordination and co-operation among themselves.
- Government is very favorable for supporting the youths.

### II. Weakness

- Demand for wood carvings may be seasonal, with fluctuations in demand depending on the time of year and market trends.
- The machines require regular maintenance, which can add to the overall cost of ownership.
- Products have lower export potential as there is poor quality due to lack of proper technologies.
- The JLG members lack insufficient place for working/processing in their units. All the process was being carried at one small area.



- 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.
- There is no branding for the product.

### III. Opportunities

- Wood carving businesses can expand their market by targeting new customer segments or offering new product lines.
- Online sales platforms can help wood carving businesses reach a wider audience and increase sales.
- Wood carving businesses can offer custom design services, allowing them to tap into new revenue streams and create unique value for customers.
- There will be a huge demand because this is a need of the hour globally.
- Young JLG members have long way to go with new Innovation in the recycle production it will help to create global impact on recycling.

### 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.
- Wood carving businesses face competition from other crafts and industries, as well as mass-produced goods.





## **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**

- **Promoting the use of sustainable materials:** Wood carving businesses can promote the use of sustainable materials by sourcing their wood from certified forests or by using reclaimed wood. This reduces the demand for non-sustainable materials, which helps preserve natural resources and ecosystems.
- **Reducing waste:** Wood carving businesses can minimize waste by using every part of the wood, including scraps and sawdust. These materials can be repurposed for other products or used as fuel for heating or energy production, reducing the need for additional resources.
- **Carbon sequestration:** Wood is a natural carbon sink, meaning it can absorb and store carbon dioxide from the atmosphere. By using wood for carving, wood carving businesses are contributing to carbon sequestration, which can help mitigate the effects of climate change.



- **Supporting biodiversity:** Sustainable forestry practices, such as selective logging and reforestation, can promote biodiversity and habitat conservation. By supporting these practices, wood carving businesses can contribute to the preservation of wildlife and plant species.

## **12. THE END PRODUCTS PRODUCED FROM WOOD CARVING BUSINESS**





## 13. FINANCIALS

### CASH FLOW STATEMENT

Particulars	Year				
	Year 1	Year 2	Year 3	Year 4	Year 5
<b><u>REVENUE FROM SALE OF WOOD CARVING</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 Cubic Feet per day	5	5	5	5	5
Production in Cubic Feet	100%	100%	100%	100%	100%
Utilization of the Capacity (%)	60%	65%	70%	75%	80%
Production during the year (in Cubic Feet)	900	975	1,050	1,125	1,200
Rate per Cubic Feet	5,000	5,500	6,050	6,655	7,321
<b>Gross Revenue earned per annum - A</b>	<b>45,00,000</b>	<b>53,62,500</b>	<b>63,52,500</b>	<b>74,86,875</b>	<b>87,84,600</b>
<b><u>COST OF RAW MATERIALS</u></b>					
Consumption of Raw Materials	900	975	1,050	1,125	1,200
Rate per Cubic Feet	3,400	3,740	4,114	4,525	4,978
<b>Total Cost of Raw Material per annum - B</b>	<b>30,60,000</b>	<b>36,46,500</b>	<b>43,19,700</b>	<b>50,91,075</b>	<b>59,73,528</b>
<b><u>EXPENDITURE</u></b>					
Salaries and Wages	7,20,000	7,92,000	8,71,200	9,58,320	10,54,152
Electricity Charges	1,20,000	1,32,000	1,45,200	1,59,720	1,75,692
Rent	1,44,000	1,58,400	1,74,240	1,91,664	2,10,830
Transportation and Travelling	72,000	79,200	87,120	95,832	1,05,415
Packaging and Promotion Expenses	96,000	1,05,600	1,16,160	1,27,776	1,40,554
Miscellaneous Expense	25,000	27,500	30,250	33,275	36,603
<b>Total Expenditure - C</b>	<b>11,77,000</b>	<b>12,94,700</b>	<b>14,24,170</b>	<b>15,66,587</b>	<b>17,23,246</b>
<b>Net Profit before Interest /Cash Flow (A-B-C)</b>	<b>2,63,000</b>	<b>4,21,300</b>	<b>6,08,630</b>	<b>8,29,213</b>	<b>10,87,826</b>

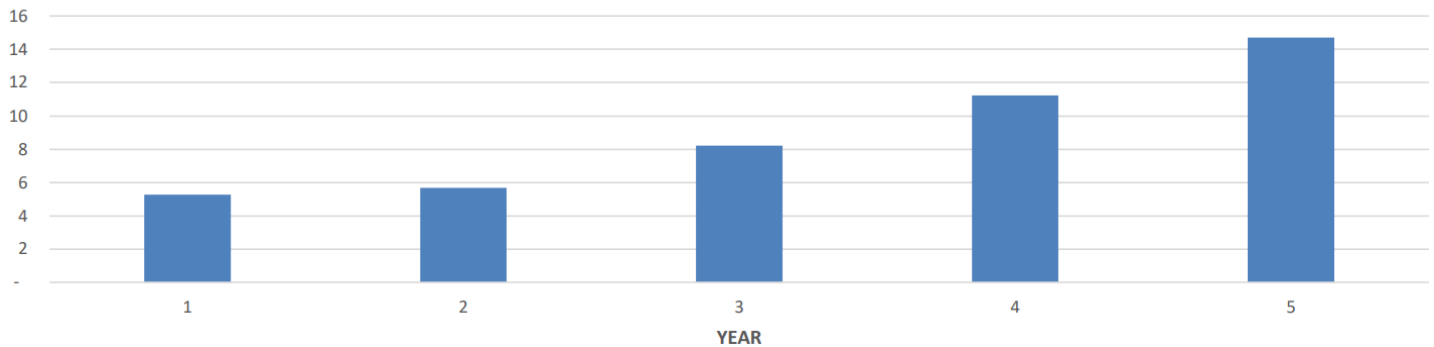


## DSCR STATEMENT

### 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	2,63,000	4,21,300	6,08,630	8,29,213	10,87,826
Loan Repayment	24,643	52,926	58,179	63,953	70,300
Interest on Term Loan	25,167	21,044	15,791	10,017	3,670
<b>Debt to be Served</b>	<b>49,810</b>	<b>73,970</b>	<b>73,970</b>	<b>73,970</b>	<b>73,970</b>
Debt Service Coverage Ratio	5	6	8	11	15
<b>AVERAGE DSCR</b>	<b>9</b>				

DEBT SERVICE CEVORAGE RATIO





## BREAKEVEN ANALYSIS

Investment Value Including Margin Rs. 300000

Year ended	Year 1 Projected	Year 2 Projected	Year 3 Projected	Year 4 Projected	Year 5 Projected
Cash Flow as per Statement of Income	2,63,000	4,21,300	6,08,630	8,29,213	10,87,826
Less: Interest on Loan	25,167	21,044	15,791	10,017	3,670
Less: Estimated Drawings/Personal Expenses	1,31,500	2,10,650	3,04,315	4,14,607	5,43,913
<b>Net Cash Flow</b>	<b>1,06,333</b>	<b>1,89,606</b>	<b>2,88,524</b>	<b>4,04,590</b>	<b>5,40,243</b>
<b>Cumulative Cash Flow</b>	<b>1,06,333</b>	<b>2,95,939</b>	<b>5,84,463</b>	<b>9,89,053</b>	<b>15,29,296</b>
<b>Break Even Investment (in years)</b>		<b>2 Year and 0.2 Months</b>			

## REPAYMENT

### DETAIL REPAYMENT SCHEDULE

Year	Quarter	Loan Installment	Principal Payment	Loan Outstanding	Interest at 9.5%	Cumulative Interest
1	1	6,413	-	2,70,000	6,413	25,167
	2	6,413	-	2,70,000	6,413	
	3	18,492	12,176	2,57,824	6,317	
	4	18,492	12,467	2,45,357	6,025	
2	1	18,492	12,766	2,32,591	5,727	21,044
	2	18,492	13,071	2,19,520	5,421	
	3	18,492	13,384	2,06,136	5,108	
	4	18,492	13,705	1,92,431	4,788	
3	1	18,492	14,033	1,78,398	4,460	15,791
	2	18,492	14,369	1,64,030	4,124	
	3	18,492	14,713	1,49,317	3,780	
	4	18,492	15,065	1,34,253	3,428	
4	1	18,492	15,425	1,18,827	3,067	10,017
	2	18,492	15,795	1,03,032	2,698	
	3	18,492	16,173	86,860	2,320	
	4	18,492	16,560	70,300	1,933	
5	1	18,492	16,956	53,344	1,536	3,670
	2	18,492	17,362	35,981	1,130	
	3	18,492	17,778	18,203	715	
	4	18,492	18,203	-	289	
<b>Total</b>		<b>3,45,688</b>	<b>2,70,000</b>		<b>75,688</b>	<b>75,688</b>



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