

**Project Profile**  
*for*  
**Financial Assistance**  
*under*  
**Chief Minister's Atmanirbhar Asom Abhijan (CMAAA)**



Name of the scheme: Mushroom Cultivation  
Total project cost: Rs.2,10,000.00/-

### ***Project at a glance***

1. Name of the Entrepreneur :
  2. Constitution (Legal status) : Individual
  3. Father's/ Spouse's Name :
  4. Contact details :
    - District :
    - LAC :
    - Block/Town :
    - Village/Ward :
    - PO :
    - PIN :
    - Email ID :
    - Mobile No. :
  5. Location of the unit :
    - District :
    - LAC :
    - Block/Town :
    - Village/Ward :
    - PO :
    - PIN :
  6. Existing Bank Details :
    - A/c No.-
    - Bank & Branch:
    - IFS Code:
  7. Proposed Activity : Mushroom Cultivation
  8. Cost of the Project : Rs. 210000.00 (Approx.)
  9. Means of Finance :
    - Govt. Subsidy : Rs.100000.00
    - Bank loan : Rs.110000.00
    - Total : Rs.210000.00
- 2nd trench of Govt. assistance of Rs.100000.00 after 1 year & third party verification.  
(Govt. may consider further assistance to the successful units)*
10. Pay Back Period : 5 years

## 1. Background:

The "Chief Minister's Atmanirbhar Asom Abhijan 2023" is a visionary initiative of Hon'ble Chief Minister of Assam, aimed at addressing the issue of unemployment and fostering inclusive progress in the state. The Abhijan aims at empowering the youths of the state with self-employment opportunities and is a significant step towards building a more self-reliant and prosperous Assam. This holistic approach will not only benefit the individuals, but also will contribute to the overall socio-economic development of the state, creating a brighter future for all its residents.

Under the scheme financial assistance is proposed to be provided as indicated below:

Educational qualification of the applicant	Quantum of subsidy	Quantum of interest free loan	Total financial assistance
Minimum qualification: For general categories: Matriculate For ST/SC/ OBC: Up to Class-X ITI, Polytechnic, Diploma in other technical courses, post graduates from recognized universities/ institutes	Rs.50000.00 in first year  Rs.50000.00 in 2 <sup>nd</sup> year	Rs.50000.00 in the 1 <sup>st</sup> year  Rs.50000.00 in 2 <sup>nd</sup> year	Rs.200000.00
Degree holders in professional courses like Engineering, MBBS, BDS, Veterinary, fisheries, agriculture, CA etc.	Rs.125000.00 in first year  Rs.125000.00 in 2 <sup>nd</sup> year	Rs.125000.00 in first year  Rs.125000.00 in 2 <sup>nd</sup> year	Rs.500000.00

Out of the total project cost, amount other than the govt. assistance will be financed through Bank. Loan under the scheme will be covered under the CGTMSE and Assam Credit Guarantee Scheme.

## 2. Introduction about the Project:

Mushroom farming, also known as mushroom cultivation or myciculture, is an innovative agricultural practice that involves the cultivation of edible fungi for consumption, medicinal purposes, or industrial applications. Mushrooms, with their unique flavors, textures, and nutritional profiles, have gained popularity as a versatile and sustainable food source. Mushroom farming encompasses the cultivation of various species,

including button mushrooms, oyster mushrooms, shiitake mushrooms, and many others, each requiring specific growing conditions. The process typically involves preparing a substrate or growing medium, inoculating it with mushroom spawn, and creating an environment conducive to mushroom growth. Mushroom farming can be carried out on a small scale in homes or on a larger scale in commercial operations. It is known for its relatively short production cycle, making it a viable option for farmers seeking diverse and high-value crops. Beyond their culinary uses, mushrooms are valued for their medicinal properties and play a crucial role in ecological systems. Mushroom farming, with its potential for sustainable agriculture and economic benefits, continues to attract interest from farmers, entrepreneurs, and enthusiasts alike.

### **3. Potential of the Sector:**

Mushroom cultivation in Assam holds significant potential due to a combination of favorable climatic conditions, ecological diversity, and growing consumer interest in healthy and exotic foods. Mushroom is also rich in protein content, due to which there is growing interest in mushroom consumption among vegetarian people. With the increase in eateries, mushroom is also preferred as ingredient in different cuisines. Mushroom cultivation presents economic opportunities for farmers and entrepreneurs in Assam. The short cultivation cycle of mushrooms allows for quick returns on investment, making it an attractive option for those seeking alternative income sources.

#### **4. Marketing Strategy (to be filled up by the applicant)**

Name of the district :

Population of the district :

Percentage of population eating mushroom in the district :

Average per capita consumption of mushroom in the district (approx.) :

Estimated demand of mushroom in the district (in kg) :

Number of Existing Mushroom Cultivators in the district :

Total Mushroom production of the existing cultivators in the district (in kg)

Target market of the applicant:

Within the district (in Kg) :

Outside the district (in Kg) :

Name of major markets/shops in the district :

#### **5. Process:**

The process flow of a mushroom cultivation business involves several stages, from substrate preparation to harvesting. Here is a general overview of the typical steps involved in mushroom cultivation:

##### **a) Substrate Preparation:**

- Selection and preparation of a suitable substrate, often a combination of organic materials like straw, wood chips, and agricultural waste.
- Sterilize or pasteurize the substrate to eliminate competing organisms and pathogens.

##### **b) Inoculation with Spawn:**

- Introduction of mushroom spawn into the prepared substrate.

##### **c) Incubation:**

- Placing the inoculated substrate in a controlled environment with optimal temperature and humidity for mycelial growth.

d) **Fruiting Conditions:**

- Maintaining specific conditions for fruiting, including lower temperatures, higher humidity, and fresh air exchange.

e) **Mushroom Development:**

- Allowing the mushroom pins to develop into mature fruiting bodies.

f) **Harvesting:**

- Harvesting mature mushrooms by gently twisting or cutting them at the base.

g) **Packaging:**

- Packaging the harvested mushrooms in appropriate packaging materials

h) **Storage and Distribution:**

- Storing packaged mushrooms in a cool and humid environment to maintain freshness.
- Arrange for timely distribution to local markets, supermarkets, or other outlets.

## 6. Financial Analysis

### COST OF PROJECT

<b>A. Fixed Capital Investment</b>			
a. Land/Building :			Own
b. Cost of work shed (25ft X 20ft)	Area Sq. ft.	Rate in Rs.	Amt. In Rs.
Hut/Room for mushroom production by using materials of bamboo poles, Paddy straw, sutli, polythene sheets etc	600	200.00	120000.00
Total			120000.00

<b>C. NON RECURRING EXPENDITURE</b>	<b>Qty.</b>	<b>Rate</b>	<b>Amount in Rs.</b>
Thermometer	1	300.00	300.00
Mushroom Dryer	1	16000.00	16000.00
Weighing Scale	1	3000.00	3000.00
Sealing Machine	1	3000.00	3000.00
<b>Total</b>			<b>22300.00</b>

d. Preliminary & Pre-operative Cost :	Rs. 5000.00
e. Furniture & Fixtures :	Rs. 5000.00
f. Miscellaneous expenditure. :	Rs. 5367.00
<b>Total Capital Expenditure :</b>	<b>Rs. 157667.00</b>

**Working Capital** Rs. **52333.00**

(\* Details provided below)

**Total Cost Project :** Rs. **210000.00**

**Means of Financing :**

Govt Assistance Rs. 100000.00

Bank Finance : Rs. 110000.00

Total Rs. 210000.00

\*\*\*2nd trench of Govt. assistance after 1 year & third-party verification Rs. 100000.00

**STATEMENT SHOWING THE REPAYMENT OF BANK LOAN:**

Year	Opening Balance	Installment	Closing Balance	Interest @ 12.00%
1st	110000.00	2000.00	108000.00	13200.00
2nd	108000.00	102000.00	6000.00	12960.00
3rd	6000.00	2000.00	4000.00	720.00
4th	4000.00	2000.00	2000.00	480.00
5th	2000.00	2000.00	0.00	240.00

Note: 2nd year instalment includes adjustment of 2nd trench of Govt. assistance of Rs 100000.00

**STATEMENT SHOWING THE DEPRECIATION ON FIXED ASSETS:**

<b>WORKSHED</b>				<b>@</b>	<b>10.00%</b>
<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>	<b>5th Year</b>
Opening Balance	120000	108000	97200	87480	78732
Depreciation	12000	10800	9720	8748	7873
Closing Balance	108000	97200	87480	78732	70859

---

<b>MACHINERIES</b>				<b>@</b>	<b>15.00%</b>
Opening Balance	22300	18955	16112	13695	11641
Depreciation	3345	2843	2417	2054	1746
Closing Balance	18955	16112	13695	11641	9895

**TOTAL DEPRECIATION**

Workshed	12000	10800	9720	8748	7873
Equipments	3345	2843	2417	2054	1746
Total	15345	13643	12137	10802	9619

**Schedule of Sales Realization:****Details of Sales**

<b>Particulars of Product</b>	<b>Rate</b>	<b>Quantity</b>	<b>Amount in Rs.</b>
		<b>kg</b>	
Natural Fresh Mushroom	300.00	600	180000.00
Dried Mushroom	1,100.00	300	330000.00
Total			<b>510000.00</b>



## Capacity Utilization of Sales

<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>	<b>5th Year</b>
Capacity Utilization	70%	80%	90%	90%	90%
Sales / Receipts	<b>357000</b>	408000	459000	459000	<b>459000</b>

## Recurring expenditure

<b>Particulars</b>	<b>Unit</b>	<b>Rate/unit</b>	<b>Reqd.Unit</b>	<b>Amount in Rs.</b>
Mushroom spawn (Assuming 600 cylinder per cycle for 2 times a year)	kg	150.00	240	36000.00
Paddy Straw(Assuming 600 cylinder per cycle for 2 times a year) L.S	L.S			60000.00
PP Bags for cylinders	L.S			6000.00
Packing Material, rope etc	L.S			10000.00
<b>Total</b>				<b>112000.00</b>

## Wages :(as per Labour Department norms)

<b>Particulars</b>	<b>No. of</b>	<b>Wages</b>	<b>Amount in Rs.</b>
	<b>Worker</b>	<b>Per Month</b>	<b>(Per Annum)</b>
Semi-skilled workers	0		0.00
Unskilled workers	0	0.00	0.00
<b>Total</b>	<b>0</b>		<b>0.00</b>

Repairs and Maintenance	:	Rs. 5000.00
Power and water	:	Rs. 5000.00
Other Overhead Expenses	:	Rs. 5000.00

## Administrative Expenses :

<b>Salary</b>	<b>No.</b>	<b>Per month</b>	<b>Amount (in Rs.) per annum</b>
Manager Cum supervisor (self)	1	0.00	0.00
<b>Total</b>	<b>1</b>	<b>0.00</b>	<b>0.00</b>

Advertisement, Publicity & selling expenditure	5000.00
Work shed Rent	0.00
Other Miscellaneous Expenses	5000.00
<b>Total</b>	<b>10000.00</b>

**Capacity Utilization of Manufacturing & Administrative Expenses :**

<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>	<b>5th Year</b>
Capacity Utilization	70%	80%	90%	90%	90%
<b><i>Manufacturing Expenses</i></b>					
Raw materials	78400.00	94080.00	105840.00	110880.00	115920.00
Wages	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	3500.00	4000.00	4500.00	4500.00	4500.00
Power & Fuel	3500.00	4000.00	4500.00	4500.00	4500.00
Other Overhead Expenses	3500.00	4000.00	4500.00	4500.00	4500.00

**Administrative Expenses**

Salary	0.00	0.00	0.00	0.00	0.00
Postage Telephone Expenses	0.00	0.00	0.00	0.00	0.00
Stationery & Postage	0.00	0.00	0.00	0.00	0.00
Advertisement, Publicity & selling expenses	5000.00	5000.00	5000.00	5000.00	5000.00
Work shed Rent	0.00	0.00	0.00	0.00	0.00
Other Miscellaneous Expenses	5000.00	5000.00	5000.00	5000.00	5000.00
<b>Total:</b>	<b>98900.00</b>	<b>116080.00</b>	<b>129340.00</b>	<b>134380.00</b>	<b>139420.00</b>

**Assessment of Working Capital :**

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Sale</b>	<b>510000.00</b>
<b><i>Manufacturing Expenses</i></b>	
Raw Material	112000.00
Wages	0.00
Repair & Maintenance	5000.00
Power & Fuel	5000.00
Other Overhead Expenses	5000.00
<b>Production Cost</b>	<b>127000.00</b>
<b>Administrative Cost</b>	<b>10000.00</b>
<b>Manufacturing Cost</b>	<b>137000.00</b>

**Working Capital Estimate :**

<b>Element of Working Capital</b>	<b>No of Days</b>	<b>Basis</b>	<b>Amount in Rs.</b>
Material cost	45	Material Cost	16800.00
Stock in process	30	Production Cost	12700.00
Working expenses	30	Manufacturing Cost	13700.00
Receivable by	20	Manufacturing Cost	9133.00
<b>Total Working Capital Requirement</b>		Per Cycle	52333.00

**Projected Profit & Loss Account :**

<b>Particulars</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>	<b>5th Year</b>
Sale/ Receipt **	357000.00	428400.00	481950.00	504900.00	527850.00
	357000.00	428400.00	481950.00	504900.00	527850.00
<b>Manufacturing Expenses</b>					
Raw Material**	78400.00	94080.00	105840.00	<b>110880.00</b>	<b>115920.00</b>
Wages **	0.00	0.00	0.00	0.00	0.00
Repairs & Maintenance	3500.00	4000.00	4500.00	4500.00	4500.00
Power & Fuel	3500.00	4000.00	4500.00	4500.00	4500.00
Other Overhead Expenses	3500.00	4000.00	4500.00	4500.00	4500.00
Depreciation	15345.00	13643.25	12136.76	10802.25	9619.31
<b>Production Cost</b>	<b>104245.00</b>	<b>119723.25</b>	<b>131476.76</b>	<b>135182.25</b>	<b>139039.31</b>
<b>Administrative Expenses</b>					
Salary	0.00	0.00	0.00	0.00	0.00
Advertisement, Publicity & selling expenses	5000.00	5000.00	5000.00	5000.00	5000.00
Work shed Rent	0.00	0.00	0.00	0.00	0.00
Other Miscellaneous Expenses	5000.00	5000.00	5000.00	5000.00	5000.00
<b>Administrative Cost</b>	<b>10000.00</b>	<b>10000.00</b>	<b>10000.00</b>	<b>10000.00</b>	<b>10000.00</b>
Interest on Bank credit @ 12%	13200.00	12960.00	720.00	480.00	240.00
<b>Cost of Sale</b>	<b>127445.00</b>	<b>142683.25</b>	<b>142196.76</b>	<b>145662.25</b>	<b>149279.31</b>
Net Profit Before Tax	229555.00	285716.75	339753.24	359237.75	378570.69
Less Tax	0.00	0.00	0.00	0.00	0.00
<b>Net Profit</b>	<b>229555.00</b>	<b>285716.75</b>	<b>339753.24</b>	<b>359237.75</b>	<b>378570.69</b>

**CALCULATION OF DEBT SERVICE CREDIT RATIO (D.S.C.R) :**

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Net Profit	229555	285717	339753	359238	378571
Add :					
Depreciation	15345	13643	12137	10802	9619
<b>TOTAL - A</b>	<b>244900</b>	<b>299360</b>	<b>351890</b>	<b>370040</b>	<b>388190</b>
<b>Payments :</b>					
On Bank Loan :					
Interest	13200	12960	720	480	240
Installment	2000	2000	2000	2000	2000
<b>TOTAL - B</b>	<b>15200</b>	<b>14960</b>	<b>2720</b>	<b>2480</b>	<b>2240</b>
D.S.C.R = A/B	<b>16.11</b>	<b>20.01</b>	<b>129.37</b>	<b>149.21</b>	<b>173.30</b>

**PROJECTED BALANCE SHEET :**

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
<b>LIABILITIES :</b>					
Promoters Capital	100000.00	100000.00	100000.00	100000.00	100000.00
Profit	229555.00	285716.75	339753.24	359237.75	378570.69
Bank Loan	108000.00	6000.00	4000.00	2000.00	0.00
Sundry Creditors	0.00	0.00	0.00	0.00	0.00
	<b>437555.00</b>	<b>391716.75</b>	<b>443753.24</b>	<b>461237.75</b>	<b>478570.69</b>
<b>ASSETS :</b>					
Gross Fixed Assets :	147300.00	131955.00	118311.75	106174.99	95372.74
Less : Depreciation	15345.00	13643.25	12136.76	10802.25	9619.31
Net Fixed Assets	131955.00	118311.75	106174.99	95372.74	85753.43
Preliminary & Pre-Op. Expenses	5000.00	3750.00	2812.50	2109.38	1582.03
Current Assets	0.00	0.00	0.00	0.00	0.00
Cash in Bank/Hand	305600.00	273405.00	337578.25	365865.01	392817.26
Total	<b>437555.00</b>	<b>391716.75</b>	<b>443753.24</b>	<b>461237.75</b>	<b>478570.69</b>

**CASH FLOW STATEMENT :**

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Net Profit	229555.00	285716.75	339753.24	359237.75	378570.69
Add : Depreciation	15345.00	13643.25	12136.76	10802.25	9619.31
Bank Loan	108000.00	6000.00	4000.00	2000.00	0.00
Promoters Capital	100000.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>452900.00</b>	<b>305360.00</b>	<b>355890.00</b>	<b>372040.00</b>	<b>388190.00</b>
<b>Total Fixed Capital Invested</b>	157667.00				
Repayment of Bank Loan	102000.00	2000.00	2000.00	2000.00	0.00
Current Assets	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>102000.00</b>	<b>2000.00</b>	<b>2000.00</b>	<b>2000.00</b>	<b>0.00</b>
Opening Balance	0.00	350900.00	654260.00	1008150.00	1378190.00
Surplus	350900.00	303360.00	353890.00	370040.00	388190.00
Closing Balance	<b>350900.00</b>	<b>654260.00</b>	<b>1008150.00</b>	<b>1378190.00</b>	<b>1766380.00</b>

**BREAK-EVEN POINT AND RATIO ANALYSIS :**

Particulars	1st Year	2nd Year	3rd Year	4th Year	5th Year
Fixed Cost	25345	23643	22137	20802	19619
Variable Cost	104245	119723	131477	135182	139039
Total Cost	129590	143367	153614	155984	158659
Sales	357000	428400	481950	504900	527850
Contribution (Sales-VC)	252755	308677	350473	369718	388811
B.E.P in %	10.03%	7.66%	6.32%	5.63%	5.05%
Break Even Sales in Rs.	35798	32814	30441	28408	26635
Net Profit Ratio	<b>64.30%</b>	<b>66.69%</b>	<b>70.50%</b>	<b>71.15%</b>	<b>71.72%</b>

\*\* 5% annual increase has been considered in sale price, raw material cost and wages

**Signature of the Applicant**