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PROJECT REPORT

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PROJECT:

Bamboo Spoon Manufacturing Unit.

PROJECT REPORT OF BAMBOO SPOON MANUFACTURING UNIT

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Bamboo Spoon Manufacturing 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.]

PROJECT AT GLANCE

1 Name of Proprietor/Director	XXXXXXXXXX
2 Firm Name	XXXXXXXXXX
3 Registered Address	XXXXXXXXXX
4 Nature of Activity	XXXXXXXXXX
5 Category of Applicant	XXXXXXXXXX
6 Location of Unit	XXXXXXXXXX
7 Cost of Project	19.64 Rs. In Lakhs
8 Means of Finance	
i) Own Contribution	1.96 Rs. In Lakhs
ii) Term Loan	14.18 Rs. In Lakhs
iii) Working Capital	3.50 Rs. In Lakhs
9 Debt Service Coverage Ratio	2.84
10 Break Even Point	0.68
11 Power Requirement	10 KW
12 Employment	7 Persons
13 Major Raw Materials	Bamboo grains along with some lubricants.
14 Details of Cost of Project & Means of Finance	

<u>Cost of Project</u>	<u>Amount in Lacs</u>
Particulars	Amount
Land	Owned/Leased
Building & Civil Work	Owned/Leased
Plant & Machinery	14.00
Furniture & Fixture	0.75
Other Misc Assets	1.00
Working Capital Requirement	3.89
Total	19.64

<u>Means of Finance</u>	
Particulars	Amount
Own Contribution	1.96
Term Loan	14.18
Working capital Loan	3.50
Total	19.64

BAMBOO SPOON MANUFACTURING UNIT

1. INTRODUCTION

Bamboo is a flowering, permanent and evergreen plant, which belongs to the grass family of Poaceae. It is a versatile, strong, renewable as well as environment- friendly material that can be easily grown for various purposes. Bamboo is also considered the fastest growing woody plant on earth. Bamboo spoons are durable, which means they're easily reusable.

Bamboos include some of the fastest-growing plants in the world, due to a unique rhizome-dependent system. Certain species of bamboo can grow 910 mm (36 in) within a 24-hour period, at a rate of almost 40 mm (1+1/2 in) an hour (equivalent to 1 mm every 90 seconds).

This rapid growth and tolerance for marginal land, make bamboo a good candidate for a forestation, carbon sequestration and climate change mitigation.

Bamboo is one of the commercially cultivated crops in India and it is also considered as 'a poor man's timber'. India is the second largest producer of Bamboo in the world after China. The yearly bamboo production in the country is estimated at around 3.23 million tons.

In Asia, bamboo is the most integrated part of the culture and is used as a substitute to woods. It is mainly used as construction material, furniture, pulp and plywood. India is very fortunate to be blessed with good bamboo resources.

Bamboo is naturally antibacterial and stain-resistant. While kitchen utensils made from wood or plastic can easily become tarnished after contact with colorful spices and foods such as turmeric or beets, bamboo resists stains.

The bamboo wooden spoon for non-stick cookware is strong, durable and has a good feel in hand. Heat resistant and safe to be used on hot surface and never scratch non-stick pan or pot, a healthy cooking utensil set for frying baking and stirring. Figure 1 has shown about the pictorial view of various types of bamboo spoon.



Figure 1 (Bamboo Spoon)

2. MARKET POTENTIAL:

The global market size of bamboo spoon 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.

Apart from individual households, processed bamboo shoots have a very good demand from restaurants, caterers, other caterers, etc. The product can be sold through provisional stores and supermarkets in consumer packs and to bulk buyers in large packaging. 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.

3. PRODUCT DESCRIPTION

3.1 PRODUCT USES

- Bamboo spoons are used for decorative items for household.
- Bamboo spoons are used for serving food items.
- Bamboo spoons are used to maintain and balance the cholesterol level.

3.2 RAW MATERIAL REQUIREMENT

The main raw materials required for manufacturing the Bamboo spoon are bamboo grains along with some lubricants.

3.3 MANUFACTURING PROCESS

This process can be broken down into the following steps-

- Raw material procurement
- Production Process

- **Raw Material Procurement:**

Procurement is the connection process of purchasing and arranging in bound movement of all items, supplies, materials, parts, finished inventory and general support services from the suppliers into manufacturing process or assembly plants or warehouses.

- **Production Process**

Steps involved in the manufacturing of Bamboo Spoon

- Collection of Bamboo grains
- Conversion of bamboo grain into liquid state
- Fitting of spoon mould into the Injection moulding machine
- Filling of mould with liquid bamboo grains
- Removal of unwanted portion from casted spoon
- Packaging of Spoon

4.PROJECT COMPONENTS

Plant & Machinery

Machines

- ✓ Spoon Mould
- ✓ Injection Moulding Machine
- ✓ Spoon Packaging machine

PROJECTED PROFITABILITY STATEMENT					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	65%	70%	75%	80%	85%
<u>SALES</u>					
Gross Sale					
Bamboo Spoon	50.94	60.54	68.08	76.32	85.30
Total	50.94	60.54	68.08	76.32	85.30
<u>COST OF SALES</u>					
Raw Material Consumed	25.74	29.11	32.74	36.67	40.90
Electricity Expenses	1.25	1.41	1.51	1.61	1.71
Depreciation	2.33	1.98	1.69	1.44	1.22
Wages & labour	5.28	5.81	6.39	7.03	7.73
Repair & maintenance	0.76	0.91	1.36	1.53	1.71
Consumables	2.80	3.63	4.08	4.58	5.12
Cost of Production	38.16	42.85	47.78	52.85	58.39
Add: Opening Stock	-	1.91	2.14	2.39	2.64
Less: Closing Stock	1.91	2.14	2.39	2.64	2.92
Cost of Sales	36.25	42.61	47.53	52.60	58.11
GROSS PROFIT	14.69	17.92	20.55	23.72	27.19
G.P Ratio	28.84%	29.61%	30.19%	31.08%	31.87%
Salary to Staff	2.64	3.17	3.80	4.56	5.47
Interest on Term Loan	1.39	1.23	0.88	0.53	0.19
Interest on working Capital	0.39	0.39	0.39	0.39	0.39
Rent	2.40	2.76	3.17	3.65	4.09
Selling & Administrative Exp.	3.06	3.63	4.08	4.58	4.69
TOTAL	9.87	11.17	12.33	13.71	14.83
NET PROFIT	4.82	6.75	8.22	10.01	12.36
Taxation	0.12	0.30	0.48	0.75	1.22
PROFIT (After Tax)	4.70	6.45	7.74	9.26	11.14
N.P Ratio	9.23%	10.66%	11.37%	12.13%	13.06%

<u>PROJECTED BALANCE SHEET</u>					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
Opening balance		3.67	5.62	8.36	11.12
Add:- Own Capital	1.96				
Add:- Retained Profit	4.70	6.45	7.74	9.26	11.14
Less:- Drawings	3.00	4.50	5.00	6.50	7.50
Closing Balance	3.67	5.62	8.36	11.12	14.76
Term Loan	12.60	9.45	6.30	3.15	-
Working Capital Limit	3.50	3.50	3.50	3.50	3.50
Sundry Creditors	1.29	1.46	1.64	1.83	2.04
Provisions and other liabilities	0.50	0.75	1.13	1.69	2.53
TOTAL :	21.55	20.77	20.92	21.29	22.83
<u>Assets</u>					
Fixed Assets (Gross)	15.75	15.75	15.75	15.75	15.75
Gross Dep.	2.33	4.31	5.99	7.43	8.65
Net Fixed Assets	13.43	11.45	9.76	8.32	7.10
Current Assets					
Loans and advances	0.50	0.80	1.00	1.20	1.50
Sundry Debtors	2.55	3.03	3.40	3.82	4.27
Stock in Hand	3.19	3.60	4.03	4.48	4.96
Cash and Bank	1.89	1.90	2.73	3.48	5.01
TOTAL :	21.55	20.77	20.92	21.29	22.83

PROJECTED CASH FLOW STATEMENT**(in Lacs)**

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
	1.96				
Net Profit	4.82	6.75	8.22	10.01	12.36
Depreciation & Exp. W/off	2.33	1.98	1.69	1.44	1.22
Increase in Cash Credit	3.50	-	-	-	-
Increase In Term Loan	14.18	-	-	-	-
Increase in Creditors	1.29	0.17	0.18	0.20	0.21
Increase in Provisions and other liabilities	0.50	0.25	0.38	0.56	0.84
TOTAL :	28.57	9.15	10.47	12.21	14.64
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	15.75				
Increase in Stock	3.19	0.40	0.43	0.45	0.49
Increase in Debtors	2.55	0.48	0.38	0.41	0.45
Increase in loans and advances	0.50	0.30	0.20	0.20	0.30
Repayment of Term Loan	1.58	3.15	3.15	3.15	3.15
Drawings	3.00	4.50	5.00	6.50	7.50
Taxation	0.12	0.30	0.48	0.75	1.22
TOTAL :	26.68	9.13	9.64	11.46	13.11
Opening Cash & Bank Balance	-	1.89	1.90	2.73	3.48
Add : Surplus	1.89	0.02	0.83	0.74	1.53
Closing Cash & Bank Balance	1.89	1.90	2.73	3.48	5.01

CALCULATION OF D.S.C.R

PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	7.03	8.43	9.43	10.70	12.36
Interest on Term Loan	1.39	1.23	0.88	0.53	0.19
Total	8.42	9.66	10.31	11.23	12.55
<u>REPAYMENT</u>					
Instalment of Term Loan	1.58	3.15	3.15	3.15	3.15
Interest on Term Loan	1.39	1.23	0.88	0.53	0.19
Total	2.97	4.38	4.03	3.68	3.34
DEBT SERVICE COVERAGE RATIO	2.84	2.21	2.56	3.05	3.76
AVERAGE D.S.C.R.	2.84				

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	14.18	14.18	-	-	14.18
	2nd month	14.18	-	14.18	0.13	-	14.18
	3rd month	14.18	-	14.18	0.13	-	14.18
	4th month	14.18	-	14.18	0.13	-	14.18
	5th month	14.18	-	14.18	0.13	-	14.18
	6th month	14.18	-	14.18	0.13	-	14.18
	7th month	14.18	-	14.18	0.13	0.26	13.91
	8th month	13.91	-	13.91	0.13	0.26	13.65
	9th month	13.65	-	13.65	0.13	0.26	13.39
	10th month	13.39	-	13.39	0.12	0.26	13.13
	11th month	13.13	-	13.13	0.12	0.26	12.86
	12th month	12.86	-	12.86	0.12	0.26	12.60
						1.39	1.58
2nd	Opening Balance						
	1st month	12.60	-	12.60	0.12	0.26	12.34
	2nd month	12.34	-	12.34	0.11	0.26	12.08
	3rd month	12.08	-	12.08	0.11	0.26	11.81
	4th month	11.81	-	11.81	0.11	0.26	11.55
	5th month	11.55	-	11.55	0.11	0.26	11.29
	6th month	11.29	-	11.29	0.10	0.26	11.03
	7th month	11.03	-	11.03	0.10	0.26	10.76
	8th month	10.76	-	10.76	0.10	0.26	10.50
	9th month	10.50	-	10.50	0.10	0.26	10.24
	10th month	10.24	-	10.24	0.09	0.26	9.98
	11th month	9.98	-	9.98	0.09	0.26	9.71
	12th month	9.71	-	9.71	0.09	0.26	9.45
						1.23	3.15
3rd	Opening Balance						
	1st month	9.45	-	9.45	0.09	0.26	9.19
	2nd month	9.19	-	9.19	0.08	0.26	8.93
	3rd month	8.93	-	8.93	0.08	0.26	8.66
	4th month	8.66	-	8.66	0.08	0.26	8.40
	5th month	8.40	-	8.40	0.08	0.26	8.14
	6th month	8.14	-	8.14	0.07	0.26	7.88
	7th month	7.88	-	7.88	0.07	0.26	7.61
	8th month	7.61	-	7.61	0.07	0.26	7.35
	9th month	7.35	-	7.35	0.07	0.26	7.09
	10th month	7.09	-	7.09	0.06	0.26	6.83
	11th month	6.83	-	6.83	0.06	0.26	6.56
	12th month	6.56	-	6.56	0.06	0.26	6.30
						0.88	3.15

4th	Opening Balance						
	1st month	6.30	-	6.30	0.06	0.26	6.04
	2nd month	6.04	-	6.04	0.06	0.26	5.78
	3rd month	5.78	-	5.78	0.05	0.26	5.51
	4th month	5.51	-	5.51	0.05	0.26	5.25
	5th month	5.25	-	5.25	0.05	0.26	4.99
	6th month	4.99	-	4.99	0.05	0.26	4.73
	7th month	4.73	-	4.73	0.04	0.26	4.46
	8th month	4.46	-	4.46	0.04	0.26	4.20
	9th month	4.20	-	4.20	0.04	0.26	3.94
	10th month	3.94	-	3.94	0.04	0.26	3.68
	11th month	3.68	-	3.68	0.03	0.26	3.41
	12th month	3.41	-	3.41	0.03	0.26	3.15
					0.53	3.15	
5th	Opening Balance						
	1st month	3.15	-	3.15	0.03	0.26	2.89
	2nd month	2.89	-	2.89	0.03	0.26	2.63
	3rd month	2.63	-	2.63	0.02	0.26	2.36
	4th month	2.36	-	2.36	0.02	0.26	2.10
	5th month	2.10	-	2.10	0.02	0.26	1.84
	6th month	1.84	-	1.84	0.02	0.26	1.58
	7th month	1.58	-	1.58	0.01	0.26	1.31
	8th month	1.31	-	1.31	0.01	0.26	1.05
	9th month	1.05	-	1.05	0.01	0.26	0.79
	10th month	0.79	-	0.79	0.01	0.26	0.53
	11th month	0.53	-	0.53	0.00	0.26	0.26
	12th month	0.26	-	0.26	0.00	0.26	-
					0.19	3.15	
	DOOR TO DOOR	60	MONTHS				
	MORATORIUM PERIOD	6	MONTHS				
	REPAYMENT PERIOD	54	MONTHS				

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