

PICKLE MAKING UNIT

Introduction



Pickles are the products prepared from clean and healthy vegetables and fruits with set of unique ingredients that make the desired flavor for the processing product. It is necessary that these vegetables and fruits are fresh and not fermented with salt and brine before. Most major vegetables can be preserved by pickling, either commercially or in households. Pickling is one of the oldest known methods of food preservation. Pickled foods add a special drop to many snacks and meals. Pickled vegetables designed to preserve foods. It is means to preserve surplus agricultural products for winter when supplies are infrequent. Pickling may also improve the nutritious value of food by introducing vitamins produced by bacteria. Pickling involves preserving foodstuffs under high acid concentration, enabling their preservation for over two years without refrigeration. Pickling, is the process of preserving vegetable by anaerobic fermentation in brine (a solution of salt in water) to produce lactic acid, or marinating and storing it in an acid solution, usually vinegar (acetic acid). The resulting food is called a pickle. This procedure gives the food a salty or sour taste. Another distinguishing characteristic is a pH of less than 4.6, which is sufficient to kill most bacteria. Pickling can preserve perishable foods for months. Antimicrobial herbs and spices, such as mustard seed, garlic, cinnamon or cloves, are often added. If the food contains sufficient moisture, pickling brine may be produced simply by adding dry salt. This may be done through a fermentation process or by the direct addition of an acid ingredient, such as vinegar or lemon juice.

Market Potential

Pickling is an ancient form of food preservation and there are historical evidences to suggest it was followed by the ancient Indians. At present there is an expanding market potential for pickles in countries where Asians live. The global pickles market size was 7.9 billion US dollar in 2018 and is expected to grow at a CAGR of 5.5% from 2025 to 2029.

The India pickles market to witness a CAGR of 6.75% by revenue and 8.67% by volume during the forecast years of 2025-2029. Supermarkets and hypermarkets controlled the pickles market in 2018, accounting for over 50% of the global packed pickles market.

Raw Material Description

Major Raw Material that are used are mentioned below:

- Vegetables
- Edible Oil
- Spices
- Other Consumables

Plant & Machinery Details

Major Machines that are used are mentioned below:

1. **Vegetable Cutter:** This machine is used for cutting vegetables in required sizes.



2. **Vegetable Washer:** This machine is used to wash vegetables properly and remove any unwanted material.



3. **Pickle Mixer:** It is used to mix all ingredients like vegetables, oil and spices properly.



Manufacturing Process

Detail Process is explained below:

Mixed Pickles contains a rich mixture of wide variety of fruits and vegetables as per the product recipes. These vegetables are fermented by using oil and salt with rich ingredients. This will add rich texture and taste to the food and also provides nutritional effects of different vegetables. Generally seasonal vegetables are collected and chopped off into small pieces. After this they are fermented as per the desired recipes. Mixed pickles are part of south Asian kitchens and restaurants. They are the rich source of vitamins, fatty acids and minerals. Mixed pickles are generally canned in glass jars. They are also packed in food grade pouches that are widely served with meals in hotels and travel food services.

PROJECT AT A GLANCE - TOP SHEET

| | | | | |
|--------------|---|-------------------|--|----------------------|
| 1 | Name of the Beneficiary | XXXXXXX | | |
| 2 | Constitution(Legal Status) | Individual | | |
| 3 | Father/Spouse Name | XXXXXXX | | |
| 4 | Unit Address | XXXXXX | | |
| | Taluk/Block: | XXXXXX | | |
| | District : | XXXXXX | | |
| | Pin: | XXXXXX | | |
| | E-Mail : | XXXXXX | | |
| | Mobile | XXXXXX | | |
| | | | State: | XXXXXX |
| 5 | Cost of Project | : | Rs. | 5.61 in Lakhs |
| (i) | Plant & Machinery | | | 4.00 in Lakhs |
| (ii) | Furniture & Fixtures | | | 0.50 in Lakhs |
| (iii) | Working Capital Required | | | 1.11 in Lakhs |
| 6 | Means of Finance | : | Rs. | |
| (i) | Term Loan | | | 4.05 in Lakhs |
| (ii) | Working Capital | | | 1.00 in Lakhs |
| (iii) | Own Capital | | | 0.56 in Lakhs |
| | | | | 5.61 in Lakhs |
| 7 | Debt Service Coverage Ratio | : | | 2.94 |
| 8 | Break Even Point | : | | 67.46% |
| 9 | Plant & Machinery | : | Vegetable Cutter,Vegetable Washer,Pickle Mixer | |
| 10 | Major Raw materials | : | Vegetables,Edible Oil,Spices | |
| 11 | Employment | : | | 3 |
| 12 | Power Requirement | : | | 4.00 |
| 13 | Name of the project / business activity | : | Pickle Making Unit | |

PROJECTED BALANCE SHEET

| PARTICULARS | YEAR-I | YEAR-II | YEAR-III | YEAR-IV |
|-----------------------------------|---------------|----------------|-----------------|----------------|
| <u>SOURCES OF FUND</u> | | | | |
| Capital Account | - | 1.92 | 3.53 | 4.80 |
| Add: Addition | 0.56 | | | |
| Add : Net Profit | 1.86 | 2.61 | 3.27 | 4.34 |
| | 2.42 | 4.53 | 6.80 | 9.14 |
| Less : Drawings | 0.50 | 1.00 | 2.00 | 3.00 |
| NET OWN FUNDS | 1.92 | 3.53 | 4.80 | 6.14 |
| Term Loan | 3.24 | 2.16 | 1.08 | - |
| Cash Credit | 1.00 | 1.00 | 1.00 | 1.00 |
| Sundry Creditors | 0.26 | 0.30 | 0.33 | 0.37 |
| Provisions & Other Liab | 0.50 | 0.53 | 0.55 | 0.58 |
| TOTAL : | 6.92 | 7.51 | 7.76 | 8.09 |
| <u>APPLICATION OF FUND</u> | | | | |
| Fixed Assets | 4.50 | 4.50 | 4.50 | 4.50 |
| Less : Depreciation | 0.65 | 1.21 | 1.68 | 2.08 |
| Net Fixed Assets | 3.85 | 3.30 | 2.82 | 2.42 |
| Current Assets | | | | |
| Sundry Debtors | 1.74 | 2.07 | 2.37 | 2.70 |
| Stock in Hand | 0.28 | 0.32 | 0.36 | 0.41 |
| Cash and Bank | 1.05 | 1.82 | 2.21 | 2.57 |
| TOTAL : | 6.92 | 7.51 | 7.76 | 8.09 |
| | - | - | - | - |

PROJECTED PROFITABILITY STATEMENT

| PARTICULARS | YEAR-I | YEAR-II | YEAR-III | YEAR-IV |
|---------------------------------|---------------|----------------|-----------------|----------------|
| Capacity Utilisation % | 50% | 55% | 60% | 65% |
| <u>SALES</u> | | | | |
| Gross Receipts/Sale | 17.40 | 20.71 | 23.69 | 27.03 |
| Total | 17.40 | 20.71 | 23.69 | 27.03 |
| <u>COST OF SALES</u> | | | | |
| Purchase & Consumables | 7.83 | 8.90 | 9.95 | 11.22 |
| Electricity Expenses | 1.57 | 1.86 | 2.13 | 2.43 |
| Other Direct Expenses | 1.04 | 1.24 | 1.42 | 1.62 |
| Cost of Production | 10.44 | 12.01 | 13.50 | 15.27 |
| Add: Opening Stock /WIP | - | 0.28 | 0.32 | 0.36 |
| Less: Closing Stock /WIP | 0.28 | 0.32 | 0.36 | 0.41 |
| Cost of Sales | 10.16 | 11.97 | 13.47 | 15.23 |
| GROSS PROFIT | 7.24 | 8.74 | 10.23 | 11.81 |
| | 41.61% | 42.19% | 43.16% | 43.67% |
| Salary to Staff | 3.31 | 3.97 | 4.76 | 5.24 |
| Selling & Adm Expenses Exp. | 0.87 | 1.14 | 1.37 | 1.59 |
| Depriciation | 0.65 | 0.56 | 0.47 | 0.40 |
| Interest on Term Loan | 0.45 | 0.36 | 0.24 | 0.12 |
| Interest on Working Capital | 0.11 | 0.11 | 0.11 | 0.11 |
| TOTAL (D+G) | 5.38 | 6.13 | 6.96 | 7.47 |
| NET PROFIT | 1.86 | 2.61 | 3.27 | 4.34 |
| | 10.69% | 12.60% | 13.80% | 16.05% |
| CASH ACCRUALS | 2.51 | 3.16 | 3.74 | 4.75 |

PROJECTED CASH FLOW STATEMENT

| PARTICULARS | YEAR-I | YEAR-II | YEAR-III | YEAR-IV |
|-----------------------------------|-------------|-------------|-------------|-------------|
| <u>SOURCES OF FUND</u> | | | | |
| Capital | 0.56 | - | - | - |
| Reserve & Surplus | 1.86 | 2.61 | 3.27 | 4.34 |
| Depreciation & Exp. W/off | 0.65 | 0.56 | 0.47 | 0.40 |
| Increase in Cash Credit | 1.00 | - | - | - |
| Increase In Term Loan | 4.05 | - | - | - |
| Increase in Creditors | 0.26 | 0.04 | 0.03 | 0.04 |
| Increase in Provisions | 0.50 | 0.03 | 0.03 | 0.03 |
| TOTAL : | 8.88 | 3.22 | 3.80 | 4.81 |
| <u>APPLICATION OF FUND</u> | | | | |
| Increase in Fixed Assets | 4.50 | - | - | - |
| Increase in Stock | 0.28 | 0.04 | 0.04 | 0.05 |
| Increase in Debtors | 1.74 | 0.33 | 0.30 | 0.33 |
| Repayment of Term Loan | 0.81 | 1.08 | 1.08 | 1.08 |
| Drawings | 0.50 | 1.00 | 2.00 | 3.00 |
| TOTAL : | 7.83 | 2.45 | 3.42 | 4.46 |
| Opening Cash & Bank Balance | - | 1.05 | 1.82 | 2.21 |
| Add : Surplus | 1.05 | 0.77 | 0.39 | 0.35 |
| Closing Cash & Bank Balance | 1.05 | 1.82 | 2.21 | 2.57 |

COMPUTATION OF PRODUCTION

| | |
|---------------------|------------|
| Production Capacity | 100 Kg/Day |
| No. of Working Hour | 10 |
| Total | 100 Kg/Day |

| | |
|------------------------------|----|
| No of Working Days per month | 25 |
|------------------------------|----|

| | |
|---------------|----|
| No. of Months | 12 |
|---------------|----|

| | | |
|----------------------------|--------|----|
| Total Production Per Annum | 30,000 | Kg |
|----------------------------|--------|----|

| Year | Capacity Utilisation | Sheet |
|----------|----------------------|--------|
| YEAR-I | 50% | 15,000 |
| YEAR-II | 55% | 16,500 |
| YEAR-III | 60% | 18,000 |
| YEAR-IV | 65% | 19,500 |

COMPUTATION OF SALE

| Particulars | YEAR-I | YEAR-II | YEAR-III | YEAR-IV |
|---------------------------|--------------|--------------|--------------|--------------|
| Op Stock | - | 500 | 567 | 619 |
| Production | 15,000 | 16,500 | 18,000 | 19,500 |
| | 15,000 | 17,000 | 18,567 | 20,119 |
| Less : Closing Stock | 500 | 567 | 619 | 671 |
| Net Sale | 14,500 | 16,433 | 17,948 | 19,448 |
| Rate Per Kg | 120.00 | 126.00 | 132.00 | 139.00 |
| Net Sale (in lacs) | 17.40 | 20.71 | 23.69 | 27.03 |

COMPUTATION OF DEPRECIATION

| Description | Plant/Machinery Equipments | Furniture | TOTAL |
|---------------------------|---------------------------------------|------------------|--------------|
| Rate of Depreciation | 15.00% | 10.00% | |
| Opening Balance | - | - | - |
| Addition | 4.00 | 0.50 | 4.50 |
| | 4.00 | 0.50 | 4.50 |
| Less : Depreciation | 0.60 | 0.05 | 0.65 |
| WDV at end of Year-1 | 3.40 | 0.45 | 3.85 |
| Additions During The Year | - | - | - |
| | 3.40 | 0.45 | 3.85 |
| Less : Depreciation | 0.51 | 0.05 | 0.56 |
| WDV at end of Year II | 2.89 | 0.41 | 3.30 |
| Additions During The Year | - | - | - |
| | 2.89 | 0.41 | 3.30 |
| Less : Depreciation | 0.43 | 0.04 | 0.47 |
| WDV at end of Year III | 2.46 | 0.36 | 2.82 |
| Additions During The Year | - | - | - |
| | 2.46 | 0.36 | 2.82 |
| Less : Depreciation | 0.37 | 0.04 | 0.40 |
| WDV at end of Year IV | 2.09 | 0.33 | 2.42 |

TERM LOAN

| Year | Opening Balance | Repayment | Closing Balance | Interest @ 11% |
|-------------|------------------------|------------------|----------------------------|---------------------------|
| 1st | 4.05 | 0.81 | 3.24 | 0.45 |
| 2nd | 3.24 | 1.08 | 2.16 | 0.36 |
| 3rd | 2.16 | 1.08 | 1.08 | 0.24 |
| 4th | 1.08 | 1.08 | 0.00 | 0.12 |

| BREAK EVEN POINT & RATIO ANALYSIS | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| Particulars | 1st Year | 2nd Year | 3rd Year | 4th Year |
| Fixed Cost | 4.75 | 5.44 | 6.14 | 6.82 |
| Variable Cost | 11.08 | 12.70 | 14.32 | 15.92 |
| Total Cost | 15.82 | 18.14 | 20.46 | 22.74 |
| | | | | |
| Sales | 17.40 | 20.71 | 23.69 | 27.03 |
| | | | | |
| Contribution (Sales-VC) | 6.32 | 8.01 | 9.37 | 11.12 |
| | | | | |
| B.E.P in % | 75% | 68% | 66% | 61% |
| | | | | |
| Break Even Sales in Rs. | 13.06 | 14.06 | 15.52 | 16.59 |
| | | | | |
| Net Profit Ratio | 10.69% | 12.60% | 13.80% | 16.05% |

CALCULATION OF D.S.C.R

| PARTICULARS | YEAR-I | YEAR-II | YEAR-III | YEAR-IV |
|------------------------------------|---------------|----------------|-----------------|----------------|
| <u>CASH ACCRUALS</u> | 2.51 | 3.16 | 3.74 | 4.75 |
| Interest on Term Loan | 0.45 | 0.36 | 0.24 | 0.12 |
| Total | 2.96 | 3.52 | 3.98 | 4.86 |
| <u>REPAYMENT</u> | | | | |
| Instalment of Term Loan | 0.81 | 1.08 | 1.08 | 1.08 |
| Interest on Term Loan | 0.45 | 0.36 | 0.24 | 0.12 |
| Total | 1.26 | 1.44 | 1.32 | 1.20 |
| DEBT SERVICE COVERAGE RATIO | 2.35 | 2.45 | 3.02 | 4.06 |
| AVERAGE D.S.C.R. | 2.94 | | | |