

# PROJECT REPORT

Of

# PICKLE UNIT

## PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding **Pickle Making 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 : XXXXXXX
- 2 Constitution (legal Status) : XXXXXXX
- 3 Father's/Spouce's Name : XXXXXXX
- 4 Unit Address : XXXXXXX
- Taluk/Block: XXXXX  
 District : XXXXX State:  
 Pin: XXXXX  
 E-Mail XXXXX  
 Mobile XXXXX
- 5 Product and By Product : **Pickle Unit**
- 6 Name of the project / business activity proposed : **Pickle Unit**
- 7 Cost of Project : Rs22.00lac
- 8 Means of Finance  
 Term Loan - Rs.15.32 Lacs  
 KVIC Margin Money - As per Project Eligibility  
 Own Capital - Rs.2.3 Lacs  
 Working Capital - Rs.5.4 Lacs
- 9 Debt Service Coverage Ratio : 3.85
- 10 Pay Back Period : 5 Years
- 11 Project Implementation Period : 8 Months
- 12 Break Even Point : 26%
- 13 Employment : 10 Persons
- 14 Power Requirement : 5.00 HP
- 15 Major Raw materials : Fruits,Sugar, Pectin, Citric Acid, Preservatives, Mustard Oil, Salt, Spices etc
- 16 Estimated Annual Sales Turnover : 37.80 Lacs
- 16 Detailed Cost of Project & Means of Finance

**COST OF PROJECT**

(Rs. In Lacs)

Particulars	Amount
Land 2000 Sqft	Rented/Owned
Building /shed 1200 Sq Ft)	4.80
Plant & Machinery	10.39
Furniture & Fixtures	1.23
Pre-operative Expenses	0.60
Working Capital Requirement	6.00
<b>Total</b>	<b>23.01</b>

**MEANS OF FINANCE**

Particulars	Amount
Own Contribution @10%	2.30
Term Loan	15.32
Workign Capital Finance	5.40
<b>Total</b>	<b>23.01</b>

**General**

**Special**

Beneficiary's Margin Money  
(% of Project Cost)

10%

5%

**PLANT & MACHINERY**

PARTICULARS	QTY.	RATE	AMOUNT IN RS.
<b>Plant &amp; Machinery / equipments</b>	<b>1</b>		
S.S.Top Working Table, Two head bottle Washing machine, SS Vessles for Oil dipping and Storage, S.S.Knife, ladles, Small utensils, mug, cups	1	500,000.00	500,000.00
Vegetable/Fruit Cutting Machine	1	135,000.00	135,000.00
Spices Mixing Machine	1	110,000.00	110,000.00
Automatic Filling Sealing and Packing Machine	1	185,000.00	185,000.00
Weighing Scale	3	18,000.00	54,000.00
Material Handling Equipment	1S	30,000.00	30,000.00
Misc. Tools	1S	25000	25,000.00
<b>total Plant &amp; Machinery</b>	<b>1S</b>		<b>1,039,000.00</b>

**PROJECTED CASH FLOW STATEMENT**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Share Capital	2.30	-			
Reserve & Surplus	9.93	12.88	16.45	19.87	23.14
Depriciation & Exp. W/off	2.10	1.87	1.62	1.40	1.21
Increase in Cash Credit	5.40	-	-	-	-
Increase In Term Loan	15.32	-	-	-	-
Increase in Creditors	0.75	0.13	0.13	0.13	0.13
Increase in Provisions	0.36	0.04	0.04	0.04	0.05
<b>TOTAL :</b>	<b>36.16</b>	<b>14.92</b>	<b>18.23</b>	<b>21.44</b>	<b>24.53</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	16.42	-	-	-	-
Increase in Stock	4.86	0.81	0.81	0.81	0.81
Increase in Debtors	1.89	0.53	0.35	0.35	0.35
Increase in Deposits & Adv	2.50	0.25	0.28	0.30	0.33
Repayment of Term Loan	-	3.83	3.83	3.83	3.01
Taxation	0.99	1.29	3.29	3.97	4.63
<b>TOTAL :</b>	<b>26.66</b>	<b>6.70</b>	<b>8.55</b>	<b>9.27</b>	<b>9.14</b>
Opening Cash & Bank Balance	-	9.50	17.72	27.39	39.57
Add : Surplus	9.50	8.22	9.68	12.17	15.39
<b>Closing Cash &amp; Bank Balance</b>	<b>9.50</b>	<b>17.72</b>	<b>27.39</b>	<b>39.57</b>	<b>54.96</b>

**PROJECTED BALANCE SHEET**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>SOURCES OF FUND</u></b>					
Capital Account	2.30	2.30	2.30	2.30	2.30
Retained Profit	8.94	20.54	33.69	49.59	68.10
Term Loan	15.32	11.49	7.66	3.83	0.81
Cash Credit	5.40	5.40	5.40	5.40	5.40
Sundry Creditors	0.75	0.88	1.00	1.13	1.25
Provisions & Other Liab	0.36	0.40	0.44	0.48	0.53
<b>TOTAL :</b>	<b>33.07</b>	<b>41.00</b>	<b>50.49</b>	<b>62.72</b>	<b>78.40</b>
<b><u>APPLICATION OF FUND</u></b>					
<b>Fixed Assets ( Gross)</b>	16.42	16.42	16.42	16.42	16.42
Gross Dep.	2.10	3.97	5.59	7.00	8.21
Net Fixed Assets	14.32	12.45	10.83	9.42	8.21
<b>Current Assets</b>					
Sundry Debtors	1.89	2.42	2.77	3.12	3.47
Stock in Hand	4.86	5.67	6.48	7.29	8.10
Cash and Bank	9.50	17.72	27.39	39.57	54.96
Deposits & Advances	2.50	2.75	3.03	3.33	3.66
<b>TOTAL :</b>	<b>33.07</b>	<b>41.00</b>	<b>50.49</b>	<b>62.72</b>	<b>78.40</b>
	-	-	-	-	-

**PROJECTED PROFITABILITY STATEMENT**

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<b>A) SALES</b>					
Gross Sale	37.80	48.30	55.30	62.30	69.30
<b>Total (A)</b>	<b>37.80</b>	<b>48.30</b>	<b>55.30</b>	<b>62.30</b>	<b>69.30</b>
<b>B) COST OF SALES</b>					
Raw Mateiral Consumed	15.00	17.50	20.00	22.50	25.00
Electricity Expenses	0.43	0.50	0.57	0.64	0.72
Repair & Maintenance	-	0.48	0.55	0.62	0.69
Labour & Wages	5.28	5.81	6.39	7.03	7.73
Depriciation	2.10	1.87	1.62	1.40	1.21
Consumables,packaging and Other Expenses	1.89	2.42	2.77	3.12	3.47
<b>Cost of Production</b>	<b>24.70</b>	<b>28.58</b>	<b>31.90</b>	<b>35.31</b>	<b>38.82</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>3.36</b>	<b>3.92</b>	<b>4.48</b>	<b>5.04</b>
<b>Less: Closing Stock /WIP</b>	<b>3.36</b>	<b>3.92</b>	<b>4.48</b>	<b>5.04</b>	<b>5.60</b>
Cost of Sales (B)	21.34	28.02	31.34	34.75	38.26
<b>C) GROSS PROFIT (A-B)</b>	<b>16.46</b>	<b>20.28</b>	<b>23.96</b>	<b>27.55</b>	<b>31.04</b>
	<b>44%</b>	<b>42%</b>	<b>43%</b>	<b>44%</b>	<b>45%</b>
D) Bank Interest (Term Loan )	1.32	1.60	1.16	0.72	0.29
Bank Interest ( C.C. Limit )	0.62	0.62	0.62	0.62	0.62
E) Salary to Staff	3.83	4.21	4.63	5.10	5.60
F) Selling & Adm Expenses Exp.	0.76	0.97	1.11	1.25	1.39
<b>TOTAL (D+E)</b>	<b>6.53</b>	<b>7.39</b>	<b>7.51</b>	<b>7.68</b>	<b>7.90</b>
<b>H) NET PROFIT</b>	<b>9.93</b>	<b>12.88</b>	<b>16.45</b>	<b>19.87</b>	<b>23.14</b>
I) Taxation	0.99	1.29	3.29	3.97	4.63
<b>J) PROFIT (After Tax)</b>	<b>8.94</b>	<b>11.60</b>	<b>13.16</b>	<b>15.90</b>	<b>18.51</b>

**COMPUTATION OF MANUFACTURING OF Pickle**

Items to be Manufactured

Pickle

40.00 MT

Manufacturing Capacity per day		0.20	MT
No. of Working Hour		8	
No of Working Days per month		25	
No. of Working Day per annum		200	
Total Production per Annum		40.00	MT
Year		Capacity	MT
		Utilisation	
IST YEAR		60%	24.00
IIND YEAR		70%	28.00
IIIRD YEAR		80%	32.00
IVTH YEAR		90%	36.00
VTH YEAR		100%	40.00

**COMPUTATION OF RAW MATERIAL**

Item Name		Quantity of Raw Material/MT	Recovery	Unit Rate of /MT	Total Cost Per Annum (100%)
Bamboo Shoot, carrot, coconut, fish, garlic,	100%	100.00		13,500.00	1,350,000.00
Mustard Oil, Salt, Spices etc.		LS		-	750,000.00
Packaging material including Plastic Jar, Pouches, Packaging Cardboard Boxes and		LS			400,000.00
Expenses on Raw Material at 100% capacity (Rs)		Total (Rounded off in lacs)			2,500,000.00

Annual Consumption cost ( In Lacs) 25.00

Raw Material Consumed	Capacity Utilisation	Amount (Rs.)
IST YEAR	60%	15.00
IIND YEAR	70%	17.50
IIIRD YEAR	80%	20.00
IVTH YEAR	90%	22.50
VTH YEAR	100%	25.00

**COMPUTATION OF SALE**

**COMPUTATION OF CLOSING STOCK & WORKING CAPITAL**

PARTICULARS	IST YEAR	IIND YEAR	IIIRD YEAR	IVTH YEAR	VTH YEAR
<b><u>Finished Goods</u></b>					
(30Days requirement)	3.36	3.92	4.48	5.04	5.60
<b><u>Raw Material</u></b>					
(30 Days requirement)	1.50	1.75	2.00	2.25	2.50
<b>Closing Stock</b>	<b>4.86</b>	<b>5.67</b>	<b>6.48</b>	<b>7.29</b>	<b>8.10</b>

**COMPUTATION OF WORKING CAPITAL REQUIREMENT**

Particulars			Total
			<b>Amount</b>
Stock in Hand			4.86
Sundry Debtors			1.89
		Total	6.75
Sundry Creditors			0.75
Working Capital Requirement			<b>6.00</b>
Margin			0.60
Working Capital Finance			<b>5.40</b>

**BREAK UP OF LABOUR**

Particulars		Wages	No of	Total
		Per Month	Employees	Salary
Supervisor Food specialist		12,000.00	1	12,000.00
Skilled Worker		8,000.00	2	16,000.00
Unskilled Worker		6,000.00	4	24,000.00
				40,000.00
Add: 10% Fringe Benefit				4,000.00
Total Labour Cost Per Month				44,000.00
Total Labour Cost for the year ( In Rs. Lakhs)			7	5.28

**BREAK UP OF SALARY**

Particulars		Salary	No of	Total
		Per Month	Employees	Salary
Manager		self		
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%	
<b>Opening Balance</b>	Leased	-	-	-	-
Addition	-	4.80	10.39	1.23	16.42
	-	4.80	10.39	1.23	16.42
Less : Depreciation	-	0.48	1.56	0.06	2.10
WDV at end of Ist year	-	4.32	8.83	1.17	14.32
Additions During The Year	-	-	-	-	-
	-	4.32	8.83	1.17	14.32
Less : Depreciation	-	0.43	1.32	0.12	1.87
WDV at end of IInd Year	-	3.89	7.51	1.05	12.45
Additions During The Year	-	-	-	-	-
	-	3.89	7.51	1.05	12.45
Less : Depreciation	-	0.39	1.13	0.11	1.62
WDV at end of IIIrd year	-	3.50	6.38	0.95	10.83
Additions During The Year	-	-	-	-	-
	-	3.50	6.38	0.95	10.83
Less : Depreciation	-	0.35	0.96	0.09	1.40
WDV at end of IV year	-	3.15	5.42	0.85	9.42
Additions During The Year	-	-	-	-	-
	-	3.15	5.42	0.85	9.42
Less : Depreciation	-	0.31	0.81	0.09	1.21
WDV at end of Vth year	-	2.83	4.61	0.77	8.21

**REPAYMENT SCHEDULE OF TERM LOAN**

11.5%

<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>CI Balance</b>
<b>IST YEAR</b>	Opening Balance						
	Ist Quarter	-	15.32	15.32	-	-	15.32
	Iind Quarter	15.32	-	15.32	0.44	-	15.32
	IIIrd Quarter	15.32	-	15.32	0.44	-	15.32
	Ivth Quarter	15.32	-	15.32	0.44	-	15.32
					1.32	-	
<b>IIND YEAR</b>	Opening Balance						
	Ist Quarter	15.32	-	15.32	0.44	0.96	14.36
	Iind Quarter	14.36	-	14.36	0.41	0.96	13.40
	IIIrd Quarter	13.40	-	13.40	0.39	0.96	12.45
	Ivth Quarter	12.45	-	12.45	0.36	0.96	11.49
					1.60	3.83	
<b>IIIRD YEAR</b>	Opening Balance						
	Ist Quarter	11.49	-	11.49	0.33	0.96	10.53
	Iind Quarter	10.53	-	10.53	0.30	0.96	9.57
	IIIrd Quarter	9.57	-	9.57	0.28	0.96	8.62
	Ivth Quarter	8.62	-	8.62	0.25	0.96	7.66
					1.16	3.83	
<b>IVTH YEAR</b>	Opening Balance						
	Ist Quarter	7.66	-	7.66	0.22	0.96	6.70
	Iind Quarter	6.70	-	6.70	0.19	0.96	5.74
	IIIrd Quarter	5.74	-	5.74	0.17	0.96	4.79
	Ivth Quarter	4.79	-	4.79	0.14	0.96	3.83
					0.72	3.83	
<b>VTH YEAR</b>	Opening Balance						
	Ist Quarter	3.83	-	3.83	0.11	0.96	2.87
	Iind Quarter	2.87	-	2.87	0.08	0.96	1.91
	IIIrd Quarter	1.91	-	1.91	0.06	0.55	1.36
	Ivth Quarter	1.36	-	1.36	0.04	0.55	0.81
					0.29	3.01	

**CALCULATION OF D.S.C.R**

<b>PARTICULARS</b>	<b>IST YEAR</b>	<b>IIND YEAR</b>	<b>IIIRD YEAR</b>	<b>IVTH YEAR</b>	<b>VTH YEAR</b>
<b><u>CASH ACCRUALS</u></b>	11.04	13.47	14.78	17.30	19.73
Interest on Term Loan	1.32	1.60	1.16	0.72	0.29
Total	12.36	15.07	15.93	18.01	20.02
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	3.83	3.83	3.83	3.01	3.01
Interest on Term Loan	1.32	1.60	1.16	0.72	0.29
Total	5.15	5.43	4.99	3.73	3.30
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.40</b>	<b>2.78</b>	<b>3.20</b>	<b>4.83</b>	<b>6.06</b>
<b>AVERAGE D.S.C.R.</b>			<b>3.85</b>		

**COMPUTATION OF SALE**

Particulars	IST YEAR	IIND YEAR	IIRD YEAR	IVTH YEAR	VTH YEAR
Op Stock	-	2.40	2.80	3.20	3.60
Production	24.00	28.00	32.00	36.00	40.00
	24.00	30.40	34.80	39.20	43.60
Less : Closing Stock	2.40	2.80	3.20	3.60	4.00
Net Sale	21.60	27.60	31.60	35.60	39.60
Sale Price per MT	175,000.00	175,000.00	175,000.00	175,000.00	175,000.00
<b>Sale (in Lacs)</b>	<b>37.80</b>	<b>48.30</b>	<b>55.30</b>	<b>62.30</b>	<b>69.30</b>

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

Total Working Hour per day	Hours	8	
Electric Load Required	HP	5	
Load Factor		0.7460	
Electricity Charges	per unit	8.00	
Total Working Days		300	
<b>Electricity Charges ( 8 Hrs Per day )</b>			71,616.00

Add : Minimim Charges (@ 10%)

**(B) DG 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%			0.72

Year	Capacity	Amount (in Lacs)
IST YEAR	60%	0.43
IIND YEAR	70%	0.50
IIIRD YEAR	80%	0.57
IVTH YEAR	90%	0.64
VTH YEAR	100%	0.72

## BREAK EVEN POINT ANALYSIS

Year	I	II	III	IV	V
<b>Net Sales &amp; Other Income</b>	37.80	48.30	55.30	62.30	69.30
Less : Op. WIP Goods	-	3.36	3.92	4.48	5.04
Add : Cl. WIP Goods	3.36	3.92	4.48	5.04	5.60
<b>Total Sales</b>	<b>41.16</b>	<b>48.86</b>	<b>55.86</b>	<b>62.86</b>	<b>69.86</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material & Tax	15.00	17.50	20.00	22.50	25.00
Electricity Exp/Coal Consumption at 85%	0.37	0.43	0.49	0.55	0.61
Manufacturing Expenses 80%	1.51	2.32	2.65	2.99	3.33
Wages & Salary at 60%	5.46	6.01	6.61	7.27	8.00
Selling & administrative Expenses 80%	0.60	0.77	0.88	1.00	1.11
Intt. On Working Capital Loan	0.62	0.62	0.62	0.62	0.62
<b>Total Variable &amp; Semi Variable Exp</b>	<b>23.57</b>	<b>27.65</b>	<b>31.26</b>	<b>34.93</b>	<b>38.67</b>
<b>Contribution</b>	<b>17.59</b>	<b>21.21</b>	<b>24.60</b>	<b>27.93</b>	<b>31.19</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Manufacturing Expenses 20%	0.38	0.58	0.66	0.75	0.83
Electricity Exp/Coal Consumption at 15%	0.06	0.08	0.09	0.10	0.11
Wages & Salary at 40%	3.64	4.01	4.41	4.85	5.33
Interest on Term Loan	1.32	1.60	1.16	0.72	0.29
Depreciation	2.10	1.87	1.62	1.40	1.21
Selling & administrative Expenses 20%	0.15	0.19	0.22	0.25	0.28
<b>Total Fixed Expenses</b>	<b>7.66</b>	<b>8.33</b>	<b>8.16</b>	<b>8.06</b>	<b>8.05</b>
<b>Capacity Utilization</b>	<b>60%</b>	<b>70%</b>	<b>80%</b>	<b>90%</b>	<b>100%</b>
<b>OPERATING PROFIT</b>	<b>9.93</b>	<b>12.88</b>	<b>16.45</b>	<b>19.87</b>	<b>23.14</b>
<b>BREAK EVEN POINT</b>	<b>26%</b>	<b>27%</b>	<b>27%</b>	<b>26%</b>	<b>26%</b>
<b>BREAK EVEN SALES</b>	<b>17.92</b>	<b>19.18</b>	<b>18.52</b>	<b>18.14</b>	<b>18.03</b>

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