

PROJECT REPORT

FOR

STRENGTHENING OF SC & ST
COOPERATIVES

SAMPLE

ABBREVIATIONS

SN	Terms	ABBREVIATIONS
1	RCS	Registrar of Cooperative Societies
2	SC & ST Coops	Scheduled Caste & Scheduled Tribes Cooperative Societies
3	SC ST Federation	State Federation of Scheduled Castes and Scheduled Tribes Development Cooperatives Ltd
4	Project	Integrated Cooperative Project for Strengthening SC & ST Coops
5	Sub-Project	Units, programmes envisaged under the project
6	PIU	Project Implementation Unit
7	DSCR	Debt Service Coverage Ratio
8	ICR	Interest Coverage Ratio
9	IRR	Internal Rate of Return
10	BEP	Break Even Point

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1. EXECUTIVE SUMMARY

SC/ST cooperatives are, in principle, economic and democratic institutions with the prime objectives of self-help and mutual assistance among their members. SC & ST Cooperatives are welcome additions to the traditional cooperatives such as credit, consumer and marketing cooperatives to empower the weaker sections of the society. The development of these cooperatives would enhance their economic and social stats. Against 826 SC /ST cooperatives registered in the State, only 363 are working, against which 309 are considered to be potential for strengthening/revamping, as per the details below:

SN	Particulars	SC	ST	Total
1	No of Societies	730	96	826
2	Societies under Liquidation	75	5	80
3	Societies running in profit	6	3	9
4	Societies running in loss	298	56	354
5	Societies which can be Strengthened/ revamped	250	59	309

2. Over the period of many years, the Govt. has been implementing schemes for SC/ST cooperatives on piecemeal mode; still the sector is not showing any perceptible improvements in their activities. Accordingly, the State Government has decided to take up a comprehensive revamping package for all the working SC/ST Cooperatives, in a phased manner, with financial support from other financial Agencies. During the next 3 years, the State Govt. has decided to provide financial, managerial and functional support to 309 primaries. Though the integrated project is proposed to be phased over a period of 5 years for implementation, societies would be selected during the initial 3 years, taking into consideration, the health and potentially of reviving existing activities or taking up new ventures.

- 1) First Year - Federation + 109 primaries
- 2) Second Year - 100 primaries
- 3) Third Year - 100 primaries

3. The State Govt. action plan for revival of SC & ST cooperatives involves:
 - Reinvigorating economic activities of SC/ST Cooperatives, by engaging their members with household value addition units.
 - Implement Business Development Plan for each selected societies
 - Create additional value addition infrastructure for potential SC/ST Coops.

4. Based on the first hand information available with RCS, Kerala and the Kerala SC/ST Cooperative federation, investments for the following areas are required to be considered:
 - i. Renovation /reactivation of all existing fixed assets
 - ii. Assessment of viable proposition for taking up economic activities with indigenous resources available and potential scope.
 - iii. Assistance for business development plan
 - iv. Scope for value addition, product refinement & effective quality checking process.
 - v. Skill development of personnel
 - vi. Effective monitoring of project implementation

5. Assumption for the Project

- i. The provisions under each head are normative and the detailed requirements for each sub-project would be assessed by the Project Implementation Cell for individual societies/components.
 - ii. The data provided in the report and by the State Govt. are assumed to be correct.
 - iii. The sub-projects before sanction would be scrutinized by the Project Implementing Cell, keeping in view the financial and economic criteria and would be subject to established norms
 - iv. The per unit cost could vary depending on location / year of undertaking the activity.
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6. An overview of the assessment on investment required for SC/ST Federation and 309 primary SC/ST Coops are summarised below:

Project Cost

(Rs in lakh)

SN	Partiulars	Federation		Primary		Total	
		Units	Outlay	Units	Outlay	Units	Outlay
1	Infrastructures						
i)	Godown-cum-Office- cum- Retail Outlets			100	2000.00	100	2000.00
ii)	Renovation of office/godowns etc	1	100.00	150	750.00	151	850.00
iii)	Processing Units - New & Renovation	1	200.00	20	50.00	21	250.00
iv)	Banking Infrastructures	0		225	387.50	225	387.50
v)	Solar Power Generation Units	3	15.00	250	600.00	253	615.00
vi)	Cow Rearing Units	0	0	1500	3216.00	1500	3216.00
vii)	Paver Brick Floor Tile Units	0	0	50	603.50	50	603.50
viii)	Tourism Project - Resorts	2	800.00	10	4000.00	12	4800.00
	Infra - Total	7	1115.00	2305	11601.00	2312	12716.00
2	Margin Money for Business Development		500.00		1545.00		2045.00
3	Project Implementation Unit						223.00
4	Capacity Building & Training						1130.00
	Total	7	1615.00	2305	13152.00	2312	16120.00

2. General Information

Cooperative Movement in the State

The cooperative movement in the State has a solid foundation and impressive track record in terms of financial stability and sound infrastructure to generate adequate funds. The past few decades have witnessed substantial growth of cooperative sector in diverse areas of the state's economy. The vibrant cooperative credit structure in the State have withstood the challenges posed by the commercial banks and have carved out a level playing field for themselves in the era of high competition. Co-operatives in the State cover sectors relating to Credit, Marketing, Processing, Service, Textiles, Handloom, Coir, Dairy, Industries etc.

Status of the Cooperatives in the State

SN	Particulars	Working	Defunct	Under Liquidation	Total
	a) Under RCS	11966	2782	680	15428
	b) Under Coir Directorate	564	218	219	1001
	c) Handloom & Textile	409	106	110	625
	d) Dairy Coops	2919	348		3267
	e) Industrial Coops	430			430
	F) Fisheries Coops	651			651
	Total	16939	3454	1009	21402

Cooperatives in the State play a pivotal role especially in the rural area of the State owing to its huge network and unparalleled reach. They account for an estimated 21 percent of the State's total agricultural credit, have significant reserves, and often hand out money to fuel regional development.

Status of SC & ST Cooperatives in the State

As per census 2011, SC population is 30.39 lakh, which is 9.10% of the total population of the State. As regards, ST population, it is 4.47 lakh constituting 1.45% of total. Even though the adult SC/ST population comes to 17.74 lakh, their total membership in cooperative societies only 4.47 lakh which is only 24.22% of adult population. These cooperatives have a state level federation Scheduled Castes and Scheduled Tribes Development Cooperatives Ltd (SC/ST Federation).

SAMPLE

2 Project Details

Project Rationale

There are 826 SC /ST cooperatives registered in the State, of which only 354 are working. The State Govt. has identified 309 societies which are potential for strengthening and revamping. It is the State Govt. resolve to support SC/ST cooperatives for making them self reliance so as to enhance their economic standard. The proposed project is a holistic and composite project exclusively for SC and ST Cooperatives in the State to make them self reliant entities. The State Govt. plans to generate rural income through various cooperative projects envisaged for this weaker section cooperatives.

Goal & Objectives

- To extend cooperative umbrella to maximum number of SC/ST population.
- Economic upliftment of SC/ST communities through cooperative ventures
- Complete facelift of infrastructures of the SC/ST Cooperatives
- Encouraging SC/ST Cooperatives to get involved in Agriculture and Allied activities.
- Empowering the societies to take up more economic activities
- Make the SC/ST Cooperatives to take up economic ventures to stand in their own feet.

Project Approach

A holistic approach was felt necessary for economic development weaker section especially SC & ST Communities through Cooperative ventures. The aim was to tap the potentialities of the local co-operatives institutions under SC

& ST sectors through integration and the synergised effect was expected to pace up the process of co-operative development. The project report has been prepared by based on the information collected from State Govt., SC ST Federation and series of discussions with RCS and other Senior Officials and some selected coops.

Selection of 309 are made on the basis of the following criteria.

Criteria for Selection of Coops

SN	Particulars	First Year			Second Year			Third Year			Total		
		SC	ST	Total	SC	ST	Total	SC	ST	Total	SC	ST	Total
1	Profit Making Societies	6	3	9							6	3	9
2	Societies having own Land, building, elected board & paid staff	74	26	100	91		91				165	26	191
3	Own Land, Elected Board & Paid Staff					9	9	42		42	42	9	51
4	Societies having own Land, building, administrative committee & paid staff							3		3	3	0	3
5	Societies having own Land, administrative committee & paid staff							12	2	14	12	2	14
6	Societies having elected board & paid staff							22	19	41	22	19	41
	Total - 3 Years	80	29	109	91	9	100	79	21	100	250	59	309

For effective implementation and monitoring, a Project Implementation Unit (PIU) is proposed to be created under a senior Officer of RCS Office. Though sub-projects envisioned in the project report are based on the indigenous resources available and potentiality of some of the societies, the same need to be correlated with the activities of the beneficiary cooperatives and their actual requirements, by the PIU. Though the societies are to be selected in 3

consecutive years, implementation of the entire project is phased over a period of 5 years.

Project & Proposals

The proposed project is a composite in nature involving multiples of projects meant for SC/ST Federation and all the working Primaries. Out of 826 Primary SC/ST Societies, the State Govt. has assessed that 309 societies could be revamped and strengthened through financial support. These societies are mainly engaged in the following activities:

- Banking/credit business
- SHG operation and micro finance
- Catering Unit
- Tailoring unit
- Consumer & fertilizer business
- Running Catering units
- Agricultural activities and vegetable marketing
- Cow /goat rearing
- Procurement of minor forest produce by ST Coops
- Running Tailoring shop
- Renting out of furniture and kitchen equipments for social activities

The proposal envisages phased intervention of State Govt. to strengthen SC and ST Cooperatives. In the first year the Federation and 109 primaries are proposed to be taken up for providing financial support. In the next two years, 100 societies each are proposed to be selected. Some of the minor activities (tailoring, catering etc) would be taken care under margin money. Other subprojects are enlisted below:

Projects for Federation

- i) Renovation of existing office and retail outlets at an estimates cost of Rs 100 lakh.

- ii) The Federation has a Ayurveda Medicine Manufacturing Unit which is supplying medicines to Govt. ayurveda hospitals. The unit needs replacement of some machinery for which Rs 200 lakh is envisaged.
- iii) The Federation desires to install solar power generation units in 3 places, for which Rs 15 lakh earmarked.
- iv) There are vacant landed property available with the Federation, where it desires to set up tourism projects. Three such units are envisaged in the project at a cost of Rs 400 lakh each. (Cost & profitability annexed)
- v) For reinvigorating its business, margin money of Rs 500 lakh has been allocated.

The exact amount will be assessed by the Monitoring Cell to be constituted by the State Govt.

Projects For Primary Coops

Godown & Retail Outlet

There are around 100 societies which are reported to be not having own godown and retail outlets for distribution of agri inputs and selling farmers produces (coconut, vegetable, seasonable fruits etc). One unit comprises of the following component:

SN	Description	Area (SF)	Estimated Cost per Sq Ft (in Rs)	Total Cost (Rs in lakh)
1	Godown (100 MT)	650	1,200	7.80
2	Office/Bank-ing Hall	300	2,000	6.00
3	Retail Outlet	300	1,500	4.50
4	Furniture & Fixtures			1.7
			Total	20.00

Keeping 100 units in view, the total requirement of funds under this category would be Rs 20.00 cr. Cashflow / profitability statements annexed.

Customer Counter

Around 100 societies need to have either new customer banking counter or replacement of existing ones. Unit cost assessed is Rs 2.00 lakh, thereby total outlay for this subproject would be Rs 2.00 cr.

Other Banking Infrastructures

50 societies are reported to be in need of financial assistance for renovation of their existing building, new banking infrastructures. Also 40 societies are reported to have evinced interest for setting up of solar power generation units (1KW) on their roof top. Accordingly the cost works out to Rs 17.375 cr.

(Rs in lakh)

SN	Sector	Proposed		
		Unit Cost	No of unit	Outlay
1	Renovation of existing Office/Godown	5.00	150	750.00
2	Banking Counters	2.00	100	200.00
3	Iron Safe	1.50	125	187.50
4	Solar Power Generation	2.40	250	600.00
	Sub Total			1737.50

Cow Rearing Unit

The project envisages providing assistance to dairy farmers of SC & ST Communities to take up dairy farming as the main livelihood and also increase production of milk. For the purpose of achieving self reliability and self sustainability of dairy sector in the State and also for ensuring socio-economic stability of dairy farmers in the State this project will be a milestone.

This project is aimed at bringing more farmers, self help groups into the sector and to maintain the productivity. In order to achieve the goal. The project envisages establishing mini cow rearing units at the premises of members who have own landed property. One pair of milch animals alongwith cattedled, are proposed to be distributed to each family. 50 families of each society would be selected to set up dairy units. Considering that 30 societies are involved in setting up 50 cow rearing units each, the total number of units comes to 1500 units. The Process of setting up units, procurement of milch animals etc would be done in consultation with Dairy & Animal Husbandary Departments.

Project Cost & Funding – Cow Rearing

Total project cost for 1500 cow rearing units works out to Rs 3216.30 lakh, as per the following details:

SN	Components			Cost of One Unit (with 2 animals)
1	Milch Animal	2 animals @	`50,000	` 1,00,000
2	Transportation Cost			` 2,000
3	Cow Shed	70 Sq ft / animal @	`603	` 84,420
4	Feed	for one month @	`7,000	` 14,000
5	Equipments (Can, Container etc)			` 2,000
6	Insurance	@ of 7% of cost (for lifespan)		` 7,000
7	Preliminary admn charges of Fedn / societies (Health & vaccination certification etc)			` 5,000
8	Total cost per unit			` 2,14,420
9	No. of Benficiary Family per society			50
10	Outlay for one Society (Rs in lakh)			107.21 lakhs
11	No. of Societies proposed			30
12	Total Outlay for 30 societies (Rs in lakh)			3216.30 lakhs

Milk produced in these units will be supplied to the nearby primary dairy societies. In Kerala, there is scarcity of milk produced and hence any amount of milk produced will be procured by the State Cooperative Milk Marketing Federation through primaries. The Project Implementation Unit, in association with the concerned SC/ST Coop would make necessary arrangements for pouring the milk to nearby dairy cooperatives.

Cement Pavers/Interlock Unit

Cement concrete tiles and paving blocks are pre cast solid products made out of cement concrete. The product is made in various sizes and shapes viz. rectangular square and round blocks of different dimensions with designs for interlocking of adjacent tiles blocks. The raw materials required for manufacture of the product are Portland cement and aggregates which are available in every part of the country. Cost of one unit works out to Rs 12.07 lakh, as per the details below:

(Rs in lakh)

SN	Particulars				Cost
1	Land	400 SM@	Rs500/-	per sq mtr	2.00
2	Civil Works				
	a) Office/Store	50 SM @	Rs 2000	per sq mtr	1.00
	b) Working shed	150 SM @	Rs 1500/-	per sq mtr	2.25
	Total Civil Works				3.25
3	Machinery				
	a) concrete block making machine capacity	Hydrolically operated concrete block making machine capacity 1500 blocks per shift with latest specification			3.00
	b) Concrete mixer	Concrete mixer capacity 10 ctf/7 ctf with 3 HP Motor			0.90
	c) Electric Generator	10 HP			0.30
	d) Submercible Water Pump	Head 6- 24 metres - Capacity 17.4 -1.1 LPS -			0.17
	e) Colour Mixer	Paver Block Color Mixer, Capacity: 300 Kg			0.75
	f) Mould tools & other equipments				0.60
	g) Erection cost				0.60
	Total Machinery				6.32
4	Pre-operatives				0.50
TOTAL					12.07

Market Potential – Cement Tiles

Cement concrete Tiles and paving blocks find applications in pavements, footpaths, gardens, passenger waiting sheds, bus stops, industry and other public places. The product is commonly used in urban areas for the above application. Hence the unit may be set up in urban and semi urban areas near the market. A lot of face lift is given to roads, footpaths along the roadside. Concrete paving blocks are ideal materials on the footpaths for easy laying better look and finish. Whereas the tiles find extensive use outside the large buildings and houses, lots of these materials are also used in flooring in the open areas of public offices and commercial buildings and residential apartments. Local governing bodies are encouraging laying of Cement Pavers/Interlock Bricks for footpath/park etc. Cashflow / profitability statement attached.

Tourism Project

Many Cooperatives in the Hilly Districts have evinced interest in setting up of Tourism Project. A project is envisaged to have the following components:

- **Villa type 1** comprises of 6 individual villas each with a total built area of 645 sqft. each. A master bedroom with living room spanning an area of 400 sqft, an open balcony with 60 sqft, a dressing room with 90 sqft and an ample spaced toilet with bath tub forms part of villa type 1 & Open veranta and other area of 90Sq ft.. Total number of villas proposed is 5.
- **Villa type 2** is equipped with on bedroom capable of admitting a family at a time. The total built up area is 400 sqft. The facilities that are offered under this villa is a 1 bed room with 200 sqft living room, 160 sqft toilet and 40 sqft open balcony. Total 6 villas are proposed.
- Type-3 is single room in the multi-storied building with a total area of 3500 sq. ft, which can accommodate 10 rooms.
- Total cost for one project is estimated to be Rs 400.00 lakh.

(Rs in lakh)

Civil Works	₹ 366.75
Furniture & Other Fittings	₹ 33.35
Total Cost	₹ 400.10

Details of cost and profitability & Cash Statements are Annexed.

Honey Purifying Unit

Honey in its natural form requires proper handling during processing and packaging in order to maintain its' quality and safety. This Code of Practice covers Good Manufacturing Practice (GMP) for the consistent production and packaging of product that are fit for their intended purpose. Buildings and equipment shall be designed, constructed, maintained and cleaned to standards that ensure the safety and quality of the ingredients and finished product throughout the entire process. The PMU will help the Societies to install the unit. The following machine is commonly used for honey purifying.



Capacity : 600 kg in 8 hour
Power Consumption : 5 KW
Food grade make (SS 304) 5 KW heaters, 3 electric motors, fully sensor control. 600 kg in 8 hour. Fully auto filtration. Stainless steel storage tank capacity 600 kg with all accessories.

Cost of machinery is Rs 2.00 lakh and total cost envisaged is Rs 2.50 lakh including technical civil works and installation charges. 20 societies are identified to take up honey processing for value addition. Total outlay under this head comes to Rs 50.00 lakh.

Project Benefits Expected

SC population in the State is 30.39 lakh, which is 9.10% of the total population of the State. As regards, ST population, it is 4.47 lakh constituting 1.45% of total. Even though the adult SC/ST population comes to 17.74 lakh, their total membership in cooperative societies only 4.47 lakh which is only 24.22% of adult population. These cooperatives have a state level federation Scheduled Castes and Scheduled Tribes Development Cooperatives Ltd (SC/ST Federation).

The overall objective of the project is to enhance the income of around 4 lakh people in the SC ST category, who are active members of SC & ST Coops. Accordingly, the State Govt.'s action plan for revival of SC & ST cooperatives involves:

- Reinvigorating economic activities of SC/ST Cooperatives, by engaging their members with household value addition units.
- Implement Business Development Plan for each selected societies
- Create additional value addition infrastructure for potential SC/ST Coops.

Present Scenario of similar project in the vicinity/Industry Scenario and Sector Analysis

Beneficiary Cooperatives would be selected by the Federation in such a way that the unit proposed units are not available in the respective area of operation of the said society.

Availability of Land

Units will be allotted to such cooperatives which have freehold land.

Availability of Raw Material

SN	Sub-Projects	Availability of Raw Material
i)	Godown-cum-Office- cum- Retail Outlets	Not applicable
ii)	Renovation of office/godowns etc	Not applicable
iii)	Honey Process Units	Societies are collecting honey regularly. The units will be allocated to those societies which have adequate honey collection
iv)	Banking Infrastructures	Not applicable
v)	Solar Power Generation Units	Not applicable
vi)	Cow Rearing Units	Calves are available in Govt. Farms or neighbouring states
vii)	Paver Brick Floor Tile Units	Cement are abundantly available
viii)	Tourism Project - Resorts	Not applicable

Total Project Cost

(Rs in lakh)

SN	Partiulars	Federation		Primary		Total	
		Units	Outlay	Units	Outlay	Units	Outlay
1	Infrastructures						
i)	Godown-cum-Office- cum- Retail Outlets			100	2000.00	100	2000.00
ii)	Renovation of office/godowns etc	1	100.00	150	750.00	151	850.00
iii)	Processing Units - New & Renovation	1	200.00	20	50.00	21	250.00
iv)	Banking Infrastructures	0		225	387.50	225	387.50
v)	Solar Power Generation Units	3	15.00	250	600.00	253	615.00

vi)	Cow Rearing Units	0	0	1500	3216.00	1500	3216.00
vii)	Paver Brick Floor Tile Units	0	0	50	603.50	50	603.50
viii)	Tourism Project - Resorts	2	800.00	10	4000.00	12	4800.00
	Infra - Total	7	1115.00	2305	11601.00	2312	12716.00
2	Margin Money for Business Development		500.00		1545.00		2045.00
3	Project Implementation Unit						223.00
4	Capacity Building & Training						1130.00
	Total	7	1615.00	2305	13152.00	2312	16120.00

Detailed Project Costing is at **Annex-1**.

Project Phasing

The project involving a total outlay of Rs 161.14 cr is planned to be implemented over a period of 5 years. 309 SC/ST societies are selected based on the criteria highlighted in the chapter-3. The Project Implementation Unit would select the potential societies and formulate project proposals based on the prevailing conditions and the performance and potentiality of the selected society. The project outlay is phased for 5 years as follows:

(Rs in lakh)

Year	Infrastructure		M-Money	PMU	Training / Capacity bldg	Total
	No.	Amt	Amt	Amt	Amt	Amt
1st Yr	553	3321.45	318.00	52.60	226.00	3918.05
2nd Yr	527	2956.45	409.00	42.60	226.00	3634.05
3rd Yr	466	2862.70	509.00	42.60	226.00	3640.30
4th Yr	456	2812.70	409.00	42.60	226.00	3490.30
5th Yr	310	762.70	400.00	42.60	226.00	1431.30
	2311	12716.00	2045.00	223.00	1130.00	16114.00

Project Implementation

The project will be implemented by a Project Implementation Unit (PIU) to be constituted by the State Govt by drawing experts and professionals from open market.

Role & Responsibilities of Project Implementation Unit

- i) Identify the beneficiary cooperatives and formulate profit proposals for the societies.
- ii) It will help the individual societies / members enter into contract with multitude of agencies for supply, fabrication, erection and commissioning activities by being responsible for obtaining external linkages.
- iii) Identify the problem areas and help societies to tide over the same
- iv) To carry out manpower development programmes for societies
- v) Conduct member education programmes
- vi) Implementation of the project as per schedule
- vii) Help societies to obtain necessary supports from the Govt. Departments with respect to implementation and operation of project.

The PIU would function under Addl RCS /Joint RCS in the Office of RCS with following personal:-

a) Project Manager -1

He is responsible for overall implementation of the project, with the help of Development Officers. He functions involve

- Overall planning for implementation of the project
- Appraisal and financing of sub-projects
- Monitoring of expenditure /utilization of funds by the beneficiaries
- Support and guide cooperatives to adopt improved business practices

b) Development Officers – 4

Three Development Officers may be appointed. The development officers would be made responsible for equal number of societies located in different places as far as possible. The Development Officers may be assigned

the responsibility of conducting on-the-job training for the Managing Committee Members and imparting the cooperative education to the members of the primaries and also providing the guidance to the management of these societies. DO are the key officials not only for effective and purposeful implementation of the project but also for development and efficient functioning of the cooperatives covered under the project.

Total outlay earmarked for PIU is Rs. 2.23 cr , as per the details below:

C	Project Implementation Cell	Unit Cost	No of Units	Total Outlay
1	Projec Manager(@ Rs 60000 per month for 5 years)	36.00	1	36.00
2	Development Officers (@ Rs 40000 per month for 5 years)	24.000	4	96.00
3	Accountant & Assistant (@25000 per month)	15.00	2	30.00
4	Supporting Staff (@ 20000 per month)	12.00	2	24.00
5	Other Allowances (@ Rs 3 lakh/annum)			15.00
6	Vehicle		1	10.00
7	Office Equipments & Other Overheads (@ Rs 20000 per month)			12.000
	Sub-total - Project Monitoring			223.00

Manpower Development and Training

The need for constant upgradation of human resources needs no emphasis. The quality of human resources available is the most important determinant of development. In the absence of human resources of the required quality the other resources- physical, financial etc. though available in abundance will be rendered useless. Hence, there is need not only for having people with competence for running the co-operatives but also for making efforts to constantly upgrade their competency levels to enable them to meet newer and more complex challenges.

Manpower Development and Training forms an essential component of any project envisaged to achieve enhanced performance or adoption of new activities by existing societies. It provides for improving knowledge and / or skill of different category of personnel engaged in various activities in the enterprise.

Accordingly, to facilitate the achievements of the Project, the training requirements of key personnel working in the Societies have been envisaged. Besides, the training of committee members and the cooperative education programmes for members have also been planned. the training requirement as below:-

(Rs in lakh)

D	Capacity Building & Training	Unit Cost	No of Units	Total Outlay
1	Member Education programme (@ 1000 for 1 lakh active members)	0.01	100000	1000.00
2	Orientation for Board Members (@ Rs 2000 for 1000 board members)	0.020	1000	20.00
3	Training for Project Implementation Team			10.00
4	Employees Training / Study Visits			100.00
	Sub-total - Capacity Building			1130.00

Business & Technical Support

Under the project, proposals are formulated by the PIU and financial sanction for individual society/unit is made by the RCS. For major project like, Tourism, Brick manufacturing, etc, project profile for each society is prepared by the PMU and the assistance is sanctioned based on the viability. PMU will do all the extension works like:

- In respect of Cow rearing units, coordination with Dairy Department, Livestock Department etc for purchase of cows for the beneficiary members. PIU would also take necessary steps for linking the member producers with nearby dairy cooperatives for supply of milk.
- Providing necessary technical support to set up infrastructure units
- Coordination with different Govt Departments for obtaining necessary licence / approval for infrastructure creation
- PIU will make plan and estimates for civil works related the subprojects under the Project.
- While the Federation will make necessary arrangements for procuring the products of primaries, PIU would explore the market avenue for the products manufactured by the societies.
- PIU would undertake mid-term evaluation of the project periodically.

- Strict financial discipline should be enforced by the PIU for ensuring fruitful outcome of each sub-project.
- Issues, if any related to implementation of project should be brought to the knowledge of concerned Department / Agencies, appropriately.
- PIU would draw out schedule of programme to complete the implementation within 5 years.

Availability of Statutory and other Clearance required

The PIU will help the beneficiary cooperatives in getting necessary statutory clearances, including local body's approval.

Availability of Utilities

On identifying the beneficiary cooperative, the Project Implementation Unit (PIU) will ensure availability of utilities.

Schedule for Project Implementation

SN	Particulars	Godown / Office etc	Processing	Equipment only
1	Acquisition of Land	Society should already have land	Society should already have land	NA
2	Engagement of Consultant/Award of work	With in 3 months of sanction	With in 3 months of sanction	NA
3	Sanction from local authority for construction work	With in 3 months of sanction	With in 3 months of sanction	NA
4	Development of land	Within 4 months of sanction	Within 4 months of sanction	NA
5	Commencement of Civil work	Within 4 months of sanction	Within 4 months of sanction	NA
6	Completion	Within 15 months of sanction	Within 10 months of sanction	NA
7	Purchase of Machinery	NA	On 10 th month	Within 3 months of sanction
8	Installation of Machinery	NA	12 th month	Within 6 months
9	Completion of Unit	NA	15 months	Within 6 months
10	Commercial production	NA	Within 18 month	6 months

Feasibility Assessment

Since the Project involves multiples of units & beneficiaries, profitability analysis for the entire project is not possible. However, highlights of cashflow of some of the stand-alone projects envisioned in the project report are:

SN	Project	DSCR	ICR	IRR	BE
1	Godown-Banking & Consumer Project	3.58	10.07		
2	Cow Rearing	2.52	4.30		
3	Paver Brick Unit	3.49	15.24	30%	59%
4	Tourism Project	2.95	9.80	31%	49%

These Project viability are only illustrative and position may vary from society to society depending on the situation. Hence the PIU would prepare project proposal of individual societies which are taking up these project, separately. Project needs to be separately evaluated depending upon the prevailing status of the concerned society as well as its potentiality.

Cashflow statements for these projects are available at:

1	Godown-Banking & Consumer Project	Annex-2
2	Cow Rearing	Annex-3
3	Paver Brick Unit	Annex-4
4	Tourism Project	Annex-5A to D

Security for Project Finance

The Project is to be funded through the State Government

Annex-1

Integrated Project for Strengthening SC & ST Coops
Project Cost

(Rs in lakh)

SN	Project Components	Unit Cost	No of Units	Total Outlay
A	For Federation			
1	Renovation of Office & Retail Outlets	100.00	1	100.00
2	Replacement old Machinery in Ayurveda Medicine Manufacturing Unit	200.00	1	200.00
3	Solar Power Generation Units	5.00	3	15.00
4	Tourism Project - Resorts	400.00	2	800.00
5	Margin Money			500.00
	Sub Total - Fedn		7	1615.00
B	For Primaries			
1	Godown-cum-Office- cum- Retail Outlets	20.00	100	2000.00
2	Renovation of existing Office/Godown	5.00	150	750.00
3	Banking Counters	2.00	100	200.00
4	Iron Safe	1.50	125	187.50
5	Solar Power Generation	2.40	250	600.00
6	Cow Rearing Units	2.14	1500	3216.00
7	Paver Brick Floor Tile Units	12.07	50	603.50
8	Tourism Project - Resorts	400.00	10	4000.00
9	Honey purifying Units	2.50	20	50.00
10	Margin Money/working Capital	5.00	309	1545.00
	Sub-total - Primaries			13152.00
C	Project Implementation Cell			
1	Projec Manager(@ Rs 60000 per month for 5 years)	36.00	1	36.00
2	Development Officers (@ Rs 40000 per month for 5 years)	24.000	4	96.00
3	Accountant & Assistant (@25000 per month)	15.00	2	30.00
4	Supporting Staff (@ 20000 per month)	12.00	2	24.00

5	Other Allowances (@ Rs 3 lakh/annum)			15.00
6	Vehicle	10	1	10.00
7	Office Equipments & Other Overheads (@ Rs 20000 per month)			12.000
	Sub-total - Project Monitoring			223.00
D	Capacity Building & Training			
1	Member Education programme (@ 1000 for 1 lakh active members)	0.01	100000	1000.00
2	Orientation for Board Members (@ Rs 2000 for 1000 board members)	0.020	1000	20.00
3	Training for Project Implementation Team			10.00
4	Employees Training / Study Visits			100.00
	Sub-total - Capacity Building			1130.00
	Total Project Cost			16120.00

SN	Partiulars	Federation		Primary		Total	
		Units	Outlay	Units	Outlay	Units	Outlay
1	Infrastructures						
i)	Godown-cum-Office- cum- Retail Outlets			100	2000.00	100	2000.00
ii)	Renovation of office/godowns etc	1	100.00	150	750.00	151	850.00
iii)	Processing Units - New & Renovation	1	200.00	20	50.00	21	250.00
iv)	Banking Infrastructures	0		225	387.50	225	387.50
v)	Solar Power Generation Units	3	15.00	250	600.00	253	615.00
vi)	Cow Rearing Units	0	0	1500	3216.00	1500	3216.00
vii)	Paver Brick Floor Tile Units	0	0	50	603.50	50	603.50
viii)	Tourism Project - Resorts	2	800.00	10	4000.00	12	4800.00
	Infra - Total	7	1115.00	2305	11607.00	2312	12722.00
2	Margin Money for Business Development		500.00		1545.00		2045.00
3	Project Implementation Unit						223.00
4	Capacity Building & Training						1130.00
	Total	7	1615.00	2305	13152.00	2312	16120.00

Annex-2

Integrated Project for Strengthening SC & ST Cooperatives in the State

Cash for Godown-cum retail outlet

		Total Investment	(Rs in lakh)							
		20.00								
SN	Particulars		1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	7th yr	8th yr
1	Term Loan Opening Balance		10.000	8.750	7.500	6.250	5.000	3.750	2.500	1.250
2	Installment of Term Loan		1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250
3	Term Loan Closing Balance		8.750	7.500	6.250	5.000	3.750	2.500	1.250	0.000
4	Interest on Term Loan		0.897	1.025	0.897	0.769	0.641	0.513	0.384	0.256
	Total Repayment (Prin.+Int.)		2.147	2.275	2.147	2.019	1.891	1.763	1.634	1.506
5	Depreciation									
	Value of Asset		20.00	18.00	16.20	14.58	13.12	11.81	10.63	9.57
	Depreciation		2.00	1.80	1.62	1.46	1.31	1.18	1.06	0.96

FINANCIAL ANALYSIS OF THE PROJECT

SN	Particulars		1st yr	2nd yr	3rd yr	4th yr	5th yr	6th yr	7th yr	8th yr
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	Capacity Utilization	85%	90%	95%	95%	95%	95%	95%	95%	
1	Consumer Business	10% growth	25.50	29.70	34.49	37.93	41.73	45.90	50.49	55.54
	Gross earnings	8%	2.04	2.38	2.76	3.03	3.34	3.67	4.04	4.44
2	Sale of Fertiliser	150MT @ Rs 10000/-	12.75	14.85	17.24	18.97	20.86	22.95	25.24	27.77
	Gross earnings	5%	0.64	0.74	0.86	0.95	1.04	1.15	1.26	1.39
3	Credit Business	10% growth	300.00	330.00	363.00	399.30	439.23	483.15	531.47	584.62
	Gross earnings	2%	6.00	6.60	7.26	7.99	8.78	9.66	10.63	11.69
4	Total Projected Business		338.25	372.08	409.28	450.21	495.23	544.76	599.23	659.15
5	Gross earnings		8.68	9.72	10.88	11.97	13.17	14.48	15.93	17.52
6	Expenditure									
i.	Variable Expenses (Wages / handling charges)	0.5% of non-credit bus.	0.191	0.223	0.259	0.285	0.313	0.344	0.379	0.417
ii.	Fixed Expenses									
a	Establishment cost	Existing - Rs 3 lac	3.30	3.63	3.99	4.39	4.83	5.31	5.85	6.43
b	Insurance	0.15%	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.01
c	Depriciation		2.00	1.80	1.62	1.46	1.31	1.18	1.06	0.96
d	Interest on Term Loan		0.90	1.03	0.90	0.77	0.64	0.51	0.38	0.26
	Total Fixed Exp.		6.23	6.48	6.53	6.64	6.80	7.03	7.31	7.66
	Total (Fixed+ Variable)		6.42	6.70	6.79	6.93	7.12	7.37	7.69	8.07
7	Profit before tax(5-6)		2.26	3.01	4.09	5.04	6.05	7.11	8.24	9.45
8	Tax		1.00	1.00	1.00	1.00	1.00	2.00	3.00	4.00

9	Net Profit(7-8)		1.26	2.01	3.09	4.04	5.05	5.11	5.24	5.45
10	Installment on Term Loan		0.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25
11	Cash Accruals		4.16	4.84	5.60	6.27	7.00	6.81	6.69	6.66
12	Accumulated cash accrual		4.16	9.00	14.60	20.87	27.87	34.68	41.37	48.03
13	DSCR		4.63	2.13	2.61	3.11	3.70	3.86	4.09	4.42
14	Average DSCR	3.24								
15	ICR		3.52	3.94	5.56	7.56	10.44	14.88	22.44	37.88
16	Av. ICR	9.18								
17	Break-even	Contribution (Income-VC)	8.49	9.50	10.62	11.68	12.85	14.14	15.55	17.11
		FC/Contri	73.38%	68.26%	61.51%	56.84%	52.94%	49.69%	47.00%	44.76%
		Av. BEP	56.80%							
18	IRR	(NP + Depre+In - Invest.)	-15.84	4.84	5.60	6.27	7.00	6.81	6.69	6.66
		31.97%								

Cow Rearing Units for Members of SC/ST Cooperatives

Cashflow

A. Assumptions											
i)	Milk extracted	15	ltrs/day/animal								
ii)	No of Animals	2	nos								
iii)	No. of milking days	240	days per year								
iv)	Cost of Cattlefeed & Other Inputs (in Rs)	150	rupees/day/animal								
v)	Other maintainance cost	50	rupees/day/animal								
vi)	Milk procurement rate (presently given by Milma)	32	rupees/ltr							Amount in Rs	
B	INVESTMENT	214420	Pattern of Funding	Loan	50%	107210					
				Susidy / Grant	30%	64326					
				Total		171536					
				Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8
				90%	90%	90%	85%	80%	75%	75%	70%
C INCOME											
1	Milk handled per day (litres)	Ltrs	27	27	27	26	24	23	23	21	
2	Value of Milk extracted per year	in Rs	207360	207360	207360	195840	184320	172800	172800	161280	
D EXPENDITURE											
1	Cost of Cattlefeed & Other Inputs for 365 days	in Rs	109500	109500	109500	109500	109500	109500	109500	109500	
2	Other maintainance cost for 365 days	in Rs	36500	36500	36500	36500	36500	36500	36500	36500	
3	Interest on term loan (50%)	10.25%	10989	9615	8242	6868	6868	6868	5495	5495	
4	Depreciation on Cow Shed	10.00%	8442	8442	8442	8442	8442	8442	8442	8442	
Total Expenditure			165431	164057	162684	161310	161310	161310	159937	159937	
E	Net Profit		41929	43303	44676	34530	23010	11490	12863	1343	
F	Total Cash Available (Net Profit + Dep.)		50371	51745	53118	42972	31452	19932	21305	9785	
G	Loan instalment		13401	13401	13401	13401	13401	13401	13401	13401	
H	DSCR		2.52	2.67	2.84	2.46	1.89	1.32	1.42	0.81	
G	Average DSCR		1.99								
h	Interest Coverage Ratio		4.82	5.50	6.42	6.03	4.35	2.67	3.34	1.24	
	Average ICR		4.30								

CEMENT PAVER /INTERLOCK BRICK UNIT

Assumptions

1	Capacity of the Unit	1500	bricks per	day or	450000	bricks/Yr	for	300	days
2	Raw Material Cost							Value (Rs in Lakh)	
	i) Portland cement	0.80	MT/day @	₹ 4,600	ie	3680.00	per day	11.04	Per Yr
	ii) Sand	2	MT/day @	₹ 650	ie	1300.00	per day	3.90	Per Yr
	iii) Store Grit	5	MT/day @	₹ 700	ie	3360.00	per day	10.08	Per Yr
	iv) Other Misc items			₹ 2,500				7.50	Per Yr
	Total Raw Material Cost							32.52	
3	Manpower Cost		Nos	Monthly				For Yr (in lakh)	
	a) Supervisor	1		20000				2.40	Per Yr
	b) Clerk / Cashier	1		12000				1.44	Per Yr
	Total - Fixed Manpower Cost							3.84	
	c) Skilled Workers	2		12000				2.88	
	d) Unskilled Workers	5		10000				6.00	
	Total - Fixed Manpower Cost							8.88	
	Total Manpower Cost							12.72	
4	Utilities								
	a) Electricity Charges	25	units/day	@ Rs.	10	250.00	pe day	0.75	Per Yr
	b) DG Running Cost	5	Its diesel/d	@ Rs.	75	375.00	pe day	1.13	Per Yr
	c) Water	3000	KL/day	@ Rs.	0.1	300.00	pe day	0.90	Per Yr
	Total Utility Cost							2.78	
5	Interest on term loan							10.35%	Per Yr
6	Other Fixed Expenses								
	a) Postage & Stationaery	Rs	500	per				0.06	Per Yr
				month					
	b) Telephone charges	Rs	1000	per				0.12	Per Yr
				month					
	c) Repair & Maintance	2%	of the	Investement - ie				0.24	Per Yr
	d) Insurance	0.50%	of the	Investement - ie				0.06	Per Yr
	Total - Other Fixed Exp							0.48	

7	Other Variable Expenses						
	a) Consumables	Rs	20000	per month	(colour,paper, hard boards etc)	2.40	Per Yr
	b) Sales Expenses	Rs	10000	per month		1.20	Per Yr
	c) Transport	Rs	15000	per month		1.80	Per Yr
	d) Rent for store	Rs	10000	per month		1.20	Per Yr
	Total - Other Variable Exp					6.60	
8	Income	450000	bricks/Yr	@ Rs	13	Annual turnover	58.50
9	PROJECT COST						
	Particulars					Cost	
1	Land	400 SM@	Rs500/-	per sq mtr		2.00	
2	Civil Works						
	a) Office/Store	50 SM @	Rs 2000	per sq mtr		1.00	
	b) Working shed	150 SM @	Rs 1500/-	per sq mtr		2.25	
	Total Civil Works					3.25	
3	Machinery						
	a) concrete block making machine capacity	Hydrolically operated concrete block making machine capacity 1500 blocks per shift with latest specification				3.00	
	b) Concrete mixer	Concrete mixer capacity 10 ctf/7 ctf with 3 HP Motor				0.90	
	c) Electric Generator	10 HP				0.30	
	d) Submercible Water Pump	Head 6- 24 metres - Capacity 17.4 -1.1 LPS -				0.17	
	e) Colour Mixer	Paver Block Color Mixer, Capacity: 300 Kg				0.75	
	f) Mould tools & other equipments					0.60	
	g) Erection cost					0.60	
	Total Machinery					6.32	
4	Pre-operatives					0.50	
	TOTAL					12.07	

PROFITABILITY ANALYSIS									
	Capacity Utilization	80%	85%	90%	90%	90%	90%	90%	90%
SN	Particulars	1st Yr.	2nd Yr.	3rd Yr.	4th Yr.	5th Yr.	6th Yr.	7th Yr.	8th Yr.
	Investments	12.07							
1	Expected Income	46.80	52.21	58.05	60.95	64.00	67.20	70.56	74.08
2	Expenses								
a)	Fixed Expenses	4.32	4.32	4.32	4.32	4.32	4.32	4.32	4.32
b)	Variable Expenses (Raw material, labour, other variables)	40.62	45.32	50.38	52.90	55.55	58.32	61.24	64.30
c)	Interest	0.62	0.62	0.54	0.45	0.36	0.27	0.18	0.09
	Total Expenses	45.57	50.26	55.24	57.67	60.22	62.91	65.74	68.71
3	Depreciation								
	i) Civil Works (5%)	0.163	0.154	0.147	0.139	0.132	0.126	0.119	0.113
	ii) Machinery (15%)	0.947	0.805	0.684	0.582	0.494	0.420	0.357	0.304
	Total Depreciaton	1.11	0.96	0.83	0.72	0.63	0.55	0.48	0.42
4	Total Expenses + Depre	46.68	51.22	56.07	58.39	60.85	63.46	66.22	69.13
5	Net Surplus(1 - 4)	0.12	0.99	1.98	2.56	3.15	3.74	4.34	4.95
6	Loan Repayment (in 7 Yrs)	0.00	0.86	0.86	0.86	0.86	0.86	0.86	0.86
7	Loan Balance	6.03	5.17	4.31	3.45	2.59	1.72	0.86	0.00
8	Accruels (5-6)	0.12	0.13	1.12	1.70	2.28	2.88	3.48	4.09
9	DSCR (5+3+2c)/(2c+6)	2.98	1.73	2.39	2.85	3.39	4.03	4.80	5.74
10	Average DSCR	3.49							
11	Net Cash Flow for IRR (3+2d+2c-Investment)	-10.21	2.57	3.34	3.73	4.13	4.55	5.00	5.46
12	IRR	30%							
	ICR	1.199	2.584	4.695	6.740	9.817	14.970	25.330	56.551
	Av. ICR	15.24							
	Break-Even	80%	72%	63%	59%	55%	52%	48%	45%
	Av. BE	59%							

Annexure 5

Profitability / Cash Flow for Tourism Project

(Rs in lakh)

Sl.No	Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year
	Occupancy	50%	60%	65%	70%	75%	75%	75%	75%
A	Total Investement	₹ 389.50							
B.	Income								
1	VILLA TYPE-1	63.88	80.48	91.55	103.52	116.46	122.28	128.40	134.82
2	VILLA TYPE-2	54.75	68.99	78.47	88.73	99.82	104.81	110.06	115.56
3	Rooms - Type-3	54.75	68.99	78.47	88.73	99.82	104.81	110.06	115.56
4	Conference Hall	25.00	31.50	34.13	36.75	39.38	39.38	39.38	39.38
	Total-A	198.38	249.95	282.61	317.73	355.48	371.29	387.88	405.31
C.	Operational Cost (Variable Cost)								
1	Manpower (Vaiable)	9.31	11.73	13.34	15.08	16.97	17.82	18.71	19.64
2	Electricity Charges	1.21	1.46	1.58	1.70	1.82	1.82	1.82	1.82
3	Consumables	0.30	0.36	0.39	0.42	0.45	0.45	0.45	0.45
4	Food items	103.48	130.38	148.31	167.70	188.67	198.10	208.00	218.40
	Total Variable Cost	114.30	143.92	163.61	184.90	207.90	218.18	228.98	240.32
D.	Contribution (B-C)	84.08	106.03	119.00	132.83	147.58	153.10	158.90	164.99
E.	Fixed Expenses								
1	Manpower - Administriative Staff	7.92	8.32	8.73	9.17	9.63	10.11	10.61	11.14
2	License fee / Tax to Local Body	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
3	Other Admn. /Overhead expenses	0.60	0.63	0.66	0.69	0.73	0.77	0.80	0.84
4	Repairs & Maintenance	0.97	1.0	1.1	1.1	1.2	1.2	1.3	1.4
5	Interest on Term Loan	19.96	17.47	14.97	12.48	9.98	7.49	4.99	2.50
6	Depreciation on fixed assets	40.46	40.01	38.87	37.81	36.91	36.18	35.57	35.08
	Total Expenses-Fixed	70.42	67.94	64.81	61.77	58.93	56.28	53.79	51.44
F.	Profit Before Tax	13.66	38.09	54.19	71.06	88.65	96.83	105.12	113.56
G.	Income Tax due @30%	4.10	11.43	16.26	21.32	26.59	29.05	31.54	34.07
H.	Net Profit after Tax	9.56	26.66	37.93	49.74	62.05	67.78	73.58	79.49
I.	Loan Repayment								

J.	Loan Instalment	24.34	24.34	24.34	24.34	24.34	24.34	24.34	24.34
K.	Loan Balance	170.41	146.06	121.72	97.38	73.03	48.69	24.34	0.00
L.	DSCR (H+E6+E5)/(E5+J)	1.58	2.01	2.33	2.72	3.17	3.50	3.89	4.36
M.	Average DSCR	2.95							
N.	Salvage Value								344.38
O.	Net Cash Flow for IRR (H+E6+E5-Investment+Salvage value)	-319.51	84.14	91.78	100.02	108.95	111.44	114.15	461.45
P.	IRR	31%							
Q.	ICR	1.48	2.53	3.53	4.99	7.22	10.05	15.74	32.86
R.	Av. ICR	9.80							
S.	Break-Even (F- Exp /Contribution)	84%	64%	54%	47%	40%	37%	34%	31%
T.	Av. BE	49%							