



## **Model Detailed Project Report**

### **CANNED MUSHROOM**

**Prepared by**

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## 1. INTRODUCTION

### CANNED MUSHROOM



A mushroom is fleshy, spore-bearing fruiting body of a fungus, produced above ground, on soil, or on its food source. It is a nutritious vegetarian Delicacy and contains many varieties. Mushroom contains many vitamins & minerals and it is low on sugar & fat. It consider as a major horticulture product all over the world. Cultivation of mushroom needs a temperature between 20 & 30 degree Celsius. Ideally it can be grown in hilly areas or in artificially controlled temperature by building sheds in plain area.

Mushroom Canning is a method of preserving mushroom in which the food contents are processed and sealed in an airtight container (jars like Mason jars, and steel and tin cans). Canning provides a shelf life typically ranging from one to five years, although under specific circumstances it can be much longer.

## **2. MARKET POTENTIAL:**

The global canned mushroom market size was valued at USD 7.3 billion in 2018. Shifting consumer preference towards healthy and protein rich food is a key factor driving the product demand over the forecast period. Mushroom is a potential alternative for protein supplement due to its high protein content and digestibility. As per studies, 100 grams of mushroom contain 3.1 grams of protein.

Mushroom is a rich source of various nutrients and proteins such as vitamin C, vitamin B, fiber, calcium, and minerals. In addition, 70 grams of raw mushrooms contain 2.3 grams of carbohydrate and 15 calories, thereby making it a low calorie food. Moreover, mushroom is a good source of fibers such as soluble fiber and beta glucan. In addition to vitamins and minerals, the product is found to be a rich source of antioxidants, which may help in cancer prevention. Demand for canned mushroom is expected to grow over the forecast period owing to various health benefits associated with it.

## **3. PRODUCT DESCRIPTION**

### **3.1 PRODUCT BENEFITS & USES**

Canned mushrooms refers to the product prepared from the sound, succulent, fresh mushroom by proper trimming, washing, and sorting and is packed with the addition of water in hermetically sealed containers and sufficiently processed by heat to assure preservation of the product. Salt, or monosodium glutamate, or both may be added in a quantity sufficient to

season the product. Ascorbic acid (Vitamin C) may also be added to improve the shelf life. Uses of canned mushroom is as follow:

- Mushroom is used as in ingredient in a number of dishes such as curries, sandwich, soup etc.
- The canned mushrooms can be added to salads, rice preparations and as a delectable topping on pizzas.
- The canned mushrooms can be used for various Indian recipes like mushroom matar (with peas), tandoori mushroom (grilled mushrooms) or even mushroom biryani.

### **Health Benefit of Canned Mushroom**

- Mushrooms are legendary in providing a wealth of nutrients ranging from protein, fiber, B vitamins, and vitamin C, to calcium and other minerals.
- The mushrooms have been shown to boost heart health; lower the risk of cancer; promote immune function; ward off viruses, bacteria, and fungi; reduce inflammation; combat allergies; help balance blood sugar levels; and support the body's detoxification mechanisms.

### **3.2 Raw Material**

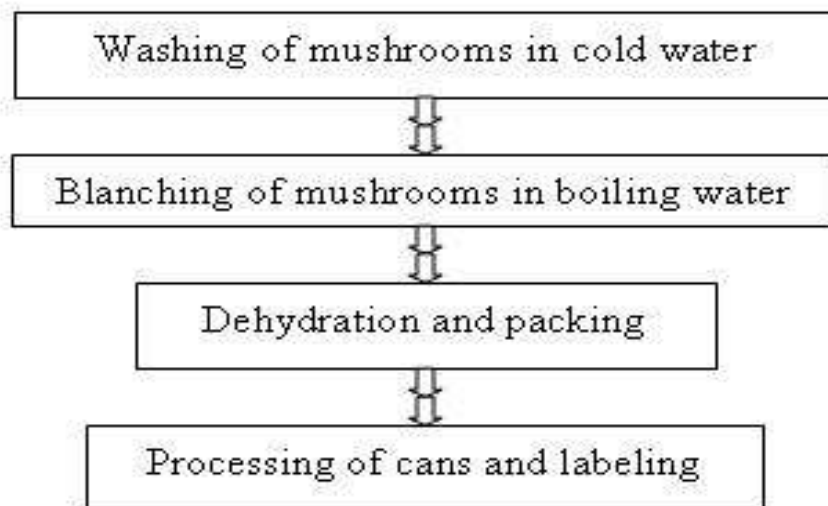
<b>S.N.</b>	<b>Particulars</b>	<b>Rate per KG</b>
1	Mushroom	60-70
2	Salt	20
3	Sugar	35-40
4	Other chemicals	50-100

*Average raw material cost per KG: Rs. 80-85*

### **3.3 CANNING PROCESS**

Fresh mushrooms have very limited life hence processing is recommended to enhance the shelf life. Initially mushrooms are washed in cold water then blanched in boiling water for 3-4 minutes. They are then dehydrated in drier and packed. It is advisable to pre-treat mushroom in brine solution to prevent discoloration. Packing is very crucial as formation of moisture contaminates mushroom very quickly. The yield depends on many factors as moisture content in fresh mushroom, type of drier , process employed, moisture content require in the finished product etc. Average yield is 25%. Plain cans and brine of 2% salt and 0.2% citric acid are used for packing. The cans are vacuumed before sealing at 19 degree Celsius for 7-8 minutes, sealed and processed under pressure for 20-25 minutes. The process flow chart is as under:

#### **Mushroom Canning process Chart**



## 4. PROJECT COMPONENTS


### 4.1 Land

Land required 2500-3000 square feet approx.

Approximate rent for the same is Rs.40000-50000 per month.

### 4.2 Plant & Machinery

#### Canning section




S.N.	Machine	Image
1	Balancing Equipment	
2	Steam jacketed kettle	

3	Filling Table	
4	Straight line exhaust box	
5	Seam checking Gauge	
6	Hand Cans Tester	
7	Vacuum Tester	




8	Canning Retort	
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Note: Cost of the canning line is approx. 5,70,000 excluding GST and other transportation cost.

**Canning Reforming section**

S.N.	Machine	Image
1	Rotary flat can body reformer	
2	Hand flanger	
3	Double seamer	



4	Round can body beader	
5	Empty can washer & sterilizer	
6	Steam boiler	

Note: Cost of the can reforming line is approx. 8,80,000 excluding GST and other transportation cost.

#### 4.3 Misc. Assets

S.N.	Item Description	Rate
1	electricity connection	1,00,000
2	Furniture and equipment's	50,000

#### 4.4 Power Requirement

The borrower shall require power load of 40 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

#### **4.5 Manpower Requirement**

9-10 Manpower are required for the Mushroom Canning unit.

Includes:

2 Skilled Labour

3 Unskilled Labour

2-3 Helper

1 Accountant

1 Supervisor

## 5. FINANCIALS

### 5.1 Cost of Project

COST OF PROJECT			
(in Lacs)			
PARTICULARS	AMOUNT	Own Contribution	Bank Finance
		25.00%	75.00%
Land & Building		Owned /rented	
Plant & Machinery	14.50	3.63	10.88
Furniture & Fixtures and Other Assets	1.50	0.38	1.13
Working capital	9.33	2.33	7.00
<b>Total</b>	<b>25.33</b>	<b>6.33</b>	<b>19.00</b>

### 5.2 Means of Finance

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution	6.33
Bank Loan	12.00
Working capital Limit	7.00
<b>Total</b>	<b>25.33</b>

### 5.3 Projected Balance Sheet

(in Lacs)					
<b>PROJECTED BALANCE SHEET</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>Liabilities</u></b>					
Capital					
opening balance		6.64	8.29	10.63	13.59
<i>Add:- Own Capital</i>	6.33				
Add:- Retained Profit	2.05	4.16	6.59	9.46	12.29
Less:- Drawings	1.75	2.50	4.25	6.50	8.00
Closing Balance	6.64	8.29	10.63	13.59	17.88
Term Loan	10.67	8.00	5.33	2.67	-
Working Capital Limit	7.00	7.00	7.00	7.00	7.00
Sundry Creditors	3.20	3.70	4.22	4.78	5.43
Provisions & Other Liab	0.50	0.63	0.75	0.90	1.08
<b>TOTAL :</b>	<b>28.00</b>	<b>27.61</b>	<b>27.94</b>	<b>28.94</b>	<b>31.40</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	16.00	16.00	16.00	16.00	16.00
Gross Dep.	2.33	4.31	6.00	7.45	8.68
<b>Net Fixed Assets</b>	<b>13.68</b>	<b>11.69</b>	<b>10.00</b>	<b>8.55</b>	<b>7.32</b>
<b>Current Assets</b>					
Sundry Debtors	4.50	5.39	6.18	7.03	7.93
Stock in Hand	8.16	9.37	10.70	12.11	13.68
Cash and Bank	1.67	1.17	1.06	1.25	2.47
<b>TOTAL :</b>	<b>28.00</b>	<b>27.61</b>	<b>27.94</b>	<b>28.94</b>	<b>31.40</b>

## 5.4 Projected Cash Flow

<b>PROJECTED CASH FLOW STATEMENT</b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	6.33				
Net Profit	2.05	4.16	6.77	10.11	13.69
Depreciation & Exp. W/off	2.33	1.98	1.69	1.45	1.23
Increase in Cash Credit	7.00	-	-	-	-
Increase In Term Loan	12.00	-	-	-	-
Increase in Creditors	3.20	0.50	0.53	0.56	0.65
Increase in Provisions & Oth lib	0.50	0.13	0.13	0.15	0.18
<b>TOTAL :</b>	<b>33.41</b>	<b>6.76</b>	<b>9.12</b>	<b>12.27</b>	<b>15.75</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	16.00				
Increase in Stock	8.16	1.21	1.33	1.41	1.57
Increase in Debtors	4.50	0.88	0.80	0.85	0.90
Repayment of Term Loan	1.33	2.67	2.67	2.67	2.67
Drawings	1.75	2.50	4.25	6.50	8.00
Taxation	-	-	0.18	0.65	1.40
<b>TOTAL :</b>	<b>31.74</b>	<b>7.26</b>	<b>9.23</b>	<b>12.08</b>	<b>14.53</b>
Opening Cash & Bank Balance	-	1.67	1.17	1.06	1.25
Add : Surplus	1.67	(0.50)	(0.11)	0.19	1.22
Closing Cash & Bank Balance	<b>1.67</b>	<b>1.17</b>	<b>1.06</b>	<b>1.25</b>	<b>2.47</b>

## 5.5 Projected Profitability

(in Lacs)					
<b>PROJECTED PROFITABILITY STATEMENT</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Canned Mushroom	150.12	179.60	206.11	234.32	264.22
<b>Total</b>	<b>150.12</b>	<b>179.60</b>	<b>206.11</b>	<b>234.32</b>	<b>264.22</b>
<b>COST OF SALES</b>					
Raw Material Consumed	106.67	123.20	140.80	159.47	181.07
Electricity Expenses	4.80	5.52	6.35	7.30	8.03
Depreciation	2.33	1.98	1.69	1.45	1.23
Wages & labour	6.36	7.00	7.70	8.47	9.31
Repair & maintenance	3.75	3.77	4.95	5.86	5.55
packaging	14.12	16.31	18.68	21.25	24.02
<b>Cost of Production</b>	<b>138.02</b>	<b>157.78</b>	<b>180.16</b>	<b>203.78</b>	<b>229.22</b>
<b>Add: Opening Stock /WIP</b>	-	4.60	5.26	6.01	6.79
<b>Less: Closing Stock /WIP</b>	4.60	5.26	6.01	6.79	7.64
Cost of Sales	133.42	157.12	179.41	202.99	228.37
<b>GROSS PROFIT</b>	<b>16.70</b>	<b>22.48</b>	<b>26.69</b>	<b>31.32</b>	<b>35.85</b>
Salary to Staff	5.64	6.20	6.82	7.51	8.26
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
Interest on working Capital	0.77	0.77	0.77	0.77	0.77

Rent	4.80	5.28	5.81	6.39	7.03
selling & adm exp	2.25	5.03	5.77	6.09	5.94
<b>TOTAL</b>	<b>14.64</b>	<b>18.32</b>	<b>19.92</b>	<b>21.21</b>	<b>22.16</b>
NET PROFIT	2.05	4.16	6.77	10.11	13.69
Taxation			0.18	0.65	1.40
PROFIT (After Tax)	2.05	4.16	6.59	9.46	12.29

## 5.6 Production and Yield

<b><u>COMPUTATION OF PRODUCTION OF CANNED MUSHROOM</u></b>		
<b>Items to be Manufactured</b>		
Canned Mushroom		
machine capacity	100	KG per Hour
machine capacity per day	800	KG
machine capacity per annum	240000	KG
wastage	10%	
Raw Material Requirement	266667	KG
<b>Final Product</b>		
One canned size	850	Grams
Total canned per annum	282353	canned

<b>Production of Canned Mushroom</b>		
<b>Production</b>	<b>Capacity</b>	<b>Canned</b>
1st year	50%	141,176
2nd year	55%	155,294
3rd year	60%	169,412
4th year	65%	183,529
5th year	70%	197,647

<b>Raw Material Cost</b>			
<b>Year</b>	<b>Capacity Utilisation</b>	<b>Rate (per KG)</b>	<b>Amount (Rs. in lacs)</b>
1st year	50%	80.00	106.67
2nd year	55%	84.00	123.20
3rd year	60%	88.00	140.80
4th year	65%	92.00	159.47
5th year	70%	97.00	181.07

<b>Packaging Charges</b>			
<b>Raw Material</b>	<b>canned</b>	<b>Rate per canned</b>	<b>Amount (Rs. in lacs)</b>
1st year	141,176	10.00	14.12
2nd year	155,294	10.50	16.31
3rd year	169,412	11.03	18.68
4th year	183,529	11.58	21.25
5th year	197,647	12.16	24.02



## 5.7 Sales Revenue

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	4,706	5,176	5,647	6,118
Production	141,176	155,294	169,412	183,529	197,647
Less : Closing Stock	4,706	5,176	5,647	6,118	6,588
<b>Net Sale</b>	<b>136,471</b>	<b>154,824</b>	<b>168,941</b>	<b>183,059</b>	<b>197,176</b>
sale price per Canned	110.00	116.00	122.00	128.00	134.00
<b>Sales (in Lacs)</b>	<b>150.12</b>	<b>179.60</b>	<b>206.11</b>	<b>234.32</b>	<b>264.22</b>

## 5.8 Working Capital Assessment

<u>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</u> (in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	4.60	5.26	6.01	6.79	7.64
<u>Raw Material</u>					
	3.56	4.11	4.69	5.32	6.04
<b>Closing Stock</b>	<b>8.16</b>	<b>9.37</b>	<b>10.70</b>	<b>12.11</b>	<b>13.68</b>

<b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b>					
<b>TRADITIONAL METHOD</b>				<b>(in Lacs)</b>	
<b>Particulars</b>	<b>Amount</b>	<b>Own Margin</b>		<b>Bank Finance</b>	
Finished Goods & Raw Material	8.16				
Less : Creditors	3.20				
<b>Paid stock</b>	<b>4.96</b>	<b>25%</b>	<b>1.24</b>	<b>75%</b>	<b>3.72</b>
<b>Sundry Debtors</b>	<b>4.50</b>	<b>25%</b>	<b>1.13</b>	<b>75%</b>	<b>3.38</b>
	<b>9.46</b>		<b>2.36</b>		<b>7.09</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					
				<b>7.00</b>	

## 5.9 Power, Salary & Wages Calculation

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required	40	KWH
consumption per day	320	units
Consumption per month	8,000	units
Rate per Unit	10	Rs.
power Bill per month	80,000	Rs.

**BREAK UP OF LABOUR CHARGES**

<b>Particulars</b>	<b>Wages</b>	<b>No of</b>	<b>Total</b>
	<b>Rs. per Month</b>	<b>Employees</b>	<b>Salary</b>
Skilled (in thousand rupees)	13,000	2	26,000
Unskilled (in thousand rupees)	9,000	3	27,000
<b>Total salary per month</b>			<b>53,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>6.36</b>

**BREAK UP OF Staff Salary CHARGES**

<b>Particulars</b>	<b>Salary</b>	<b>No of</b>	<b>Total</b>
	<b>Rs. per Month</b>	<b>Employees</b>	<b>Salary</b>
helper	6,000	2	12,000
Supervisor	18,000	1	18,000
Accountant	17,000	1	17,000
<b>Total salary per month</b>			<b>47,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>5.64</b>

## 5.10 Depreciation

<b>COMPUTATION OF DEPRECIATION</b>			(in Lacs)
<b>Description</b>	<b>Plant &amp; Machinery</b>	<b>Furniture</b>	<b>TOTAL</b>
Rate of Depreciation	<b>15.00%</b>	<b>10.00%</b>	
<b>Opening Balance</b>	-	-	-
Addition	14.50	1.50	16.00
Total	14.50	1.50	16.00
Less : Depreciation	2.18	0.15	2.33
<b>WDV at end of Year</b>	<b>12.33</b>	<b>1.35</b>	<b>13.68</b>
Additions During The Year	-	-	-
Total	12.33	1.35	13.68
Less : Depreciation	1.85	0.14	1.98
<b>WDV at end of Year</b>	<b>10.48</b>	<b>1.22</b>	<b>11.69</b>
Additions During The Year	-	-	-
Total	10.48	1.22	11.69
Less : Depreciation	1.57	0.12	1.69
<b>WDV at end of Year</b>	<b>8.90</b>	<b>1.09</b>	<b>10.00</b>
Additions During The Year	-	-	-
Total	8.90	1.09	10.00
Less : Depreciation	1.34	0.11	1.45
<b>WDV at end of Year</b>	<b>7.57</b>	<b>0.98</b>	<b>8.55</b>
Additions During The Year	-	-	-
Total	7.57	0.98	8.55
Less : Depreciation	1.14	0.10	1.23
<b>WDV at end of Year</b>	<b>6.43</b>	<b>0.89</b>	<b>7.32</b>

## 5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
<b>1st</b>	Opening Balance						
	1st month	-	12.00	12.00	-	-	12.00
	2nd month	12.00	-	12.00	0.11	-	12.00
	3rd month	12.00	-	12.00	0.11	-	12.00
	4th month	12.00	-	12.00	0.11		12.00
	5th month	12.00	-	12.00	0.11		12.00
	6th month	12.00	-	12.00	0.11		12.00
	7th month	12.00	-	12.00	0.11	0.22	11.78
	8th month	11.78	-	11.78	0.11	0.22	11.56
	9th month	11.56	-	11.56	0.11	0.22	11.33
	10th month	11.33	-	11.33	0.10	0.22	11.11
	11th month	11.11	-	11.11	0.10	0.22	10.89
	12th month	10.89	-	10.89	0.10	0.22	10.67
					1.18	1.33	
<b>2nd</b>	Opening Balance						
	1st month	10.67	-	10.67	0.10	0.22	10.44
	2nd month	10.44	-	10.44	0.10	0.22	10.22
	3rd month	10.22	-	10.22	0.09	0.22	10.00
	4th month	10.00	-	10.00	0.09	0.22	9.78
	5th month	9.78	-	9.78	0.09	0.22	9.56
	6th month	9.56	-	9.56	0.09	0.22	9.33
	7th month	9.33	-	9.33	0.09	0.22	9.11
	8th month	9.11	-	9.11	0.08	0.22	8.89
	9th month	8.89	-	8.89	0.08	0.22	8.67
	10th month	8.67	-	8.67	0.08	0.22	8.44
	11th month	8.44	-	8.44	0.08	0.22	8.22
	12th month	8.22	-	8.22	0.08	0.22	8.00
					1.04	2.67	
<b>3rd</b>	Opening Balance						
	1st month	8.00	-	8.00	0.07	0.22	7.78
	2nd month	7.78	-	7.78	0.07	0.22	7.56
	3rd month	7.56	-	7.56	0.07	0.22	7.33
	4th month	7.33	-	7.33	0.07	0.22	7.11
	5th month	7.11	-	7.11	0.07	0.22	6.89
	6th month	6.89	-	6.89	0.06	0.22	6.67
	7th month	6.67	-	6.67	0.06	0.22	6.44
	8th month	6.44	-	6.44	0.06	0.22	6.22
	9th month	6.22	-	6.22	0.06	0.22	6.00

10th month	6.00	-	6.00	0.06	0.22	5.78
11th month	5.78	-	5.78	0.05	0.22	5.56
12th month	5.56	-	5.56	0.05	0.22	5.33
				<b>0.75</b>	<b>2.67</b>	
<b>4th</b>	Opening Balance					
1st month	5.33	-	5.33	0.05	0.22	5.11
2nd month	5.11	-	5.11	0.05	0.22	4.89
3rd month	4.89	-	4.89	0.04	0.22	4.67
4th month	4.67	-	4.67	0.04	0.22	4.44
5th month	4.44	-	4.44	0.04	0.22	4.22
6th month	4.22	-	4.22	0.04	0.22	4.00
7th month	4.00	-	4.00	0.04	0.22	3.78
8th month	3.78	-	3.78	0.03	0.22	3.56
9th month	3.56	-	3.56	0.03	0.22	3.33
10th month	3.33	-	3.33	0.03	0.22	3.11
11th month	3.11	-	3.11	0.03	0.22	2.89
12th month	2.89	-	2.89	0.03	0.22	2.67
				<b>0.45</b>	<b>2.67</b>	
<b>5th</b>	Opening Balance					
1st month	2.67	-	2.67	0.02	0.22	2.44
2nd month	2.44	-	2.44	0.02	0.22	2.22
3rd month	2.22	-	2.22	0.02	0.22	2.00
4th month	2.00	-	2.00	0.02	0.22	1.78
5th month	1.78	-	1.78	0.02	0.22	1.56
6th month	1.56	-	1.56	0.01	0.22	1.33
7th month	1.33	-	1.33	0.01	0.22	1.11
8th month	1.11	-	1.11	0.01	0.22	0.89
9th month	0.89	-	0.89	0.01	0.22	0.67
10th month	0.67	-	0.67	0.01	0.22	0.44
11th month	0.44	-	0.44	0.00	0.22	0.22
12th month	0.22	-	0.22	0.00	0.22	-
				<b>0.16</b>	<b>2.67</b>	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

## 5.12 Financial Indicators

<b>FINANCIAL INDICATORS</b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
TURNOVER	150.12	179.60	206.11	234.32	264.22
GROSS PROFIT	16.70	22.48	26.69	31.32	35.85
<b>G.P. RATIO</b>	<b>11.12%</b>	<b>12.52%</b>	<b>12.95%</b>	<b>13.37%</b>	<b>13.57%</b>
NET PROFIT	2.05	4.16	6.77	10.11	13.69
<b>N.P. RATIO</b>	<b>1.37%</b>	<b>2.31%</b>	<b>3.29%</b>	<b>4.32%</b>	<b>5.18%</b>
CURRENT ASSETS	14.33	15.92	17.94	20.39	24.08
CURRENT LIABILITIES	10.70	11.32	11.97	12.68	13.51
<b>CURRENT RATIO</b>	<b>1.34</b>	<b>1.41</b>	<b>1.50</b>	<b>1.61</b>	<b>1.78</b>
TERM LOAN	10.67	8.00	5.33	2.67	-
TOTAL NET WORTH	6.64	8.29	10.63	13.59	17.88
<b>DEBT/EQUITY</b>	<b>1.61</b>	<b>0.96</b>	<b>0.50</b>	<b>0.20</b>	<b>-</b>
TOTAL NET WORTH	6.64	8.29	10.63	13.59	17.88
TOTAL OUTSIDE LIABILITIES	21.37	19.32	17.31	15.35	13.51
<b>TOL/TNW</b>	<b>3.22</b>	<b>2.33</b>	<b>1.63</b>	<b>1.13</b>	<b>0.76</b>
PBDIT	6.33	7.95	9.98	12.78	15.85
INTEREST	1.95	1.81	1.52	1.22	0.93
<b>INTEREST COVERAGE RATIO</b>	<b>3.25</b>	<b>4.39</b>	<b>6.59</b>	<b>10.46</b>	<b>17.07</b>
WDV	13.68	11.69	10.00	8.55	7.32
TERM LOAN	10.67	8.00	5.33	2.67	-
<b>FACR</b>	<b>1.28</b>	<b>1.46</b>	<b>1.87</b>	<b>3.21</b>	<b>-</b>

### 5.13 DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	4.38	6.14	8.28	10.90	13.53
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
<b>Total</b>	<b>5.56</b>	<b>7.18</b>	<b>9.03</b>	<b>11.36</b>	<b>13.69</b>
<u>REPAYMENT</u>					
Instalment of Term Loan	1.33	2.67	2.67	2.67	2.67
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
<b>Total</b>	<b>2.51</b>	<b>3.71</b>	<b>3.41</b>	<b>3.12</b>	<b>2.83</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.21</b>	<b>1.94</b>	<b>2.65</b>	<b>3.64</b>	<b>4.84</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.06</b>				

### 5.14 Break Even Point Analysis

<u>BREAK EVEN POINT ANALYSIS</u>					
Year	I	II	III	IV	V
Net Sales & Other Income	150.12	179.60	206.11	234.32	264.22
Less : Op. WIP Goods	-	4.60	5.26	6.01	6.79
Add : Cl. WIP Goods	4.60	5.26	6.01	6.79	7.64



<b>Total Sales</b>	<b>154.72</b>	<b>180.25</b>	<b>206.85</b>	<b>235.10</b>	<b>265.06</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	106.67	123.20	140.80	159.47	181.07
Electricity Exp/Coal Consumption at 85%	4.08	4.69	5.40	6.21	6.83
Wages & Salary at 60%	7.20	7.92	8.71	9.58	10.54
Selling & administrative Expenses 80%	1.80	4.02	4.62	4.87	4.76
Interest on working Capital	0.77	0.77	0.77	0.77	0.77
Repair & maintenance	3.75	3.77	4.95	5.86	5.55
Packaging	14.12	16.31	18.68	21.25	24.02
<b>Total Variable &amp; Semi Variable Exp</b>	<b>138.39</b>	<b>160.68</b>	<b>183.92</b>	<b>208.00</b>	<b>233.53</b>
<b>Contribution</b>	<b>16.33</b>	<b>19.57</b>	<b>22.94</b>	<b>27.10</b>	<b>31.53</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.72	0.83	0.95	1.10	1.20
Wages & Salary at 40%	4.80	5.28	5.81	6.39	7.03
Interest on Term Loan	1.18	1.04	0.75	0.45	0.16
Depreciation	2.33	1.98	1.69	1.45	1.23
Selling & administrative Expenses 20%	0.45	1.01	1.15	1.22	1.19
Rent	4.80	5.28	5.81	6.39	7.03
<b>Total Fixed Expenses</b>	<b>14.27</b>	<b>15.42</b>	<b>16.16</b>	<b>16.99</b>	<b>17.84</b>
<b>Capacity Utilization</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>
<b>OPERATING PROFIT</b>	<b>2.05</b>	<b>4.16</b>	<b>6.77</b>	<b>10.11</b>	<b>13.69</b>
<b>BREAK EVEN POINT</b>	<b>44%</b>	<b>43%</b>	<b>42%</b>	<b>41%</b>	<b>40%</b>
<b>BREAK EVEN SALES</b>	<b>135.25</b>	<b>141.99</b>	<b>145.75</b>	<b>147.38</b>	<b>149.98</b>

## **6. LICENSE & APPROVALS**

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- FSSAI License.
- Fire/pollution license as required.
- Factory License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

### **Implementation Schedule**

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1-2
2	Procurement & installation of Plant & Machinery	1-2
3	Arrangement of Finance	1-2
4	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	5-6 Months

## **7. ASSUMPTIONS**

1. Production Capacity of Canned mushroom is 800 Kgs per day. First year, Capacity has been taken @ 50%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 10 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 9 days.
5. Credit period by the Sundry Creditors has been provided for 9 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 40 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.

## Limitations of the Model DPR and Guidelines for Entrepreneurs

### Limitations of the Model DPR

- i. This model DPR has provided only the basic standard components and methodology to be adopted by an entrepreneur while submitting a proposal under the Formalization of Micro Food Processing Enterprises Scheme of MoFPI.
- ii. This is a model DPR made to provide general methodological structure not for specific entrepreneur/crops/location. Therefore, information on the entrepreneur, forms and structure (proprietorship/partnership/cooperative/ FPC/joint stock company) of his business, details of proposed DPR, project location, raw material base/contract sourcing, entrepreneurs own SWOT analysis, detailed market research, rationale of the project for specific location, community advantage/benefit from the project, employment generation and many more detailed aspects not included.
- iii. The present DPR is based on certain assumptions on cost, prices, interest, capacity utilization, output recovery rate and so on. However, these assumptions in reality may vary across places, markets and situations; thus the resultant calculations will also change accordingly.