# Model Detailed Project Report

## BESAN PLANT UNIT

**Prepared by**

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## 1. INTRODUCTION

**BESAN PLANT**

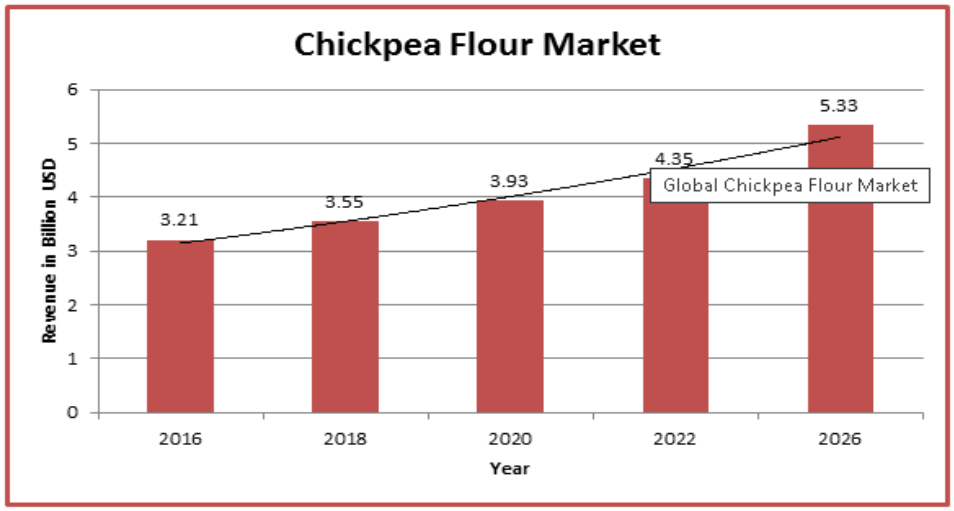
Besan is primarily prepared from grinding of Chana Dal. This is a very important food. It contains large quantities of protein and vitamins. Besan is a product obtained by grinding, dried and decuticled Bengal Gram. Besan is a gram flour widely consumed in India. It is yellowish in colour and possess characteristic gram taste and smell.

Chickpea flour is naturally gluten-free as it is solely made of chickpeas and also rich in protein, fiber, and other vitamins and minerals. Chickpea flour is a staple ingredient in South Asia and Southern Europe. However, it has recently gained popularity worldwide as gluten-free flour as it can be used as part of a gluten-free flour mix for baked goods, as a binder for veggie burgers and fritters, as a thickener for soups and as a subtle flavor which makes it perfect for desserts as well as savory dishes.

Indian snacks and namkeen industry is growing at the rate of 10% per annum with increase in urbanization, changing life style and growth in per capita income. Besan is rich in nutrition and it is very common in Indian food preparations. The growth in demand is also due to increase in population and rising exports of products made from besan.

## 2. MARKET POTENTIAL:

The global chickpea flour market continues to be influenced by a range of macroeconomic and microeconomic factors. Increasing awareness on the benefits of health and wellness of chickpea flour is fueling adoption in developed countries. In many Asian countries, especially India, chickpea flour has been a staple, and has been used in the preparation of many cuisines. **The global Chickpea Flour market is valued at USD 3.21 billion in 2016 and is expected to reach USD 5.33 billion by the end of 2026, growing at a CAGR of 5.2 % between** 2018 & 2026.




Since the COVID-19 virus outbreak in December 2019, the disease has spread to almost 100 countries around the globe with the World Health

Organization declaring it a public health emergency. The global impacts of the coronavirus disease 2019 (COVID-19) are already starting to be felt, and will significantly affect the Gram Flour market in 2020.

India is one of the most important markets for chickpea flour, owing to the high production and consumption of chickpea in the country. The harvesting of chickpea is done during the month of mid-January to mid-March, and a decline in production during this time has the potential to alter the status quo in the global demand and supply.

Chickpea flour is used in a wide range of applications, including bakery and confectionary, extruded products, beverages, animal feed, and dairy products. Among these, demand for chickpea flour is most formidable in bakery and confectionary segments. By 2026, demand for chickpea flour through bakery and confectionary segment is likely to be worth nearly US$ 2.5 Bn.

## 3. PRODUCT DESCRIPTION

### 3.1 PRODUCT USES

1. In India it is popular as Besan flour and is used in various Indian recipes like ‘besankeladdu’, Bhajia, pakode, paraths, Curry etc. Gram flour is also used in making sweat dishes as well as in preparing instant mixes available in market. Chickpea flour, chana or gram flour, besan flour is used commonly throughout India and in parts of the Mediterranean also.

2. It is also perfect as a thickener in curries and coatings in different kinds of fries. It is a substitute of egg for vegetarian people and it has a high in proteins and can be used instead of egg coatings in various recipes.

3. Apart from its capacity to make enhanced fried items and delicious recipes, it is also used as a facial mask mixing with milk or yogurt and turmeric and is popular among young women in Asia.

4. This face mask has proven to be successful as a cleanser and whitening skin. Gram flour is a versatile product and used in many preparations throughout the year. Apart from individual households, there are some wholesale consumers like restaurants, canteens, caterers, clubs etc. who use these products frequently.

5. As Indians love spicy and sweet recipes and besan is a very important ingredient in these items, thus it enjoys continuous use in Indian kitchens all through the year.

## 3.2 Raw Material sources

Yellow chana dal is the main raw material for preparation of gram flour. Yellow chana dal is popularly known as a good source of protein. It can be added to your daily diet to control diabetes and blood sugar levels naturally.

Average raw material wholesale rate of yellow chana Dal is approx. Rs. 60-65 per KG.

## 3.3 MANUFACTURING PROCESS

**Besan Processing Unit**

- **Cleaning:** Eliminate pebbles, broken grains and other impurities from Gram.
- **Conditioning**: Based on physical properties of gram dal, remove other coloured gram halves. Water content, if any, should be removed by drying to maintain minimum 12 to 14% moisture.
- **Milling**: The gradual milling system should be adopted for milling and operation consists of breaking, scalping and purification, reduction and dressing. Thus obtained flour is further pass through battery of sieving machines to obtained super fine grade and fine grade material. The husk separated is collected from other chutes, whereas other sieved coarse material again feed-back for milling into roller machine.
- **Finishing**: Sometimes, finished excellent flour (besan) is mixed to obtain a standard and uniform desired properties, characteristics and colour.
- Besan is packed directly in gunny bags, poly-line gunny bags for bulk selling and in laminated pouches or poly-bags for retail selling.

# 4. PROJECT COMPONENTS

## 4.1 Land

Land required 2000 square feet approx.

Approximate rent for the same is Rs.30000-35000 per month.

## 4.2 Plant & Machinery

### Besan Processing section

| S.N. | Item Description | Image |
|---|---|---|
| 1 | Bucket Elevator 4" Bucket Complete with Gear Motor- Bucket elevators are designed to move flowing powders or bulk solids vertically. |  |
| 2 | Storage Tank For Dal 300kg: For storing of besan. |  |

| | | |
|---|---|---|
| 3 | Impact Pulverizer Besan Milling Machines |  |
| 4 | Pneumatic Lift complete with accessories(45000*2) |  |
| 5 | Motor 30hp x1440Rpm |  |
| 6 | Dust Collector with Sleeve |  |

| | | |
|---|---|---|
| 7 | Centrifugal Machines with motor & sieves |  |

**Note:** Total Cost of plant & machinery is Rs.9,42,400 excluding GST and transportation cost.

### 4.3 Misc. Assets

| S.N. | Item Description | Rate |
|---|---|---|
| 1 | Electrical fitting & DJ set | 1,00,000 |
| 2 | Furniture and equipment's | 50,000 |

### 4.4 Power Requirement

The borrower shall require power load of 33-35 HP which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

### 4.5 Manpower Requirement

6-7 Manpower are required for the Besan manufacturing unit.

Includes:

2 Skilled Labour

2-3 Unskilled Labour

2 Helper

# 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** | 9.42 | 2.36 | 7.07 |
| **Furniture & Fixtures and Other Assets** | 1.50 | 0.38 | 1.13 |
| **Working capital** | 8.00 | 2.00 | 6.00 |
| **Total** | **18.92** | **4.73** | **14.19** |

## 5.2 Means of Finance

| MEANS OF FINANCE (in Lacs) | |
|---|---|
| **PARTICULARS** | **AMOUNT** |
| Own Contribution | 4.73 |
| Bank Loan | 8.19 |
| Working capital Limit | 6.00 |
| **Total** | **18.92** |

## 5.3 Projected Balance Sheet

| PROJECTED BALANCE SHEET | | | | | (in Lacs) |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| ***Liabilities*** | | | | | |
| Capital | | | | | |
| opening balance | | 5.43 | 7.12 | 9.25 | 11.10 |
| *Add:- Own Capital* | 4.73 | | | | |
| Add:- Retained Profit | 2.70 | 4.69 | 6.13 | 7.86 | 10.11 |
| Less:- Drawings | 2.00 | 3.00 | 4.00 | 6.00 | 7.50 |
| Closing Balance | 5.43 | 7.12 | 9.25 | 11.10 | 13.71 |
| Term Loan | 7.28 | 5.46 | 3.64 | 1.82 | - |
| Working Capital Limit | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Sundry Creditors | 3.74 | 4.31 | 4.91 | 5.62 | 6.37 |
| Provisions & Other Liab | 0.40 | 0.50 | 0.60 | 0.72 | 0.86 |
| **TOTAL :** | **22.85** | **23.39** | **24.40** | **25.26** | **26.95** |
| ***Assets*** | | | | | |
| **Fixed Assets ( Gross)** | 10.92 | 10.92 | 10.92 | 10.92 | 10.92 |
| Gross Dep. | 1.56 | 2.90 | 4.04 | 5.02 | 5.85 |
| **Net Fixed Assets** | **9.36** | **8.02** | **6.88** | **5.90** | **5.07** |
| **Current Assets** | | | | | |
| Sundry Debtors | 4.08 | 4.86 | 5.56 | 6.30 | 7.15 |
| Stock in Hand | 8.16 | 9.36 | 10.65 | 12.17 | 13.78 |
| Cash and Bank | 1.26 | 1.14 | 1.31 | 0.89 | 0.95 |
| **TOTAL :** | **22.85** | **23.39** | **24.40** | **25.26** | **26.95** |

## 5.4 Projected Cash Flow

| PROJECTED CASH FLOW STATEMENT | | | | | (in Lacs) |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| ***SOURCES OF FUND*** | | | | | |
| Own Margin | 4.73 | | | | |
| Net Profit | 2.70 | 4.69 | 6.26 | 8.19 | 10.70 |
| Depreciation & Exp. W/off | 1.56 | 1.34 | 1.14 | 0.98 | 0.84 |
| Increase in Cash Credit | 6.00 | - | - | - | - |
| Increase In Term Loan | 8.19 | - | - | - | - |
| Increase in Creditors | 3.74 | 0.56 | 0.60 | 0.71 | 0.75 |
| Increase in Provisions & Oth lib | 0.40 | 0.10 | 0.10 | 0.12 | 0.14 |
| **TOTAL :** | **27.33** | **6.69** | **8.10** | **9.99** | **12.44** |
| ***APPLICATION OF FUND*** | | | | | |
| Increase in Fixed Assets | 10.92 | | | | |
| Increase in Stock | 8.16 | 1.21 | 1.28 | 1.52 | 1.61 |
| Increase in Debtors | 4.08 | 0.78 | 0.70 | 0.74 | 0.85 |
| Repayment of Term Loan | 0.91 | 1.82 | 1.82 | 1.82 | 1.82 |
| Drawings | 2.00 | 3.00 | 4.00 | 6.00 | 7.50 |
| Taxation | - | - | 0.13 | 0.33 | 0.59 |
| **TOTAL :** | **26.07** | **6.81** | **7.93** | **10.41** | **12.38** |
| Opening Cash & Bank Balance | - | 1.26 | 1.14 | 1.31 | 0.89 |
| Add : Surplus | 1.26 | (0.12) | 0.17 | (0.42) | 0.06 |
| Closing Cash & Bank Balance | **1.26** | **1.14** | **1.31** | **0.89** | **0.95** |

## 5.5 Projected Profitability

| PROJECTED PROFITABILITY STATEMENT | | | | | (in Lacs) |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| Capacity Utilization % | **50%** | **55%** | **60%** | **65%** | **70%** |
| **SALES** | | | | | |
| **Gross Sale** | | | | | |
| Besan | 111.36 | 132.65 | 151.64 | 171.78 | 195.09 |
| **Total** | **111.36** | **132.65** | **151.64** | **171.78** | **195.09** |
| **COST OF SALES** | | | | | |
| Raw Material Consumed | 93.60 | 107.71 | 122.69 | 140.40 | 159.26 |
| Electricity Expenses | 3.00 | 3.45 | 3.97 | 4.56 | 5.02 |
| Depreciation | 1.56 | 1.34 | 1.14 | 0.98 | 0.84 |
| Wages & labour | 5.04 | 5.54 | 6.10 | 6.71 | 7.38 |
| Repair & maintenance | 1.11 | 1.33 | 1.52 | 1.72 | 1.95 |
| **Cost of Production** | 104.32 | 119.37 | 135.41 | 154.37 | 174.45 |
| **Add: Opening Stock /WIP** | - | 3.48 | 3.98 | 4.51 | 5.15 |
| **Less: Closing Stock /WIP** | 3.48 | 3.98 | 4.51 | 5.15 | 5.81 |
| Cost of Sales | 100.84 | 118.87 | 134.88 | 153.73 | 173.78 |
| **GROSS PROFIT** | **10.52** | **13.79** | **16.76** | **18.05** | **21.31** |
| Salary to Staff | 1.68 | 1.85 | 2.03 | 2.24 | 2.46 |
| Interest on Term Loan | 0.80 | 0.71 | 0.51 | 0.31 | 0.11 |

| | | | | | |
|---|---|---|---|---|---|
| Interest on working Capital | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 |
| Rent | 3.84 | 4.22 | 4.65 | 5.11 | 5.62 |
| selling & adm exp | 0.84 | 1.66 | 2.65 | 1.55 | 1.76 |
| **TOTAL** | **7.82** | **9.10** | **10.50** | **9.86** | **10.61** |
| | | | | | |
| NET PROFIT | 2.70 | 4.69 | 6.26 | 8.19 | 10.70 |
| Taxation | | | 0.13 | 0.33 | 0.59 |
| PROFIT (After Tax) | 2.70 | 4.69 | 6.13 | 7.86 | 10.11 |

## 5.6 Production and Yield

| **COMPUTATION OF PRODUCTION OF BESAN** | | |
|---|---|---|
| **Items to be Manufactured** | | |
| Besan | | |
| Machine Production capacity per Hour | 200 | KG |
| Operational Capacity per hour (taken) | 120 | KG |
| Working hours in a day | 8 | |
| Production Per Day | 960 | |
| No of Working Days in Month | 25 | |
| No of Working Days in a Year | 300 | |
| machine capacity per annum | 288,000 | KG |

| Production of Besan | | |
|---|---|---|
| **Production** | **Capacity** | **KG** |
| 1st year | 50% | 144,000 |
| 2nd year | 55% | 158,400 |
| 3rd year | 60% | 172,800 |
| 4th year | 65% | 187,200 |
| 5th year | 70% | 201,600 |

| Raw Material Cost | | | |
|---|---|---|---|
| **Year** | **Capacity Utilization** | **Rate (per KG)** | **Amount (Rs. in lacs)** |
| 1st year | 50% | 65.00 | 93.60 |
| 2nd year | 55% | 68.00 | 107.71 |
| 3rd year | 60% | 71.00 | 122.69 |
| 4th year | 65% | 75.00 | 140.40 |
| 5th year | 70% | 79.00 | 159.26 |

## 5.7 Sales Revenue

| **COMPUTATION OF SALE** | | | | | |
|---|---|---|---|---|---|
| **Particulars** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| Op Stock | - | 4,800 | 5,280 | 5,760 | 6,240 |
| Production | 144,000 | 158,400 | 172,800 | 187,200 | 201,600 |
| Less : Closing Stock | 4,800 | 5,280 | 5,760 | 6,240 | 6,720 |
| **Net Sale** | **139,200** | **157,920** | **172,320** | **186,720** | **201,120** |
| sale price per KG | 80.00 | 84.00 | 88.00 | 92.00 | 97.00 |
| **Sales (in Lacs)** | 111.36 | 132.65 | 151.64 | 171.78 | 195.09 |

## 5.8 Working Capital Assessment

| COMPUTATION OF CLOSING STOCK & WORKING CAPITAL | | | | | (in Lacs) |
|---|---|---|---|---|---|
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| **Finished Goods** | | | | | |
| | 3.48 | 3.98 | 4.51 | 5.15 | 5.81 |
| **Raw Material** | | | | | |
| | 4.68 | 5.39 | 6.13 | 7.02 | 7.96 |
| **Closing Stock** | **8.16** | **9.36** | **10.65** | **12.17** | **13.78** |

| COMPUTATION OF WORKING CAPITAL REQUIREMENT | | | | | |
|---|---|---|---|---|---|
| **TRADITIONAL METHOD** | | | | | (in Lacs) |
| **Particulars** | **Amount** | **Own Margin** | | **Bank Finance** | |
| Finished Goods & Raw Material | 8.16 | | | | |
| Less : Creditors | 3.74 | | | | |
| **Paid stock** | **4.41** | **25%** | **1.10** | **75%** | **3.31** |
| **Sundry Debtors** | **4.08** | **25%** | **1.02** | **75%** | **3.06** |
| | **8.50** | | **2.12** | | **6.37** |
| | | | | | |
| **WORKING CAPITAL LIMIT DEMAND ( from Bank)** | | | | **6.00** | |

## 5.9 Power, Salary & Wages Calculation

| Utility Charges (per month) | | |
|---|---|---|
| **Particulars** | **value** | **Description** |
| Power connection required | 25 | KWH |
| consumption per day | 200 | units |
| Consumption per month | 5,000 | units |
| Rate per Unit | 10 | Rs. |
| power Bill per month | 50,000 | Rs. |

**BREAK UP OF LABOUR CHARGES**

| **Particulars** | **Wages Rs. per Month** | **No of Employees** | **Total Salary** |
|---|---|---|---|
| Skilled (in thousand rupees) | 12,000 | 2 | 24,000 |
| Unskilled (in thousand rupees) | 9,000 | 2 | 18,000 |
| **Total salary per month** | | | **42,000** |
| **Total annual labour charges** | **(in lacs)** | | **5.04** |

**BREAK UP OF Staff Salary CHARGES**

| **Particulars** | **Salary Rs. per Month** | **No of Employees** | **Total Salary** |
|---|---|---|---|
| Helper | 7,000 | 2 | 14,000 |
| **Total salary per month** | | | **14,000** |
| **Total annual Staff charges** | **(in lacs)** | | **1.68** |

## 5.10 BEP

| BREAK EVEN POINT ANALYSIS | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **Year** | **I** | **II** | **III** | **IV** | **V** |
| | | | | | |
| **Net Sales & Other Income** | 111.36 | 132.65 | 151.64 | 171.78 | 195.09 |
| Less : Op. WIP Goods | - | 3.48 | 3.98 | 4.51 | 5.15 |
| Add : Cl. WIP Goods | 3.48 | 3.98 | 4.51 | 5.15 | 5.81 |
| | | | | | |
| **Total Sales** | **114.84** | **133.15** | **152.18** | **172.41** | **195.76** |
| | | | | | |
| **Variable & Semi Variable Exp.** | | | | | |
| | | | | | |
| Raw Material Consumed | 93.60 | 107.71 | 122.69 | 140.40 | 159.26 |
| Electricity Exp/Coal Consumption at 85% | 2.55 | 2.93 | 3.37 | 3.88 | 4.27 |
| Wages & Salary at 60% | 4.03 | 4.44 | 4.88 | 5.37 | 5.90 |
| Selling & adminstrative Expenses 80% | 0.67 | 1.33 | 2.12 | 1.24 | 1.40 |
| Interest on working Capital | 0.66 | 0.66 | 0.66 | 0.66 | 0.66 |
| Repair & maintenance | 1.11 | 1.33 | 1.52 | 1.72 | 1.95 |
| **Total Variable & Semi Variable Exp** | **102.62** | **118.39** | **135.24** | **153.26** | **173.45** |
| | | | | | |
| **Contribution** | **12.21** | **14.76** | **16.94** | **19.15** | **22.31** |
| | | | | | |
| **Fixed & Semi Fixed Expenses** | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Electricity Exp/Coal Consumption at 15% | 0.45 | 0.52 | 0.60 | 0.68 | 0.75 |
| Wages & Salary at 40% | 2.69 | 2.96 | 3.25 | 3.58 | 3.94 |
| Interest on Term Loan | 0.80 | 0.71 | 0.51 | 0.31 | 0.11 |
| Depreciation | 1.56 | 1.34 | 1.14 | 0.98 | 0.84 |
| Selling & adminstrative Expenses 20% | 0.17 | 0.33 | 0.53 | 0.31 | 0.35 |
| Rent | 3.84 | 4.22 | 4.65 | 5.11 | 5.62 |
| **Total Fixed Expenses** | **9.51** | **10.08** | **10.68** | **10.97** | **11.61** |
| | | | | | |
| **Capacity Utilization** | **50%** | **55%** | **60%** | **65%** | **70%** |
| **OPERATING PROFIT** | **2.70** | **4.69** | **6.26** | **8.19** | **10.70** |
| **BREAK EVEN POINT** | **39%** | **38%** | **38%** | **37%** | **36%** |
| **BREAK EVEN SALES** | **89.45** | **90.88** | **95.92** | **98.73** | **101.85** |

## 5.11 Financial Ratio Analysis

| **FINANCIAL INDICATORS** | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **PARTICULARS** | **1st year** | **2nd year** | **3rd year** | **4th year** | **5th year** |
| TURNOVER | 111.36 | 132.65 | 151.64 | 171.78 | 195.09 |
| GROSS PROFIT | 10.52 | 13.79 | 16.76 | 18.05 | 21.31 |
| **G.P. RATIO** | **9.45%** | **10.39%** | **11.05%** | **10.51%** | **10.92%** |
| | | | | | |
| NET PROFIT | 2.70 | 4.69 | 6.26 | 8.19 | 10.70 |
| **N.P. RATIO** | **2.42%** | **3.53%** | **4.13%** | **4.77%** | **5.49%** |
| | | | | | |
| CURRENT ASSETS | 13.50 | 15.36 | 17.52 | 19.36 | 21.88 |
| CURRENT LIABILITIES | 10.14 | 10.81 | 11.51 | 12.34 | 13.23 |

| | | | | | |
|---|---|---|---|---|---|
| **CURRENT RATIO** | **1.33** | **1.42** | **1.52** | **1.57** | **1.65** |
| | | | | | |
| TERM LOAN | 7.28 | 5.46 | 3.64 | 1.82 | - |
| TOTAL NET WORTH | 5.43 | 7.12 | 9.25 | 11.10 | 13.71 |
| **DEBT/EQUITY** | **1.34** | **0.77** | **0.39** | **0.16** | **-** |
| | | | | | |
| TOTAL NET WORTH | 5.43 | 7.12 | 9.25 | 11.10 | 13.71 |
| TOTAL OUTSIDE LIABILITIES | 17.42 | 16.27 | 15.15 | 14.16 | 13.23 |
| **TOL/TNW** | **3.21** | **2.29** | **1.64** | **1.27** | **0.97** |
| | | | | | |
| PBDIT | 5.73 | 7.39 | 8.57 | 10.13 | 12.31 |
| INTEREST | 1.46 | 1.37 | 1.17 | 0.97 | 0.77 |
| **INTEREST COVERAGE RATIO** | **3.91** | **5.40** | **7.33** | **10.46** | **16.01** |
| | | | | | |
| WDV | 9.36 | 8.02 | 6.88 | 5.90 | 5.07 |
| TERM LOAN | 7.28 | 5.46 | 3.64 | 1.82 | - |
| **FACR** | **1.29** | **1.47** | **1.89** | **3.24** | **-** |

## 5.12 DSCR

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

| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
|---|---|---|---|---|---|
| | | | | | |
| CASH ACCRUALS | 4.26 | 6.02 | 7.27 | 8.83 | 10.94 |
| Interest on Term Loan | 0.80 | 0.71 | 0.51 | 0.31 | 0.11 |
| **Total** | 5.07 | 6.73 | 7.78 | 9.14 | 11.05 |
| | | | | | |
| **REPAYMENT** | | | | | |
| Instalment of Term Loan | 0.91 | 1.82 | 1.82 | 1.82 | 1.82 |
| Interest on Term Loan | 0.80 | 0.71 | 0.51 | 0.31 | 0.11 |
| | | | | | |
| Total | 1.71 | 2.53 | 2.33 | 2.13 | 1.93 |
| | | | | | |
| **DEBT SERVICE COVERAGE RATIO** | **2.96** | **2.66** | **3.34** | **4.29** | **5.73** |
| **AVERAGE D.S.C.R.** | | | | | **3.80** |

## 5.13 Depreciation

| COMPUTATION OF DEPRECIATION | | | (in Lacs) |
|---|---|---|---|
| **Description** | **Plant & Machinery** | **Furniture** | **TOTAL** |
| Rate of Depreciation | **15.00%** | **10.00%** | |
| **Opening Balance** | - | - | - |
| Addition | 9.42 | 1.50 | 10.92 |
| Total | 9.42 | 1.50 | 10.92 |
| Less : Depreciation | 1.41 | 0.15 | 1.56 |
| **WDV at end of Year** | **8.01** | **1.35** | **9.36** |
| Additions During The Year | - | - | - |
| Total | 8.01 | 1.35 | 9.36 |
| Less : Depreciation | 1.20 | 0.14 | 1.34 |
| **WDV at end of Year** | **6.81** | **1.22** | **8.02** |
| Additions During The Year | - | - | - |
| Total | 6.81 | 1.22 | 8.02 |
| Less : Depreciation | 1.02 | 0.12 | 1.14 |
| **WDV at end of Year** | **5.79** | **1.09** | **6.88** |
| Additions During The Year | - | - | - |
| Total | 5.79 | 1.09 | 6.88 |
| Less : Depreciation | 0.87 | 0.11 | 0.98 |
| **WDV at end of Year** | **4.92** | **0.98** | **5.90** |
| Additions During The Year | - | - | - |
| Total | 4.92 | 0.98 | 5.90 |
| Less : Depreciation | 0.74 | 0.10 | 0.84 |
| **WDV at end of Year** | **4.18** | **0.89** | **5.07** |

## 5.14 Repayment schedule

| REPAYMENT SCHEDULE OF TERM LOAN | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | Interest | | 11.00% |
| **Year** | **Particulars** | **Amount** | **Addition** | **Total** | **Interest** | **Repayment** | **Closing Balance** |
| **ist** | Opening Balance | | | | | | |
| | 1st month | - | 8.19 | 8.19 | - | - | 8.19 |
| | 2nd month | 8.19 | - | 8.19 | 0.08 | - | 8.19 |
| | 3rd month | 8.19 | - | 8.19 | 0.08 | - | 8.19 |
| | 4th month | 8.19 | - | 8.19 | 0.08 | | 8.19 |
| | 5th month | 8.19 | - | 8.19 | 0.08 | | 8.19 |
| | 6th month | 8.19 | - | 8.19 | 0.08 | | 8.19 |
| | 7th month | 8.19 | - | 8.19 | 0.08 | 0.15 | 8.04 |
| | 8th month | 8.04 | - | 8.04 | 0.07 | 0.15 | 7.89 |
| | 9th month | 7.89 | - | 7.89 | 0.07 | 0.15 | 7.74 |
| | 10th month | 7.74 | - | 7.74 | 0.07 | 0.15 | 7.58 |
| | 11th month | 7.58 | - | 7.58 | 0.07 | 0.15 | 7.43 |
| | 12th month | 7.43 | - | 7.43 | 0.07 | 0.15 | 7.28 |
| | | | | | 0.80 | 0.91 | |
| **2nd** | Opening Balance | | | | | | |
| | 1st month | 7.28 | - | 7.28 | 0.07 | 0.15 | 7.13 |
| | 2nd month | 7.13 | - | 7.13 | 0.07 | 0.15 | 6.98 |
| | 3rd month | 6.98 | - | 6.98 | 0.06 | 0.15 | 6.83 |
| | 4th month | 6.83 | - | 6.83 | 0.06 | 0.15 | 6.67 |
| | 5th month | 6.67 | - | 6.67 | 0.06 | 0.15 | 6.52 |
| | 6th month | 6.52 | - | 6.52 | 0.06 | 0.15 | 6.37 |
| | 7th month | 6.37 | - | 6.37 | 0.06 | 0.15 | 6.22 |
| | 8th month | 6.22 | - | 6.22 | 0.06 | 0.15 | 6.07 |
| | 9th month | 6.07 | - | 6.07 | 0.06 | 0.15 | 5.92 |
| | 10th month | 5.92 | - | 5.92 | 0.05 | 0.15 | 5.76 |
| | 11th month | 5.76 | - | 5.76 | 0.05 | 0.15 | 5.61 |
| | 12th month | 5.61 | - | 5.61 | 0.05 | 0.15 | 5.46 |
| | | | | | **0.71** | **1.82** | |
| **3rd** | Opening Balance | | | | | | |
| | 1st month | 5.46 | - | 5.46 | 0.05 | 0.15 | 5.31 |
| | 2nd month | 5.31 | - | 5.31 | 0.05 | 0.15 | 5.16 |
| | 3rd month | 5.16 | - | 5.16 | 0.05 | 0.15 | 5.01 |
| | 4th month | 5.01 | - | 5.01 | 0.05 | 0.15 | 4.85 |
| | 5th month | 4.85 | - | 4.85 | 0.04 | 0.15 | 4.70 |
| | 6th month | 4.70 | - | 4.70 | 0.04 | 0.15 | 4.55 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 7th month | 4.55 | - | 4.55 | 0.04 | 0.15 | 4.40 |
| | 8th month | 4.40 | - | 4.40 | 0.04 | 0.15 | 4.25 |
| | 9th month | 4.25 | - | 4.25 | 0.04 | 0.15 | 4.10 |
| | 10th month | 4.10 | - | 4.10 | 0.04 | 0.15 | 3.94 |
| | 11th month | 3.94 | - | 3.94 | 0.04 | 0.15 | 3.79 |
| | 12th month | 3.79 | - | 3.79 | 0.03 | 0.15 | 3.64 |
| | | | | | **0.51** | **1.82** | |
| **4th** | Opening Balance | | | | | | |
| | 1st month | 3.64 | - | 3.64 | 0.03 | 0.15 | 3.49 |
| | 2nd month | 3.49 | - | 3.49 | 0.03 | 0.15 | 3.34 |
| | 3rd month | 3.34 | - | 3.34 | 0.03 | 0.15 | 3.19 |
| | 4th month | 3.19 | - | 3.19 | 0.03 | 0.15 | 3.03 |
| | 5th month | 3.03 | - | 3.03 | 0.03 | 0.15 | 2.88 |
| | 6th month | 2.88 | - | 2.88 | 0.03 | 0.15 | 2.73 |
| | 7th month | 2.73 | - | 2.73 | 0.03 | 0.15 | 2.58 |
| | 8th month | 2.58 | - | 2.58 | 0.02 | 0.15 | 2.43 |
| | 9th month | 2.43 | - | 2.43 | 0.02 | 0.15 | 2.28 |
| | 10th month | 2.28 | - | 2.28 | 0.02 | 0.15 | 2.12 |
| | 11th month | 2.12 | - | 2.12 | 0.02 | 0.15 | 1.97 |
| | 12th month | 1.97 | - | 1.97 | 0.02 | 0.15 | 1.82 |
| | | | | | **0.31** | **1.82** | |
| **5th** | Opening Balance | | | | | | |
| | 1st month | 1.82 | - | 1.82 | 0.02 | 0.15 | 1.67 |
| | 2nd month | 1.67 | - | 1.67 | 0.02 | 0.15 | 1.52 |
| | 3rd month | 1.52 | - | 1.52 | 0.01 | 0.15 | 1.37 |
| | 4th month | 1.37 | - | 1.37 | 0.01 | 0.15 | 1.21 |
| | 5th month | 1.21 | - | 1.21 | 0.01 | 0.15 | 1.06 |
| | 6th month | 1.06 | - | 1.06 | 0.01 | 0.15 | 0.91 |
| | 7th month | 0.91 | - | 0.91 | 0.01 | 0.15 | 0.76 |
| | 8th month | 0.76 | - | 0.76 | 0.01 | 0.15 | 0.61 |
| | 9th month | 0.61 | - | 0.61 | 0.01 | 0.15 | 0.46 |
| | 10th month | 0.46 | - | 0.46 | 0.00 | 0.15 | 0.30 |
| | 11th month | 0.30 | - | 0.30 | 0.00 | 0.15 | 0.15 |
| | 12th month | 0.15 | - | 0.15 | 0.00 | 0.15 | - |
| | | | | | **0.11** | **1.82** | |

| | | |
|---|---|---|
| DOOR TO DOOR | 60 | MONTHS |
| MORATORIUM PERIOD | 6 | MONTHS |
| REPAYMENT PERIOD | 54 | MONTHS |

## 6. LICENSE & APPROVALS

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- FSSAI 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 | 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) | 3-4 Months |

## 7. ASSUMPTIONS

1. Operational Production Capacity of Besan is 900-1000 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 15 days and Finished goods Closing Stock has been taken for 10 days.

4. Credit period to Sundry Debtors has been given for 11days.

5. Credit period by the Sundry Creditors has been provided for 12 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 25 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.