



MODEL PROJECT REPORT



PROJECT REPORT ON BAMBOO SHOOT PRODUCTS

SWAVALAMBI BHARAT ABHIYAN

BAMBOO SHOOT PICKLE AND CANNED BAMBOO SHOOT



INTRODUCTION

One extensive use of bamboo is the usage of young shoots as food. Bamboo shoots are the young, edible bamboo plants that have just emerged from the ground. Bamboo shoots are low in fat and calories but rich in fibre with about 90% water. Fresh shoots have a crisp and sweet flavour with limited shelf life and have to be sold immediately. The peak availability period is June to October. The shoots are usually harvested when they attain the height of 15-16 cm.

Bamboo shoot is consumed either raw or processed because of its exotic taste and flavour. Many nutritious and active materials-such as vitamins, amino acids and anti-oxidants such as flavones, phenols and steroids are present in the bamboo shoots. They are valuable in pharmaceutical and food processing industries and can be processed into beverages, medicines, additives or health foods.

Being a lesser-known food product, bamboo shoot processing has potential to be developed as an innovative and promising enterprise.

Considering the potential market opportunity of such units, the present detail project report has been developed. The main objective of such initiative is to productively utilize the abundantly available resources of the local area and to enable uninterrupted supply of the products to market throughout the year.

PROJECT DESCRIPTION

The proposed project is that of setting up of a Bamboo Shoot Processing unit at suitable location.

The key products of the proposed project are as follows;

- Bamboo Shoot Pickle
- Canned Bamboo Shoot

Bamboo shoots are gaining popularity among the people all over the world.

Despite huge scope of value addition, the preparation of various bamboo shoot based products is traditional, local and unorganized. This calls for development of appropriate technologies and enterprises for preservation of bamboo shoots in different forms. It will not only address the economic and ecological aspects related to bamboo but also the food security and nutritional concerns of the region.

The proposed project would procure the raw materials locally. After processing, the products would be supplied to the market through distributors/wholesalers/retailers.

MARKET PROSPECT

Bamboo shoots either processed or raw, have a high demand in the markets. There is a ready market as there are very few processing units whereas demand is increasing. Apart from individual households, processed bamboo shoots have very good demand from restaurants, caterers, other caterers etc. Product can be sold through provisional stores and super markets in consumer packs and to bulk buyers in large packing.

The NE region being the largest producer of bamboos in India has a bright prospect for bamboo shoot industry but presently bamboo shoot production is predominantly for fulfilling the local needs only.

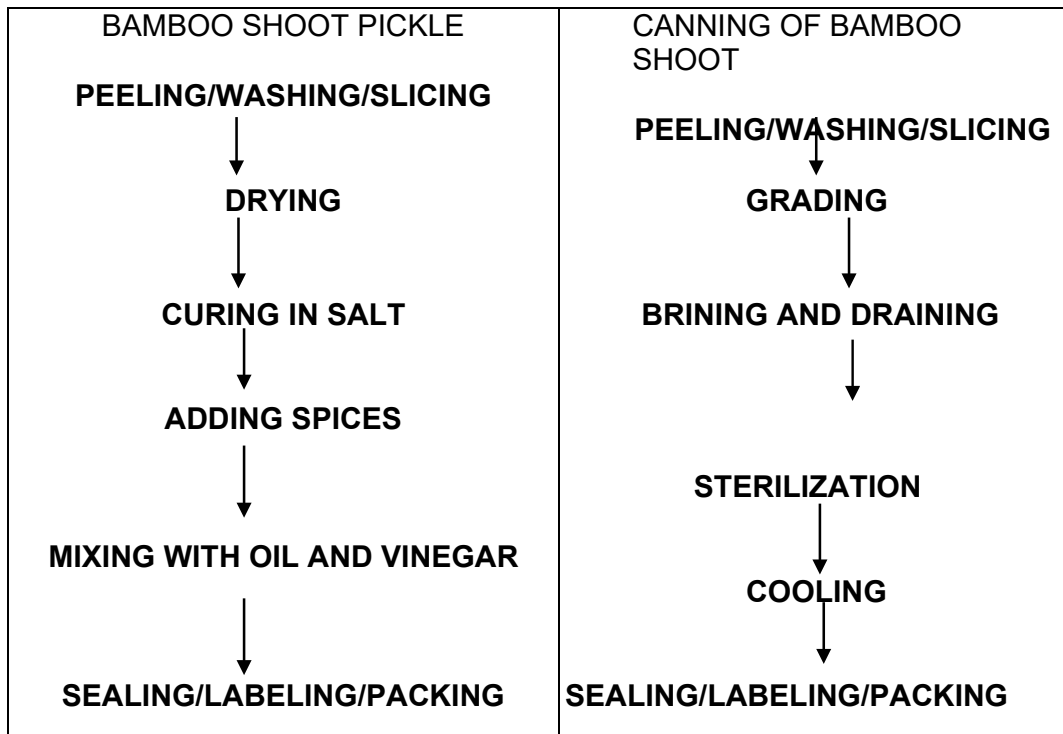
The local bamboo shoot industry if properly established will not only help in socioeconomic upliftment of the region but also generate huge income for the country. But effective marketing strategies should be formulated to extract maximum profits by making bamboo shoot products available to many potential customers within and outside the country.

The proposed business may utilise media such as broadcast, newspapers and also social network platforms at certain interval of time to introduce the products and also attract more customers. Placement of the product at strategic outlets and publicity in local media would boost sales. It may also carry door to door services in the initial years to introduce the product and attract more customers.

Marketing plan of the proposed project may include good quality maintenance, promotional campaign like offering special discounts, referrals, advertisement and tying up with buying houses.

TECHNOLOGICAL PROCESS

The process flow diagram is as follows:



Bamboo Shoot Pickle: Bamboo shoots Pickle processing starts with thorough washing followed by peeling off the skin, shredding, slicing and cutting into small pieces. Next, they are boiled for about 10 min to remove bitterness and unwanted matter. This is followed by storing in brine solution with 5% salt and 1% citric acid. After that, necessary ingredients and oil are added and mixed thoroughly before packaging in suitable jars. The process flow diagram is as follows:

Canning of Bamboo Shoot: High moisture content of bamboo shoots makes them prone to growth of undesirable micro-organisms. Process of canning is effective in abating rancidity and preventing the growth of micro-organisms in bamboo shoots, thus preventing the products for a longer period of time. Fresh bamboo shoots are cut from head and tail. After chopping, slicing and grading, the bamboo shoots are boiled, drained and canned. Salt solution is added to the cans and is kept to evaporate. Cans are sealed and are processed through retort at a temperature of 100-1230-degree C. After cooling of cans, labelling and packing is done.

QUALITY CONTROL AND STANDARDS

The Containers made of plastic materials should conform to the following Indian Standards Specification, used as appliances or receptacles for packing or storing whether partly or wholly, food articles namely;

- (i) IS : 10146 (Specification for Polyethylene in contact with foodstuffs);
- (ii) IS : 10142 (Specification for Styrene Polymers in contact with foodstuffs);
- (iii) IS : 10151 (Specification for Polyvinyl Chloride (PVC), in contact with foodstuffs);
- (iv) IS : 10910 (Specification for Polypropylene in contact with foodstuffs);
- (v) IS : 11434 (Specification for Ionomer Resins in contact with foodstuffs);

General packaging requirements for canned products;

- (i) All containers shall be securely packed and sealed.
- (ii) The exterior of the cans shall be free from major dents, rust, perforations and seam distortions and
- (iii) Cans shall be free from leaks.

FSSAI LICENSE: FSSAI License is issued by the Food Safety and Standards Authority of India (FSSAI), Ministry of Family Health & Welfare, Government of India. Application to commence a food business must be made to the FSSAI in the prescribed format. Based on the application and supporting documents, FSSAI will accord approval. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations 2011 introduced to improve the hygiene and quality of food has brought about tremendous changes in the food industry. As per the Act, no person shall commence or

carry on any food business except under a FSSAI license or FSSAI registration. Therefore, any food manufacturing or processing or packaging or distributing entity is now required to obtain a FSSAI License or Registration.

POLLUTION CONTROL: There is no major pollution problem associated with this industry except for disposal of waste which should be managed appropriately. However, waste water resulting from washing of ginger & lime treated ginger water may be safely dispersed over a large area of land for irrigation purpose. The promoter is advised to take "No Objection Certificate" from the State Pollution Control Board.

EFFLUENT DISPOSAL: Disposal of any effluent out of the project unit should be treated with recycling facility or dumped in such a way that these does not cause hazard in the vicinity of the site.

ENERGY CONSERVATION: Proper care should be taken in running the machineries and equipment to avoid over run and high electricity consumption. The machineries selected for the plant should be most energy efficient for economical production.

CONSUMABLES. POWER AND UTILITY

The major consumables required are as follows;

1. Raw Bamboo Shoot
2. Ingredients like Salt, Mustard Seed, Mustard Oil, Spices, Vinegar and Preservatives.
3. Packaging Materials

POWER:

The total requirement of power for the project is 15 KW.

UTILITY:

WATER: Constant flow of water would be necessary in the operation of the plant. Water would be obtained from bore well and can be stored in an overhead tank, from where it will be supplied to the required areas. Process water should be free of mud and suspended particles. It should be available at a pressure of 3 Kg/sq.cm.

OTHER UTILITIES: Other utilities includes LPG cylinders and fuel those should be locally available

INSTALLED CAPACITY

In assessing the proposed plant capacity, due consideration has been given to technological and financial factors, marketing considerations, availability of consumables, infrastructure facilities and economic viability. The detailed requirement of the plant and machineries to achieve the plant capacity is assessed by the unit technician. While arriving at the requirement of various type of equipment and machinery required for the unit, due considerations has been given to the following points.

- a) Minimum Wastage
- b) High Productivity
- c) Maximum flexibility in operation
- d) Adequate stock by provision wherever necessary

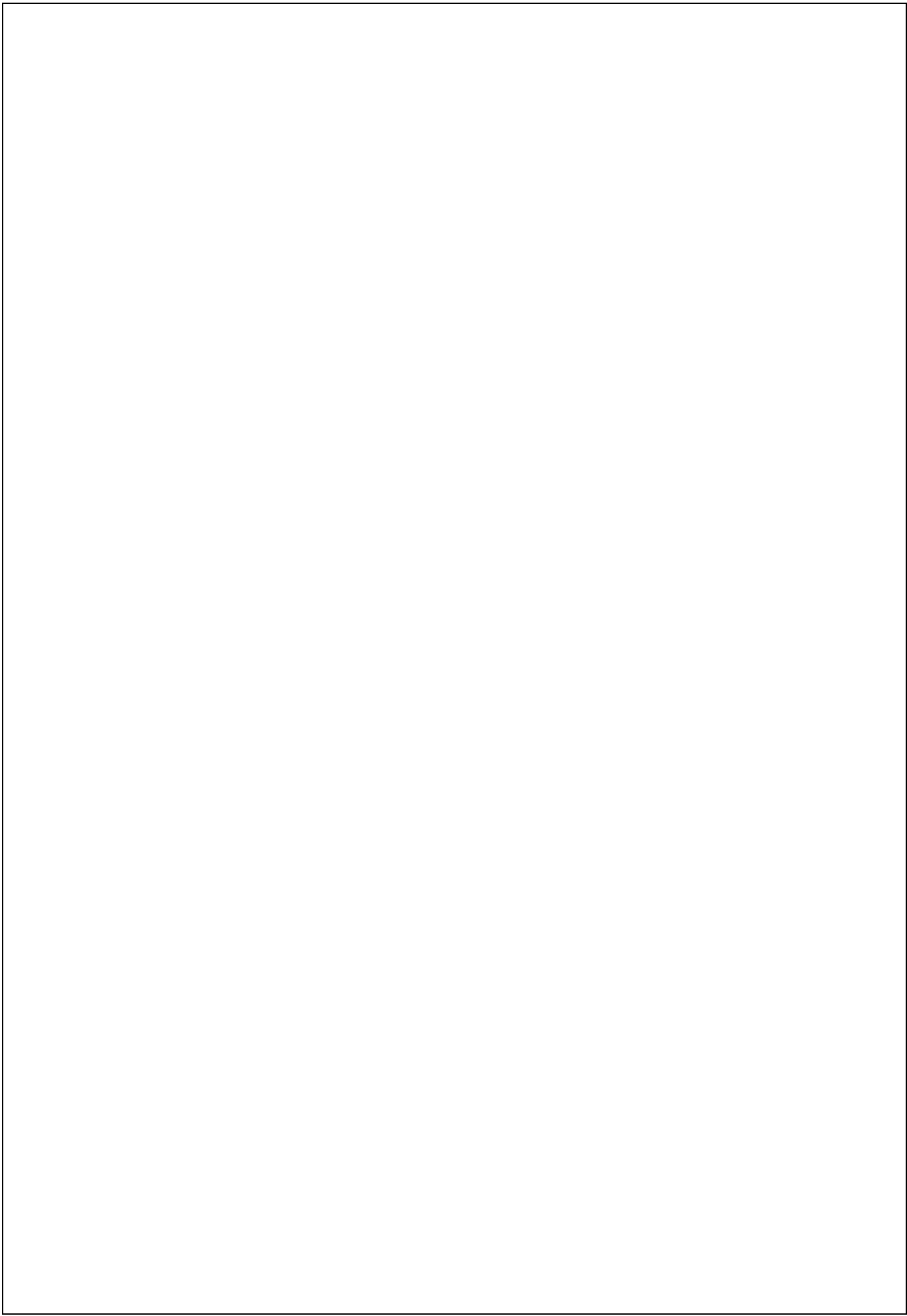
The installed production capacity of the unit per annum is as follows;

Bamboo Shoot Pickle	-	100 Ton
Canned Bamboo Shoot	-	150 Ton

For the purpose of carrying out this economic viability of the proposed project, it is assumed that the plant will operate at following efficiencies during the first 5(Five) years.@50% In first year with increase of 10% PA and so on.

BASIS AND PRESUMPTIONS

- While deriving figures and projections in this Project report, following Basis and Presumptions have been made.
- The project is based on a single shift basis and 300 days of working schedule in a year, working for 8 hours a day, 25 days a month.
- The project cost and other projections etc. have been made on present market conditions and the sources available within our sources only and therefore it may vary on account of market fluctuations and with different suppliers and qualities.
- The cost of machinery and equipment/materials indicated refer to a particular make and the prices are approximate to these prevailing at the time of preparation of this report.
- Power rate is assumed at Rs.8.00 per unit and monthly fixed rental charges.
- Water would be made available through bore well facility at the project site.
- Manpower requirement for the project has been planned considering the size of the unit.
- Interest rates considered is 11.50% on term loan and Working capital loan for financial assistance.
- For repayment, a period of 5 years is planned with moratorium period of one year.
- Insurance charges have been considered Lump Sum.
- Repair and maintenance have been calculated at reasonably.
- Depreciation shown has been calculated on Straight Line Method.
- At the plant site, availability of unskilled labour is not a problem. Skilled and unskilled labour can be recruited for operating the plant. Initial training will be required for smooth and efficient running of the plant. It is felt that the skilled manpower available locally having some experience in operation can be recruited to satisfy the manpower need.
- Project would be set up at a site that is well connected by road and there is adequate supply of power and water.



PROJECT AT A GLANCE

- 1 Name of the Entrepreneur XXXXXXXX
- 2 Constitution (legal Status) : XXXXXXXX
- 3 Father's/Spouse's Name XXXXXXXX
- 4 Unit Address : XXXXXXXX
- Taluk/Block: XXXXX
District : XXXXX
Pin: XXXXX
E-Mail : XXXXX
Mobile XXXXX
- State:
- 5 Product and By Product : **Bamboo pickle and canned bamboo shoot**
- 6 Name of the project / business activity proposed : **Bamboo pickle and canned bamboo shoot**
- 7 Cost of Project : Rs20.00lac
- 8 Means of Finance
- | | |
|-------------------|------------------------------|
| Term Loan | Rs.12.63 Lacs |
| KVIC Margin Money | - As per Project Eligibility |
| Own Capital | Rs.2 Lacs |
| Working Capital | Rs.5.37 Lacs |
- 9 Debt Service Coverage Ratio : 4.37
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 8 Months
- 12 Break Even Point : 25%
- 13 Employment : 7 Persons
- 14 Power Requirement : 15.00 HP
- 15 Major Raw materials : Bamboo shoots
- 16 Estimated Annual Sales Turnover : 91.20 Lacs

16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)	
Particulars	Amount
Land	Leased/Owned
Building & Civil Work (2000Sq Ft)	5.00
Plant & Machinery	7.55
Furniture & Fixtures	0.73
Pre-operative Expenses	0.75
Working Capital Requirement	5.97
Total	20.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.00
Term Loan	12.63
Working Capital Finance	5.37
Total	20.00

	General	Special
Beneficiary's Margin Monery	10%	5%
(% of Project Cost)		

PLANT & MACHINERY

	PARTICULARS	QTY.	RATE	AMOUNT IN RS.
1	Washing Tanks of 1000 Litre Capacity	2		
2	Slicing Machine	1		
3	Boiler with accessories	1		
5	Mixer/Grinder	2		
6	Bottle Washing and Filling Machine	1		
7	Cap Sealing Machine	1		
8	Automatic Form Fill and Sealing Machine	1		
9	Burner Stove	1		650,000.00
10	SS Utensils, Weighing Scales, Hand Gloves, Miscellaneous Tools and Equipment	LS		80,000.00
11	Testing Equipment	LS		25,000.00
	Total			755,000.00

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.00	2.00	2.00	2.00	2.00
Retained Profit	7.53	17.58	30.94	47.49	67.11
Term Loan	12.63	9.47	6.31	3.16	0.48
Cash Credit	5.37	5.37	5.37	5.37	5.37
Sundry Creditors	3.43	4.11	4.80	5.48	6.17
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	31.32	38.93	49.85	63.98	81.65
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	13.28	13.28	13.28	13.28	13.28
Gross Dep.	1.67	3.15	4.44	5.55	6.52
Net Fixed Assets	11.61	10.13	8.84	7.73	6.76
Current Assets					
Sundry Debtors	2.13	2.67	3.11	3.56	4.01
Stock in Hand	7.27	8.72	10.17	11.62	13.08
Cash and Bank	7.81	14.67	24.70	37.74	54.14
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	31.32	38.93	49.85	63.98	81.65
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	91.20	114.24	133.44	152.64	171.84
Total (A)	91.20	114.24	133.44	152.64	171.84
B) COST OF SALES					
Raw Mateiral Consumed	68.50	82.20	95.90	109.60	123.30
Elecricity Expenses	1.07	1.29	1.50	1.72	1.93
Repair & Maintenance	-	1.14	1.33	1.53	1.72
Labour & Wages	5.54	6.10	6.71	7.38	8.12
Depreciation	1.67	1.48	1.29	1.12	0.97
Consumables and Other Expenses	2.74	3.43	4.00	4.58	5.16
Cost of Production	79.52	95.64	110.74	125.92	141.19
Add: Opening Stock /WIP	-	3.84	4.61	5.38	6.14
Less: Closing Stock /WIP	3.84	4.61	5.38	6.14	6.91
Cost of Sales (B)	75.68	94.87	109.97	125.15	140.43
C) GROSS PROFIT (A-B)	15.52	19.37	23.47	27.49	31.41
	17%	17%	18%	18%	18%
D) Bank Interest (Term Loan)	1.09	1.32	0.95	0.59	0.23
Bank Interest (C.C. Limit)	0.54	0.54	0.54	0.54	0.54
E) Salary to Staff	3.70	4.07	4.47	4.92	5.41
F) Selling & Adm Expenses Exp.	1.82	2.28	2.67	3.05	3.44
TOTAL (D+E)	7.15	8.20	8.63	9.10	9.62
H) NET PROFIT	8.37	11.17	14.84	18.39	21.80
I) Taxation	0.84	1.12	1.48	1.84	2.18
J) PROFIT (After Tax)	7.53	10.05	13.36	16.55	19.62

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.00	-			
Reserve & Surplus	8.37	11.17	14.84	18.39	21.80
Depriciation & Exp. W/off	1.67	1.48	1.29	1.12	0.97
Increase in Cash Credit	5.37	-	-	-	-
Increase In Term Loan	12.63	-	-	-	-
Increase in Creditors	3.43	0.69	0.69	0.69	0.69
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	33.82	13.37	16.85	20.23	23.50
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.28	-	-	-	-
Increase in Stock	7.27	1.45	1.45	1.45	1.45
Increase in Debtors	2.13	0.54	0.45	0.45	0.45
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.16	3.16	3.16	2.68
Taxation	0.84	1.12	1.48	1.84	2.18
TOTAL :	26.01	6.51	6.82	7.20	7.09
Opening Cash & Bank Balance	-	7.81	14.67	24.70	37.74
Add : Surplus	7.81	6.85	10.03	13.03	16.41
Closing Cash & Bank Balance	7.81	14.67	24.70	37.74	54.14

COMPUTATION OF MANUFACTURING OF BAMBOO SHOOT PROCESSING**Items to be Manufactured****BAMBOO SHOOT PROCESSING**

Manufacturing Capacity per day	-		1.00	MT
	-			
No. of Working Hour			8	
No of Working Days per month			30	days
No. of Working Day per annum			240	days
Total Production per Annum			240.00	MT
Year			Capacity	MT
			Utilisation	
IST YEAR			50%	120
IIND YEAR			60%	144
IIIRD YEAR			70%	168
IVTH YEAR			80%	192
VTH YEAR			90%	216

COMPUTATION OF RAW MATERIAL

Item Name			Quantity of	Recovery	Unit Rate of	Total Cost
			Raw Material		/MT	Per Annum
			MT			
Fresh Bamboo Shoots		100%	240.00	100%	55,000.00	132.00
Preservatives and spices						5.00

Total
(Rounded off in 137.00

Annual Consumption cost (In Lacs) 137.00

Raw Material Consumed(Grapes)	Capacity Utilisation	Rs lac
IST YEAR	50%	68.50
IIND YEAR	60%	82.20
IIIRD YEAR	70%	95.90
IVTH YEAR	80%	109.60
VTH YEAR	90%	123.30

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Finished Goods</u>					
(15 Days requirement)	3.84	4.61	5.38	6.14	6.91
<u>Raw Material</u>					
(15Days requirement)	3.43	4.11	4.80	5.48	6.17
Closing Stock	7.27	8.72	10.17	11.62	13.08

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			7.27
Sundry Debtors			2.13
		Total	9.39
Sundry Creditors			3.43
Working Capital Requirement			5.97
Margin			0.60
Working Capital Finance			5.37

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		9,000.00	2	18,000.00
Unskilled Worker		6,000.00	4	24,000.00
				42,000.00
Add: 10% Fringe Benefit				4,200.00
Total Labour Cost Per Month				46,200.00
Total Labour Cost for the year (In Rs. Lakhs)			5.00	5.54

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Accountant		8,000.00	1	8,000.00
Sales		10,000.00	2	20,000.00
Total Salary Per Month				28,000.00
Add: 10% Fringe Benefit				2,800.00
Total Salary for the month				30,800.00
Total Salary for the year (In Rs. Lakhs)			2.00	3.70

COMPUTATION OF DEPRECIATION

Description	Land	Building/ shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	5.00	7.55	0.73	13.28
	-	5.00	7.55	0.73	13.28
Less : Depreciation	-	0.50	1.13	0.04	1.67
WDV at end of Ist year	-	4.50	6.42	0.69	11.61
Additions During The Year	-	-	-	-	-
	-	4.50	6.42	0.69	11.61
Less : Depreciation	-	0.45	0.96	0.07	1.48
WDV at end of IIInd Year	-	4.05	5.45	0.62	10.13
Additions During The Year	-	-	-	-	-
	-	4.05	5.45	0.62	10.13
Less : Depreciation	-	0.41	0.82	0.06	1.29
WDV at end of IIIrd year	-	3.65	4.64	0.56	8.84
Additions During The Year	-	-	-	-	-
	-	3.65	4.64	0.56	8.84
Less : Depreciation	-	0.36	0.70	0.06	1.12
WDV at end of IV year	-	3.28	3.94	0.51	7.73
Additions During The Year	-	-	-	-	-
	-	3.28	3.94	0.51	7.73
Less : Depreciation	-	0.33	0.59	0.05	0.97
WDV at end of Vth year	-	2.95	3.35	0.46	6.76

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	12.63	12.63	-	-	12.63
	IInd Quarter	12.63	-	12.63	0.36	-	12.63
	IIIRD Quarter	12.63	-	12.63	0.36	-	12.63
	Ivth Quarter	12.63	-	12.63	0.36	-	12.63
					1.09	-	
IIND YEAR	Opening Balance						
	Ist Quarter	12.63	-	12.63	0.36	0.79	11.84
	IInd Quarter	11.84	-	11.84	0.34	0.79	11.05
	IIIRD Quarter	11.05	-	11.05	0.32	0.79	10.26
	Ivth Quarter	10.26		10.26	0.29	0.79	9.47
					1.32	3.16	
IIIRD YEAR	Opening Balance						
	Ist Quarter	9.47	-	9.47	0.27	0.79	8.68
	IInd Quarter	8.68	-	8.68	0.25	0.79	7.89
	IIIRD Quarter	7.89	-	7.89	0.23	0.79	7.10
	Ivth Quarter	7.10		7.10	0.20	0.79	6.31
					0.95	3.16	
IVTH YEAR	Opening Balance						
	Ist Quarter	6.31	-	6.31	0.18	0.79	5.52
	IInd Quarter	5.52	-	5.52	0.16	0.79	4.74
	IIIRD Quarter	4.74	-	4.74	0.14	0.79	3.95
	Ivth Quarter	3.95		3.95	0.11	0.79	3.16
					0.59	3.16	
VTH YEAR	Opening Balance						
	Ist Quarter	3.16	-	3.16	0.09	0.79	2.37
	IInd Quarter	2.37	-	2.37	0.07	0.79	1.58
	IIIRD Quarter	1.58	-	1.58	0.05	0.55	1.03
	Ivth Quarter	1.03		1.03	0.03	0.55	0.48
					0.23	2.68	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	9.20	11.53	14.64	17.67	20.59
Interest on Term Loan	1.09	1.32	0.95	0.59	0.23
Total	10.29	12.85	15.60	18.26	20.82
<u>REPAYMENT</u>					
Instalment of Term Loan	3.16	3.16	3.16	2.68	2.68
Interest on Term Loan	1.09	1.32	0.95	0.59	0.23
Total	4.25	4.47	4.11	3.27	2.91
DEBT SERVICE COVERAGE RATIO	2.42	2.87	3.79	5.59	7.15
AVERAGE D.S.C.R.			4.37		

COMPUTATION OF SALE

Particulars		IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock		-	6.00	7.20	8.40	9.60
Production		120.00	144.00	168.00	192.00	216.00
		120.00	150.00	175.20	200.40	225.60
Less : Closing Stock		6.00	7.20	8.40	9.60	10.80
Net Sale		114.00	142.80	166.80	190.80	214.80
Average Sale Price per MT(bamboo pickle and canned)		80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
Sale (in Lacs)		91.20	114.24	133.44	152.64	171.84

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day	Hours	8	
Electric Load Required	HP	15	
Load Factor		0.7460	
Electricity Charges	per unit	8.00	
Total Working Days		300	
Electricity Charges (8 Hrs Per day)			214,848.00

Add : Minimim Charges (@ 10%)

(B) D.G. SET

No. of Working Days		300	days
No of Working Hours		-	Hour per day
Total no of Hour		-	
Diesel Consumption per Hour		8	
Total Consumption of Diesel		-	
Cost of Diesel		65.00	Rs. /Ltr
Total cost of Diesel		-	
Add : Lube Cost @15%		-	
Total		-	
Total cost of Power & Fuel at 100%			2.15

Year	Capacity	Amount (in Lacs)
IST YEAR	50%	1.07
IIND YEAR	60%	1.29
IIIRD YEAR	70%	1.50
IVTH YEAR	80%	1.72
VTH YEAR	90%	1.93

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	91.20	114.24	133.44	152.64	171.84
Less : Op. WIP Goods	-	3.84	4.61	5.38	6.14
Add : Cl. WIP Goods	3.84	4.61	5.38	6.14	6.91
Total Sales	95.04	115.01	134.21	153.41	172.61
Variable & Semi Variable Exp.					
Raw Material & Tax	68.50	82.20	95.90	109.60	123.30
Electricity Exp/Coal Consumption at 85%	0.91	1.10	1.28	1.46	1.64
Manufacturing Expenses 80%	2.19	3.66	4.27	4.88	5.50
Wages & Salary at 60%	5.54	6.10	6.71	7.38	8.12
Selling & administrative Expenses 80%	1.46	1.83	2.14	2.44	2.75
Intt. On Working Capital Loan	0.54	0.54	0.54	0.54	0.54
Total Variable & Semi Variable Exp	79.14	95.41	110.83	126.30	141.85
Contribution	15.90	19.59	23.38	27.10	30.76
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.55	0.91	1.07	1.22	1.37
Electricity Exp/Coal Consumption at 15%	0.16	0.19	0.23	0.26	0.29
Wages & Salary at 40%	3.70	4.07	4.47	4.92	5.41
Interest on Term Loan	1.09	1.32	0.95	0.59	0.23
Depreciation	1.67	1.48	1.29	1.12	0.97
Selling & administrative Expenses 20%	0.36	0.46	0.53	0.61	0.69
Total Fixed Expenses	7.53	8.43	8.54	8.71	8.97
Capacity Utilization	50%	60%	70%	80%	90%
OPERATING PROFIT	8.37	11.17	14.84	18.39	21.80
BREAK EVEN POINT	24%	26%	26%	26%	26%
BREAK EVEN SALES	45.00	49.47	49.01	49.33	50.31

DISCLAIMER

The views expressed in this Project Report are advisory in nature. SAMADHAN assume no financial liability to anyone using the content for any purpose. All the materials and content contained in Project report is for educational purpose and reflect the views of the industry which are drawn from various research material sources from internet, experts, suppliers and various other sources. The actual cost of the project or industry will have to be taken on case to case basis considering specific requirement of the project, capacity and type of plant and other specific factors/cost directly related to the implementation of project. It is intended for general guidance only and must not be considered a substitute for a competent legal advice provided by a licensed industry professional. SAMADHAN hereby disclaims any and all liability to any party for any direct, indirect, implied, punitive, special, incidental or other consequential damages arising directly or indirectly from any use of the Project Report Content, which is provided as is, and without warranties.

PROJECT AT A GLANCE

- 1 Name of the Entrepreneur : XXXXXXX
 - 2 Constitution (legal Status) : XXXXXXX
 - 3 Father's/Spouse's Name : XXXXXXX
 - 4 Unit Address : XXXXXXX
- Taluk/Block: XXXXX
District : XXXXX
Pin: XXXXX
E-Mail : XXXXX
Mobile XXXXX
- State:
- 5 Product and By Product : **Handmade Paper from waste**
 - 6 Name of the project / business activity proposed : **Handmade Paper from waste**
 - 7 Cost of Project : Rs.25.00lac
 - 8 Means of Finance
 - Term Loan Rs.16.56 Lacs
 - KVIC Margin Money - As per Project Eligibility
 - Own Capital Rs.2.5 Lacs
 - Working Capital Rs.5.95 Lacs
 - 9 Debt Service Coverage Ratio : 2.80
 - 10 Pay Back Period : 5 Years
 - 11 Project Implementation Period : 8 Months
 - 12 Break Even Point : 36%
 - 13 Employment : 10 Persons
 - 14 Power Requirement : 36.00 HP
 - 15 Major Raw materials : Cotton hosiery rags, Cotton jeans waste cutting, jute bag waste, office record waste paper .
 - 16 Estimated Annual Sales Turnover : 38.88 Lacs
 - 16 Detailed Cost of Project & Means of Finance

COST OF PROJECT

(Rs. In Lacs)

Particulars	Amount
Land	Rented/Owned
Building & Civil Work (4000 Sq Ft)	2.00
Plant & Machinery	15.75
Furniture & Fixtures	0.25
Pre-operative Expenses	0.40
Working Capital Requirement	6.61
Total	25.00

MEANS OF FINANCE

Particulars	Amount
Own Contribution @10%	2.50
Term Loan	16.56
Workign Capital Finance	5.95
Total	25.00

Beneficiary's Margin Money
(% of Project Cost)

General
10%

Special
5%

PLANT & MACHINERY

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
Rag Chopper	1	70,000.00	70,000.00
Hollander Beater	1	285,000.00	285,000.00
Auto Vat	4	40,000.00	160,000.00
Hydraulic press	1	275,000.00	275,000.00
Calendaring machine	1	425,000.00	425,000.00
Cutting machine	1	350,000.00	350,000.00
Weighing balance	1	10,000.00	10,000.00
TOTAL			1,575,000.00

Rates are indicative only

PROJECTED CASH FLOW STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Share Capital	2.50	-			
Reserve & Surplus	5.92	8.48	11.63	14.62	17.43
Depriciation & Exp. W/off	2.58	2.21	1.89	1.62	1.38
Increase in Cash Credit	5.95	-	-	-	-
Increase In Term Loan	16.56	-	-	-	-
Increase in Creditors	0.37	0.06	0.06	0.06	0.06
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
TOTAL :	34.24	10.79	13.62	16.34	18.92
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	18.00	-	-	-	-
Increase in Stock	5.04	0.84	0.84	0.84	0.84
Increase in Debtors	1.94	0.54	0.36	0.36	0.36
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	4.14	4.14	4.14	3.17
Taxation	0.59	0.85	2.33	2.92	3.49
TOTAL :	28.08	6.62	7.94	8.57	8.19
Opening Cash & Bank Balance	-	6.16	10.33	16.01	23.78
Add : Surplus	6.16	4.17	5.68	7.77	10.73
Closing Cash & Bank Balance	6.16	10.33	16.01	23.78	34.51

PROJECTED BALANCE SHEET

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>SOURCES OF FUND</u>					
Capital Account	2.50	2.50	2.50	2.50	2.50
Retained Profit	5.33	12.96	22.26	33.95	47.89
Term Loan	16.56	12.42	8.28	4.14	0.97
Cash Credit	5.95	5.95	5.95	5.95	5.95
Sundry Creditors	0.37	0.43	0.49	0.55	0.62
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
TOTAL :	31.07	34.66	39.92	47.58	58.46
<u>APPLICATION OF FUND</u>					
Fixed Assets (Gross)	18.00	18.00	18.00	18.00	18.00
Gross Dep.	2.58	4.79	6.68	8.29	9.67
Net Fixed Assets	15.43	13.21	11.32	9.71	8.33
Current Assets					
Sundry Debtors	1.94	2.48	2.84	3.20	3.56
Stock in Hand	5.04	5.88	6.72	7.56	8.40
Cash and Bank	6.16	10.33	16.01	23.78	34.51
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
TOTAL :	31.07	34.66	39.92	47.58	58.46
	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>A) SALES</u>					
Gross Sale	38.88	49.68	56.88	64.08	71.28
Total (A)	38.88	49.68	56.88	64.08	71.28
<u>B) COST OF SALES</u>					
Raw Mateiral Consumed	15.84	18.48	21.12	23.76	26.40
Elecricity Expenses	3.09	3.61	4.13	4.64	5.16
Repair & Maintenance	-	0.50	0.57	0.64	0.71
Labour & Wages	6.34	6.97	7.67	8.43	9.28
Depriciation	2.58	2.21	1.89	1.62	1.38
Consumables,packaging and Other Expenses	1.94	2.48	2.84	3.20	3.56
Cost of Production	29.79	34.25	38.21	42.29	46.49
Add: Opening Stock /WIP	-	3.46	4.03	4.61	5.18
Less: Closing Stock /WIP	3.46	4.03	4.61	5.18	5.76
Cost of Sales (B)	26.33	33.68	37.64	41.72	45.92
C) GROSS PROFIT (A-B)	12.55	16.00	19.24	22.36	25.36
	32%	32%	34%	35%	36%
D) Bank Interest (Term Loan)	1.43	1.73	1.25	0.77	0.31
Bank Interest (C.C. Limit)	0.60	0.60	0.60	0.60	0.60
E) Salary to Staff	3.83	4.21	4.63	5.10	5.60
F) Selling & Adm Expenses Exp.	0.78	0.99	1.14	1.28	1.43
TOTAL (D+E)	6.63	7.53	7.61	7.75	7.94
H) NET PROFIT	5.92	8.48	11.63	14.62	17.43
I) Taxation	0.59	0.85	2.33	2.92	3.49
J) PROFIT (After Tax)	5.33	7.63	9.30	11.69	13.94

COMPUTATION OF MANUFACTURING OF Handmade Paper from waste**Items to be Manufactured****Handmade Paper from waste**

Manufacturing Capacity per day	-	0.08	MT
	-		
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		300	
Total Production per Annum		24.00	MT
Year		Capacity	MT
		Utilisation	
IST YEAR		60%	14.40
IIND YEAR		70%	16.80
IIIRD YEAR		80%	19.20
IVTH YEAR		90%	21.60
VTH YEAR		100%	24.00

COMPUTATION OF RAW MATERIAL

Item Name		Quantity of	Recovery	Unit Rate of	Total Cost
		Raw Material/MT		/MT	Per Annum (100%)
Cotton hosiery rags, Cotton jeans waste cutting, jute bag waste, office	100%	30.00	100%	80,000.00	24.00
Adhesives colour					2.40
For production of 24. MT of output 30.00MT raw material requirement has					
Total (Rounded off in lacs)					26.40
Annual Consumption cost (In Lacs)					26.40

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	60%	15.84
IIND YEAR	70%	18.48
IIIRD YEAR	80%	21.12
IVTH YEAR	90%	23.76
VTH YEAR	100%	26.40

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>Finished Goods</u>					
(30Days requirement)	3.46	4.03	4.61	5.18	5.76
<u>Raw Material</u>					
(30 Days requirement)	1.58	1.85	2.11	2.38	2.64
Closing Stock	5.04	5.88	6.72	7.56	8.40

COMPUTATION OF WORKING CAPITAL REQUIREMENT

Particulars			Total
			Amount
Stock in Hand			5.04
Sundry Debtors			1.94
		Total	6.98
Sundry Creditors			0.37
Working Capital Requirement			6.61
Margin			0.66
Working Capital Finance			5.95

BREAK UP OF LABOUR

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Skilled Worker		9,000.00	2	18,000.00
Unskilled Worker		6,000.00	5	30,000.00
				48,000.00
Add: 10% Fringe Benefit				4,800.00
Total Labour Cost Per Month				52,800.00
Total Labour Cost for the year (In Rs. Lakhs)			7	6.34

BREAK UP OF SALARY

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
				-
Accountant		9,000.00	1	9,000.00
Sales		10,000.00	2	20,000.00
Total Salary Per Month				29,000.00
Add: 10% Fringe Benefit				2,900.00
Total Salary for the month				31,900.00
Total Salary for the year (In Rs. Lakhs)			3	3.83

COMPUTATION OF DEPRECIATION

Description	Land	Building/shed	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation		10.00%	15.00%	10.00%	
Opening Balance	Leased	-	-	-	-
Addition	-	2.00	15.75	0.25	18.00
	-	2.00	15.75	0.25	18.00
Less : Depreciation	-	0.20	2.36	0.01	2.58
WDV at end of Ist year	-	1.80	13.39	0.24	15.43
Additions During The Year	-	-	-	-	-
	-	1.80	13.39	0.24	15.43
Less : Depreciation	-	0.18	2.01	0.02	2.21
WDV at end of IIInd Year	-	1.62	11.38	0.21	13.21
Additions During The Year	-	-	-	-	-
	-	1.62	11.38	0.21	13.21
Less : Depreciation	-	0.16	1.71	0.02	1.89
WDV at end of IIIrd year	-	1.46	9.67	0.19	11.32
Additions During The Year	-	-	-	-	-
	-	1.46	9.67	0.19	11.32
Less : Depreciation	-	0.15	1.45	0.02	1.62
WDV at end of IV year	-	1.31	8.22	0.17	9.71
Additions During The Year	-	-	-	-	-
	-	1.31	8.22	0.17	9.71
Less : Depreciation	-	0.13	1.23	0.02	1.38
WDV at end of Vth year	-	1.18	6.99	0.16	8.33

REPAYMENT SCHEDULE OF TERM LOAN

11.5%

Year	Particulars	Amount	Addition	Total	Interest	Repayment	CI Balance
IST YEAR	Opening Balance						
	Ist Quarter	-	16.56	16.56	-	-	16.56
	Iind Quarter	16.56	-	16.56	0.48	-	16.56
	IIIrd Quarter	16.56	-	16.56	0.48	-	16.56
	Ivth Quarter	16.56	-	16.56	0.48	-	16.56
					1.43	-	
IIND YEAR	Opening Balance						
	Ist Quarter	16.56	-	16.56	0.48	1.04	15.53
	Iind Quarter	15.53	-	15.53	0.45	1.04	14.49
	IIIrd Quarter	14.49	-	14.49	0.42	1.04	13.46
	Ivth Quarter	13.46		13.46	0.39	1.04	12.42
					1.73	4.14	
IIIRD YEAR	Opening Balance						
	Ist Quarter	12.42	-	12.42	0.36	1.04	11.39
	Iind Quarter	11.39	-	11.39	0.33	1.04	10.35
	IIIrd Quarter	10.35	-	10.35	0.30	1.04	9.32
	Ivth Quarter	9.32		9.32	0.27	1.04	8.28
					1.25	4.14	
IVTH YEAR	Opening Balance						
	Ist Quarter	8.28	-	8.28	0.24	1.04	7.25
	Iind Quarter	7.25	-	7.25	0.21	1.04	6.21
	IIIrd Quarter	6.21	-	6.21	0.18	1.04	5.18
	Ivth Quarter	5.18		5.18	0.15	1.04	4.14
					0.77	4.14	
VTH YEAR	Opening Balance						
	Ist Quarter	4.14	-	4.14	0.12	1.04	3.11
	Iind Quarter	3.11	-	3.11	0.09	1.04	2.07
	IIIrd Quarter	2.07	-	2.07	0.06	0.55	1.52
	Ivth Quarter	1.52		1.52	0.04	0.55	0.97
					0.31	3.17	

CALCULATION OF D.S.C.R

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<u>CASH ACCRUALS</u>	7.90	9.84	11.19	13.31	15.32
Interest on Term Loan	1.43	1.73	1.25	0.77	0.31
Total	9.33	11.57	12.44	14.08	15.64
<u>REPAYMENT</u>					
Instalment of Term Loan	4.14	4.14	4.14	3.17	3.17
Interest on Term Loan	1.43	1.73	1.25	0.77	0.31
Total	5.57	5.87	5.39	3.94	3.48
DEBT SERVICE COVERAGE RATIO	1.68	1.97	2.31	3.57	4.49
AVERAGE D.S.C.R.			2.80		

<u>COMPUTATION OF SALE</u>					
Particulars	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	1.44	1.68	1.92	2.16
Production	14.40	16.80	19.20	21.60	24.00
	14.40	18.24	20.88	23.52	26.16
Less : Closing Stock	1.44	1.68	1.92	2.16	2.40
Net Sale	12.96	16.56	18.96	21.36	23.76
Sale Price per MT	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Sale (in Lacs)	38.88	49.68	56.88	64.08	71.28

COMPUTATION OF ELECTRICITY**(A) POWER CONNECTION**

Total Working Hour per day		Hours	8	
Electric Load Required		HP	36	
Load Factor			0.7460	
Electricity Charges		per unit	8.00	
Total Working Days			300	
Electricity Charges (8 Hrs Per day)				515,635.20

Add : Minimim Charges (@ 10%)

(B) D.G. SET

No. of Working Days			300	days
No of Working Hours			-	Hour per day
Total no of Hour			-	
Diesel Consumption per Hour			8	
Total Consumption of Diesel			-	
Cost of Diesel			65.00	Rs. /Ltr
Total cost of Diesel			-	
Add : Lube Cost @15%			-	
Total			-	

Total cost of Power & Fuel at 100%

5.16

Year	Capacity	Amount (in Lacs)
IST YEAR	60%	3.09
IIND YEAR	70%	3.61
IIIRD YEAR	80%	4.13
IVTH YEAR	90%	4.64
VTH YEAR	100%	5.16

BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
Net Sales & Other Income	38.88	49.68	56.88	64.08	71.28
Less : Op. WIP Goods	-	3.46	4.03	4.61	5.18
Add : Cl. WIP Goods	3.46	4.03	4.61	5.18	5.76
Total Sales	42.34	50.26	57.46	64.66	71.86
Variable & Semi Variable Exp.					
Raw Material & Tax	15.84	18.48	21.12	23.76	26.40
Electricity Exp/Coal Consumption at 85%	2.63	3.07	3.51	3.94	4.38
Manufacturing Expenses 80%	1.56	2.38	2.73	3.08	3.42
Wages & Salary at 60%	6.10	6.71	7.38	8.12	8.93
Selling & administrative Expenses 80%	0.62	0.79	0.91	1.03	1.14
Intt. On Working Capital Loan	0.60	0.60	0.60	0.60	0.60
Total Variable & Semi Variable Exp	27.34	32.03	36.24	40.52	44.87
Contribution	15.00	18.22	21.22	24.14	26.99
Fixed & Semi Fixed Expenses					
Manufacturing Expenses 20%	0.39	0.60	0.68	0.77	0.86
Electricity Exp/Coal Consumption at 15%	0.46	0.54	0.62	0.70	0.77
Wages & Salary at 40%	4.07	4.47	4.92	5.41	5.95
Interest on Term Loan	1.43	1.73	1.25	0.77	0.31
Depreciation	2.58	2.21	1.89	1.62	1.38
Selling & administrative Expenses 20%	0.16	0.20	0.23	0.26	0.29
Total Fixed Expenses	9.08	9.75	9.59	9.52	9.56
Capacity Utilization	60%	70%	80%	90%	100%
OPERATING PROFIT	5.92	8.48	11.63	14.62	17.43
BREAK EVEN POINT	36%	37%	36%	36%	35%
BREAK EVEN SALES	25.63	26.88	25.97	25.51	25.45