

PROJECT REPORT

Of

BAMBOO SHOOT PICKLE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Bamboo Shoot Pickle unit.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : xxxxxxxxxxx
- 2 Constitution (legal Status) : xxxxxxxxxxx
- 3 Father / Spouse Name : xxxxxxxxxxx
- 4 Unit Address : xxxxxxxxxxxxxxxxxxxxxxxx
- District : xxxxxxxx
- Pin: xxxxxxxx State: xxxxx
- Mobile xxxxxxxx
- 5 Product and By Product : **BAMBOO SHOOT PICKLE**
- 6 Name of the project / business activity proposed : **BAMBOO SHOOT PICKLE UNIT**
- 7 Cost of Project : Rs.15.9 Lakhs
- 8 Means of Finance
- Term Loan Rs.8.55 Lakhs
- Own Capital Rs.1.59 Lakhs
- Working Capital Rs.5.76 Lakhs
- 9 Debt Service Coverage Ratio : 3.04
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 5-6 Months
- 12 Break Even Point : 38%
- 13 Employment : 18 Persons
- 14 Power Requirement : 22.00 HP
- 15 Major Raw materials : Bamboo shoots, King Chilli, Mustard Oil, Cumin Seeds, Carom Seeds, White mustard seed powder, Acetic Acid, Citric Acid, Salt, Preservatives & other spices.
- 16 Estimated Annual Sales Turnover (Max Capacity) : 160.47 Lakhs
- 17 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lakhs)

Particulars	Amount
Land	Own/Rented
Plant & Machinery	8.30
Furniture & Fixtures	1.20
Working Capital	6.40
Total	15.90

MEANS OF FINANCE

Particulars	Amount
Own Contribution	1.59
Working Capital(Finance)	5.76
Term Loan	8.55
Total	15.90

BAMBOO SHOOT PICKLE UNIT

Introduction:

One popular use of bamboo is the use of young shoots as food. Bamboo shoots are edible when bamboo plants have just come out of the ground. They are low in fat and calories but high in fiber with around 90% water. New shoots with short shelf life have a crisp and sweet taste. And they've got to be sold immediately. The peak time of availability is from June to October. The shoots are typically harvested when they reach a height of 15-16 cm. Bamboo shoot is eaten either raw or refined because of its exotic flavor and taste. Nutritious and active products, such as vitamins, Amino acids, and antioxidants, such as flavones, phenols, and steroids, are present in bamboo shoots. They are used in pharmaceuticals and food industry. Being a lesser-known food commodity, the processing of bamboo shoots has the potential to be established as a creative and promising entrant. Bamboo shoots are the tender, two-week-old shoots of the bamboo plant harvested until they exceed a height of one foot. They're most often seen canned and ready to eat, but new shoots must be cooked first. Fresh bamboo shoots are divided into two types: those harvested in the spring, which are harder, and those harvested in the winter, which are much more tender and considered a delicacy. The shoots are crisp and tender when pickled, similar to asparagus, and although bitter when fresh, they have a moderate, almost grassy taste that is vaguely reminiscent of corn when fried.



Uses & Market Potential:

One of the most popular traditional foods consumed by the people of North-East India is fermented bamboo shoot. Bamboo shoots are an important feature of many of the region's ethnic cuisines. Soibum, soidon, soijim, bastangapani, mesu, eup, ekhung, and herring are some fermented shoot products popular among the locals. The natural fermentation process is used to make fermented bamboo shoots, with various lactic acid bacteria playing a key role in imparting flavour, taste, and aroma to the food.

The North East region is the largest producer of bamboo in India has a bright prospect for the bamboo shoot industry, but presently bamboo shoot production is predominantly for fulfilling the local needs only. The global market size of bamboo was estimated at USD 68.8 billion in 2018 and is expected to rise to a CAGR of 5.0 percent from 2019 to 2025. The awareness of the uses and benefits of bamboo is expected to drive market growth over the forecast period.

Product:

Bamboo Shoot Pickle

Raw Material:

1. Bamboo shoots
2. King Chilli
3. Mustard Oil
4. Cumin seeds
5. Carom seeds
6. White mustard seed powder

7. Acetic Acid
8. Citric Acid
9. Salt
10. Preservative & Other Spices

Manufacturing Process:



Area:

The industrial setup requires space for Inventory, workshop or manufacturing area, space for power supply utilities and polishing area. Also, some of the area of building is required for office staff facilities, office furniture, etc. Thus, the approximate total area required for complete industrial setup is 1500-2000Sqft.

Cost of Machines:

Machine	Unit	Rate	Price
Slicing Machine	1	70000	70000
Grinder and Mixer Machine	2	30000	60000
Heating kettle	1	80000	80000
Burner Stove	2	40000	80000
Pickle Filling Machine	1	180000	180000
Cap Sealing Machine	1	120000	120000
Material handling and other equipment's (Bins, trolley, conveyor, silos, weighing machine, bucket elevator etc.)	-	240000	240000
Total Amount			830000

Power Requirement- The estimated Power requirement is taken at 22 HP

Manpower Requirement— Following manpower is required:

- Machine operator-5
- Skilled/unskilled worker-4
- Helper-6
- Manager cum Accountant-1
- Sales Personnel-2

FINANCIALS

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	I	II	III	IV	V
<u>A) SALES</u>					
Gross Sale	92.22	110.16	126.03	142.62	160.47
Total (A)	92.22	110.16	126.03	142.62	160.47
<u>B) COST OF SALES</u>					
Raw Material Consumed	54.00	61.97	70.20	78.71	87.48
Electricity Expenses	1.97	2.22	2.46	2.71	2.95
Repair & Maintenance	2.31	2.75	3.15	3.57	4.01
Labour & Wages	21.17	24.98	28.97	33.32	37.99
Depreciation	1.37	1.17	1.00	0.85	0.73
Cost of Production	80.81	93.08	105.78	119.15	133.16
Add: Opening Stock /WIP	-	2.69	3.10	3.53	3.97
Less: Closing Stock /WIP	2.69	3.10	3.53	3.97	4.44
Cost of Sales (B)	78.11	92.67	105.36	118.71	132.69
C) GROSS PROFIT (A-B)	14.11	17.49	20.67	23.92	27.78
	15.30%	15.87%	16.40%	16.77%	17.31%
D) Bank Interest i) (Term Loan)	0.93	0.76	0.55	0.34	0.13
ii) Interest On Working Capital	0.63	0.63	0.63	0.63	0.63
E) Salary to Staff	7.31	8.40	9.66	10.63	11.69
F) Selling & Adm Expenses Exp.	1.84	3.30	4.41	5.70	7.22
G) TOTAL (D+E+F)	10.71	13.10	15.26	17.31	19.68
H) NET PROFIT	3.39	4.38	5.41	6.61	8.10
	3.7%	4.0%	4.3%	4.6%	5.0%
I) Taxation	-	-	0.22	0.46	0.77
J) PROFIT (After Tax)	3.39	4.38	5.19	6.14	7.32

PROJECTED CASH FLOW STATEMENT

PARTICULARS	I	II	III	IV	V
<u>SOURCES OF FUND</u>					
Own Contribution	1.59	-	-	-	-
Reserve & Surplus	3.39	4.38	5.41	6.61	8.10
Depreciation & Exp. W/off	1.37	1.17	1.00	0.85	0.73
Increase In Cash Credit	5.76	-	-	-	-
Increase In Term Loan	8.55	-	-	-	-
Increase in Creditors	2.70	0.40	0.41	0.43	0.44
TOTAL :	23.36	5.95	6.82	7.88	9.27
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	9.50	-	-	-	-
Increase in Stock	4.49	0.67	0.70	0.73	0.76
Increase in Debtors	4.61	0.90	0.79	0.83	0.89
Repayment of Term Loan	0.95	1.90	1.90	1.90	1.90
Taxation	-	-	0.22	0.46	0.77
Drawings	2.80	3.10	3.30	4.00	4.50
TOTAL :	22.35	6.57	6.91	7.92	8.83
Opening Cash & Bank Balance	-	1.01	0.38	0.30	0.26
Add : Surplus	1.01	- 0.62	- 0.09	- 0.04	0.44
Closing Cash & Bank Balance	1.01	0.38	0.30	0.26	0.70

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	I	II	III	IV	V
<u>Finished Goods</u>					
(10 Days requirement)	2.69	3.10	3.53	3.97	4.44
<u>Raw Material</u>					
(10 Days requirement)	1.80	2.07	2.34	2.62	2.92
Closing Stock	4.49	5.17	5.87	6.60	7.35

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars	Amount	Margin(10%)	Net Amount
Stock in Hand	4.49		
Less:			
Sundry Creditors	2.70		
Paid Stock	1.79	0.18	1.61
Sundry Debtors	4.61	0.46	4.15
Working Capital Requirement			5.76
Margin			0.64
MPBF			5.76
Working Capital Demand			5.76

REPAYMENT SCHEDULE OF TERM LOAN

11.0%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
I	Opening Balance						
	Ist Quarter	-	8.55	8.55	0.24	-	8.55
	Iind Quarter	8.55	-	8.55	0.24	-	8.55
	IIIrd Quarter	8.55	-	8.55	0.24	0.48	8.08
	Ivth Quarter	8.08	-	8.08	0.22	0.48	7.60
					0.93	0.95	
II	Opening Balance						
	Ist Quarter	7.60	-	7.60	0.21	0.48	7.13
	Iind Quarter	7.13	-	7.13	0.20	0.48	6.65
	IIIrd Quarter	6.65	-	6.65	0.18	0.48	6.18
	Ivth Quarter	6.18		6.18	0.17	0.48	5.70
					0.76	1.90	
III	Opening Balance						
	Ist Quarter	5.70	-	5.70	0.16	0.48	5.23
	Iind Quarter	5.23	-	5.23	0.14	0.48	4.75
	IIIrd Quarter	4.75	-	4.75	0.13	0.48	4.28
	Ivth Quarter	4.28		4.28	0.12	0.48	3.80
					0.55	1.90	
IV	Opening Balance						
	Ist Quarter	3.80	-	3.80	0.10	0.48	3.33
	Iind Quarter	3.33	-	3.33	0.09	0.48	2.85
	IIIrd Quarter	2.85	-	2.85	0.08	0.48	2.38
	Ivth Quarter	2.38		2.38	0.07	0.48	1.90
					0.34	1.90	
V	Opening Balance						
	Ist Quarter	1.90	-	1.90	0.05	0.48	1.43
	Iind Quarter	1.43	-	1.43	0.04	0.48	0.95
	IIIrd Quarter	0.95	-	0.95	0.03	0.48	0.48
	Ivth Quarter	0.48		0.48	0.01	0.48	0.00
					0.13	1.90	

Door to Door Period 60 Months
Moratorium Period 6 Months
Repayment Period 54 Months

CALCULATION OF D.S.C.R

PARTICULARS	I	II	III	IV	V
<u>CASH ACCRUALS</u>	4.76	5.55	6.19	6.99	8.05
Interest on Term Loan	0.93	0.76	0.55	0.34	0.13
Total	5.68	6.31	6.74	7.33	8.18
<u>REPAYMENT</u>					
Repayment of Term Loan	0.95	1.90	1.90	1.90	1.90
Interest on Term Loan	0.93	0.76	0.55	0.34	0.13
Total	1.88	2.66	2.45	2.24	2.03
DEBT SERVICE COVERAGE RATIO	3.03	2.37	2.75	3.27	4.03
AVERAGE D.S.C.R.			3.04		

Assumptions:

1. Production Capacity of Bamboo Shoot Pickle unit is taken at 300 KG per day. First year, Capacity has been taken @ 40%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock and Finished goods closing stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 15 days.
5. Credit period by the Sundry Creditors has been provided for 15 days.
6. Depreciation and Income tax has been taken as per the Income tax Act,1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 22 HP.
10. Selling Prices & Raw material costing has been increased by 3% & 2% respectively in the subsequent years.

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