



MODEL DPR

ESTABLISHMENT OF RICE MILL (WITH CAPITAL SUBSIDY)

under Agriculture Infrastructure Fund Scheme

Submitted to



Department of Agriculture,
Cooperation & Farmers Welfare

Submitted by



Knowledge Partner
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CREDIT CITATION

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Our sincere thanks are also due to all others who directly or indirectly helped NABCONS in preparation of this document.

DPR Template for projects under Agriculture Infrastructure Fund¹

1. Details of the Applicant

SN	Particulars	Details
i.	Name of the Applicant	
ii.	Constitution Legal Status of Applicant : (i.e. Govt. organization, NGO, Co-operative society, Company, partnership firm, proprietorship firm, Individual, FPO, Self Help Group, etc.)	
iii.	Registration No. of Applicant/CIN	
iv.	GST No. of Applicant	
v.	Date of Establishment/ Incorporation	
vi.	Address of the registered office	
vii.	PAN No. of Applicant	
viii.	Address of the proposed site	
ix.	District	
x.	State	
xi.	Pin Code	
xii.	Whether lead promoter belong to SC/ ST/ Woman/Minority	

*Details of associates/ allied firms, if any may also be provided.

2. Contact details of the Applicant/Promoter(s)/Partner(s)/Directors(s)/ Members including addresses, telephone, mobile, fax, e-mail, website, PAN etc.

SN	Name of Applicant/ Promoter(s)/ Partner(s)/ Director(s)/ Members	Address	Telephone No.	Mobile No.	E-mail Id	Any other details
1						
To be filled by the applicant						

¹ This template is prepared keeping in mind the essential information required by the lending institutions to process the loan application. Different formats of table/description can be used for preparation of the DPR but all the required information in template should be included in the DPR.

				yyyy				
1	Cash Credit							
2	Term Loan							
3	Others							

*Information pertaining to credit rating (internal /external) may also be shared along with the aforementioned information

SAMPLE

Details of GST Returns submitted, if any or status of registration

6. Project Details

a. Objective of the proposed project: RICE MILL SETUP

b. Category of proposed infrastructure as per the Scheme:

SN	Component	Mark Tick (✓)
1	Supply chain	
2	Warehouses	
3	Silos	
4	Pack Houses	
5	Assaying Unit	
6	Sorting & Grading unit	
7	Cold Chain	
8	Logistics facilities	
9	Primary Processing Centres	✓
10	Ripening Chambers	
11	Organic input production	
12	Bio stimulant production unit	
13	Infrastructure for Smart and precision agriculture	
14	Projects identified for providing supply chain infrastructure for clusters of crops including export clusters.	
15	Projects promoted by Central/State/Local Governments or their agencies under PPP for building community farming assets or post-harvest management projects.	
16	Any other (please Specify)	

c. Type of Operating Model (Rental, PPP, captive, Lease, Franchise etc.) and details

7. Land Details:

To be filled by the applicant, some sample details are added

SN	Particulars	Details
1	Land Area	0.5 Acre
2	Status of Legal title & Possession	
3	if leased, Period of lease	
4	Coordinates of location	
5	Details of CLU	
6	Connectivity to roads I. State Highway (in Km.) II. National Highway (in Km.)	XX Km from YY road
7	Availability of Water	Borewell and water pipe line
8	Availability of Power	1. 05 kw RSEB 2. 15 kw Diesel Generator set

8. Proposed facilities:

I. Details of proposed facility

S N	Type of facilities proposed to be created	No. of Units	Total Capacity [MT, Ltrs, MT/Hr.	No. of Days of operation
1	Warehouse			
2	Silos			
3	Pack-house			
4	CA Store			
5	Cold store			
6	Frozen store			
7	Pre-cooling Chambers			
8	Assaying, Sorting, Grading, Waxing, Weighing, Packing facility [Modify as per actual]	1 Unit	0.5 MT Per Hour	225 days (2 shifts of 8 hrs each)
9	Ripening Chambers			
10	IQF			
11	Blast Freezing			
12	Refrigerated Vehicles/ Reefer vans			
13	Mobile Pre-coolers			

14	Insulated/ non-insulated distribution vehicle			
15	Irradiation Facility			
16	Organic input production			
17	Bio Stimulant production units			
18	Others (Specify)			

- II. Details of technologies to be used/ alternative technologies Granulator
- III. Flow chart of activity process

RICE MILL UNIT - PROCESS FLOW DIAGRAM

Generally three types of methods are used for milling of paddy rice viz. one step, two step and multi stage process. Efficiency of milling depends on the variety of paddy, quality of equipment, operator skill etc.

In modern commercial mill, the multi stage process is adopted. Multi stage process of rice milling involves following steps:

Pre cleaning: It is the process of removal of foreign materials like straw, weed, seeds, soil, etc. from paddy prior to milling.

De-stoning: It is a process of removing small stones from the paddy prior to milling process. It is done by using the destoner.

Dehusking/Dehulling: It is a process of removing the husk or outer layer of paddy to produce brown rice.

Separation of Paddy: It involves the separation of hulled paddy rice from brown rice. After dehusking the husk, bran and broken rice are separated. The separation is done on the basis of difference in size, gravity, buoyancy etc by automatic machines.

Whitening or Polishing: The white rice is obtained from brown rice using the process of abrasion or friction between two surfaces.

Separation: Separation of rice from broken rice is carried out using different types of graders and separator. There are different indent sizes being used for separation depending on the size of grain.



Bagging: The milled rice is packed in different quantity according to the requirement.

9. Proposed Project Financials

a. Estimated Project cost details

S. No.	Particulars	Amount (Rs. In Lakhs)
1	Land & Land Development	07.50
2	Civil Works	35.00
3	Plant & Machineries	22.355
4	Miscellaneous Fixed Assets	3.78
5	Working Capital Margin Money	22.23
6	Preliminary & Preoperative Expenses	02.00
7	Contingency @2%	01.135
	Project Cost	94.00

• Plant and Machineries

A list of plant and machinery required for a rice mill are as under:

S.No	Name of Machinery	Qty. in Nos	Price in Rs.
1	Grain Cleaning & Sorting Sieves of Capacity 2 Ton Per Hour, complete with Electric Motor & Blower.	2	380000
2	Gravity De-Stoner Machine of capacity 2 Ton per hour, with Motor & Blower, including all Std. accessories.	2	330000
3	Rubber Sheller, Husker with Gearbox & Motor	1	187000

4	Gravity Paddy Separator with Motor	1	155000
5	Rotary Glaze Machine with blower & water pump	1	170000
6	All Elevator with Accessories	1	120000
7	Rice polisher with Blower without Motor	1	135000
8	All structural equipments, Main Line & Pipe line etc.	1	100000
9	Hot Air Blowing Dryer Machine	1	15000
10	30 H.P Electric Motor, of "Crompton" make, TEFC Model, complete Set, with Starters & Main Switch.	1	65500
Total Machineries (Rs. In Lakhs)			16.575
Transportation, Erection, VAT, Excise duty etc.			5.78
Total Cost of Plant and Machineries (Rs. In Lakhs)			22.355

b. Means of finance

S. No.	Source of Finance	Amount (Rs. In Lakhs)	%
1	*Promoter's Equity (10.00%)	9.4	10.00
2	Term Loan from Bank (including back end capital subsidy @ 35% of project cost, amounting to Rs. 32.90 lakhs)	62.37 (including back end capital subsidy Rs. 32.90 lakhs)	66.35
3	Working Capital Margin Money	22.23	23.65
	Total	94.00	100

*The source of the owned funds and also the capacity of the promoter to support the project in the event of cost escalations due to time overruns should also be mentioned

c. Basic Revenue Projections (₹ in lakh)

SN	Item	Year 1	Year 2	Year 3	Year 4	Year 5
1	Turnover	389.13	434.03	462.96	491.90	520.83
2	Cost of Operations	382.68	411.08	437.94	464.86	491.82
3	Gross Profit	6.45	22.94	25.02	27.04	29.01
4	Earnings Before Interest, Tax,	6.45	22.94	25.02	27.04	29.01

	Depreciation and Amortization (EBITDA)					
5	Profit before taxation	-8.820	11.037	14.474	51.126	22.414
6	Profit after taxation	-6.774	7.726	10.132	45.658	15.690

*CMA data to be provided along with projected balance sheet, profit & loss statements, covering entire period of repayment.

d. Financial Parameters

SN	Particulars	Details (Ratio/%)	Ref Page No. in DPR*
1	Internal Rate of Return (IRR) [(a) With and (b) without grant/ subsidy]	95.72%	-
2	Avg. Debt Service Coverage Ratio (DSCR)	0.70	-
3	Break Even Point (BEP)	11.31%	-
4	Debt-Equity Ratio (TTL/TNW)	5.21	-
5	Fixed Assets Coverage Ratio	0.69	-

e. Credit Facilities proposed

I. Fund Based

- a) Term Loan **lacs** **62.37**
 - b) Working Capital **lacs** **22.23**
- (Attach Assessment of working capital, if proposed)

II. Non Fund Based

f. Collateral Security proposed to be offered and its approximate value for the applicable cases. (To be furnished only in case of loans above Rs.2 crore)

g. Repayment Schedule (Including moratorium period) - 84 Months (12 months of Moratorium included)

h. Details of Statutory/other approvals/registrations (status)
Completed

10. Availability of Raw Materials in the Catchment Area - provide details such as Adequate Volume, Wider Mix of Raw Materials, Days of Operation in a Year along with supporting data. Based on this information feasibility/viability of the project should be justified.

India has about 82000 registered single huller units, 2600 double hulling unit, 5000 units of disc Sheller cum polisher and 10000 units of rubber roll Sheller. The average capacity of these units ranges between 2 tonnes per hour to 10 tonnes per hour. In India, rice milling business has a turnover of more than Rs.25,500 crore per annum. Among other states, Punjab, Haryana, Andhra Pradesh etc. also produce large quantities of rice.

Agriculture is the main occupation of the rural population in Telangana and Andhra Pradesh. Among various crops, rice is the principal food crop of the State. Telangana, which grows rice in about 14.19 lakh hectare, has seen its share to the national rice production improve considerably from 2.84% in 2015-16 to 5.54% by 2017-18, doubling the production levels in three years. Rice production at the national level is pegged at 117.47 million tonnes in 2019-20

Telangana is in the rice bowl of South India, and RICE is cultivated in about 44 lakh acres. In the recent past, climatic changes have greatly influenced the amount rainfall, due to which the area cultivated with RICE has decreased.

The rice production in the State has shown remarkable growth in production. It has been grown over an area of 5 million Ha with 15 Million tons of production during the year. As a result of new agriculture strategy, like 'High Yield Varieties Programme' the production of paddy has seen appreciable growth in production over the years. Most of the rice mills operate at 3 shifts per day during harvesting and procurement season.

11. Details of the catchment area of the project

S.N	Location of the Catchment (Primary/Secondary)	Name Village/Dist/ APMC	Commodities to be sourced	Quantities to be sourced [MT] (per annum)
1				
2				

*DPR should comprised of detailed chapter on proposed catchment (production and supply statistics).

12. Details of existing demand of the product and marketing arrangements (including e-trading), possibility of for leasing with FCI/CWC/SWC/e-commerce players / retailers for assured cash flows if any.

Setting up rice mill will allow farmers to engage in value addition & more profits. Rice bran is a byproduct obtained during rice milling process, which is a very good source of edible oil. Rice is in great demand both in house hold consumption and also in

Hotels, restaurant, canteens, etc. A major share of crop production can easily be sold to FCI or other procurement agency at MSP. Rice is in great demand in the State and it is used as a staple food. In the state consumption of cooked rice is 164 kg per person per year. Therefore, existing infrastructure for processing paddy to rice is not enough to meet current and future demand. The new entrants have good scope to start this business.

13. Employment Generation projections

- a. Direct Employment: (Skilled and Semi-skilled): 14
- b. Contractual Employment with no. of days:
- c. Indirect Employment (specify): ...Packing material suppliers, Dealers and Service providers, Local vendors gets indirect employment from this project in rural areas.

Particulars	Nos.	Monthly Salary (Rs.)
Factory Manager	1	25000
Accountant -cum -Cashier	1	12000
Mechanic	2	7500
Watchman	1	6000
Total salary	5	58000
Benefits @ 20%		11600
Total salary (Rs. In Lakh Per year)		8.352

- Direct Employment: (Skilled and Semi-skilled) -5
- Contractual Employment with no. of days: 4 (300 days)
- Indirect Employment (specify): 5

Four labours- 5 labours are required for unskilled work like handling, packing etc. Wages per person per day is Rs. 400/- for 300 days. This would be cost for Rs. 6.0 Lakhs per annum.

14. Details of renewable/ alternate energy sources including solar energy, if any, proposed to be used for operating the project including inter alia, details of power generation.

50% of power requirement will be fulfilled by renewable energy, 15kw biogas generator sets will provide electricity to the plant.

15. Details of pollution issues (if any) and adoption of modern technology for reducing the carbon footprints and increasing operational efficiency:-

SN	Name of technology/item	Basic cost (Excluding taxes etc.)	How the technology will help in reducing carbon footprint and/or increase in operational efficiency
1			
2			

16. List of Manufacturers/ Suppliers of P&M (enclose quotations)

I Certify that the information / contents as above furnished by me / us are true to the best

of my / our knowledge and belief and nothing material has been concealed. In case, any information furnished in the application is found false, my / our application may be rejected out at any stage by the Bank and not eligible under Agriculture Infrastructure Fund scheme.

To be filled by the applicant

Date: _____
Applicant

Signature of the

Place: _____

Annexures

Contents Table

Contents	Link
Annexure 1 - Estimated cost of the project	Ann 1!A1
Annexure 2 - Means of Finance	Ann 2!A1
Annexure 3 - Complete Estimate of Civil and Plant and Machinery	Ann 3!A1
Annexure 4 - Estimated Cost of Production	Ann 4!A1
Annexure 5- Projected balance sheet	Ann 5!A1
Annexure 8 - Details of Mnpower	Ann 8!A1
Annexure 9 - Computation of Depreciation	Ann 9!A1
Annexure 10 - Calculation of Income tax	Ann 10!A1
Annexure 11- Break even analysis (At maximum capacity utilization)	Ann 11!A1
Annexure 13 - Repayment schedule	Ann 13!A1
Annexure 14 - Cash flow statement	Ann 14!A1
Assumptions	Assumptions!A1
Sales Budget	Budgets!A1

DPR with subsidy**Annexure 1 - Estimated cost of the project**

Estimated cost of project		
Sr. No.	Particulars	Grand Total (in lakhs)
1	Land and site development	
(a)	Land (Lease in name of company)	7.50
	Total	7.50
2	Site Development	-
(a)	Total	-
3	Civil Work	
(a)	Civil Work	35.00
	Total	35.00
4	Plant and Machinery (indegenuous)	
(a)	Plant and Machinery	22.36
	Total	22.36
5	Miscellanoeous Fixed Assets	
(a)	Cost	3.78
6	Working Capital Margin	22.23
7	Preliminary Expenses	-
(a)	Security Deposit	-
	Total	-
8	Pre-Operative Expense (for 6 months upto the date od commencement of commercial production)	
(a)	Establishment and Travelling and Other Expenses	
(b)	Legal and Misc Expense	2.00
	Total	2.00
9	Service Centre Infrastructure	-
10	Contingencies	1.135
	Total Cost of Project	94.00

Annexure 2 - Means of Finance

Sr. No.	Item	Grand Total (in lakhs)
1	Promoter's equity	9.40
2	Eligible Assistance	-
3	Term Loan	62.37
4	CC Limit	22.23
	Total	94.00

Annexure 3 - Complete Estimate of Civil and Plant and Machinery

1. Civil Work	Units	Amt
1 Civil work for building	1	3,500,000
Total Civil Work		3,500,000
2. Plant and machinery	Units	Amt
1 Grain Cleaning & Sorting Sieves of Capacity 2 Ton Per Hour, complete with Electric Motor & Blower.	2	380,000
2 Gravity De-Stoner Machine of capacity 2 Ton per hour, with Motor & Blower, including all Std. accessories.	2	330,000
3 Rubber Sheller, Husker with Gearbox & Motor	1	187,000
4 Gravity Paddy Separator with Motor	1	155,000
5 Rotary Glaze Machine with blower & water pump	1	170,000
6 All Elevator with Accessories	1	120,000
7 Rice polisher with Blower without Motor	1	135,000
8 All structural equipments, Main Line & Pipe line etc.	1	100,000
9 Hot Air Blowing Dryer Machine	1	15,000
10 30 H.P Electric Motor, of "Crompton" make, TEFC Model, complete Set, with Starters & Main Switch.	1	65,500
11 Transportation, erection, VAT etc		578,000
Total Plant and Machinery		2,235,500
3. Miscellaneous Fixed Asset		378000
Total fixed Assets		6,113,500

Annexure 4 - Estimated Cost of Production

Sr. No	Description	Year ending March 31st									
		I	II	III	IV	V	VI	VII	VIII	IX	
	No of Working months	12	12	12	12	12	12	12	12	12	
	Input paddy cost	32,400,000	34,714,286	37,028,571	39,342,857	41,657,143	43,971,429	46,285,714	46,285,714	46,285,714	
	Electricity expense	600,000	625,000	651,250	678,813	707,753	738,141	770,048	770,048	770,048	
	Insurance cost @ 2% of purchase cost	44,710	46,946	49,293	51,757	54,345	57,063	59,916	62,911	66,057	
	Running and Manintenance expense @10% of sales	3,891,300	4,340,250	4,629,600	4,918,950	5,208,300	5,497,650	5,787,000	5,787,000	5,787,000	
	Cost of Production	36,936,010	39,726,481	42,358,714	44,992,377	47,627,541	50,264,282	52,902,678	52,905,674	52,908,819	
	Add: Opening Stock	-	294,000	609,000	945,000	1,302,000	1,680,000	1,281,000	861,000	441,000	
	Less: Closing Stock	294,000	609,000	945,000	1,302,000	1,680,000	1,281,000	861,000	441,000	21,000	
	Sub Total	36,642,010	39,411,481	42,022,714	44,635,377	47,249,541	50,663,282	53,322,678	53,325,674	53,328,819	
	Administrative salaries and wages	1,425,600	1,496,880	1,571,724	1,650,310	1,732,826	1,819,467	1,910,440	2,005,962	2,106,260	
	Fixed charge for office	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
	Total	1,625,600	1,696,880	1,771,724	1,850,310	1,932,826	2,019,467	2,110,440	2,205,962	2,306,260	
	Cost of Sales	38,267,610	41,108,361	43,794,438	46,485,687	49,182,367	52,682,749	55,433,118	55,531,636	55,635,080	
	Expected sales revenue	38,913,000	43,402,500	46,296,000	49,189,500	52,083,000	54,976,500	57,870,000	57,870,000	57,870,000	
	Gross Profit	645,390	2,294,139	2,501,562	2,703,813	2,900,633	2,293,751	2,436,882	2,338,364	2,234,920	
	Financial expense										
	Interest on Term Loan	370,623	323,862	266,310	161,964	-	-	-	-	-	
	Interest on WC Loan	222,300	222,300	222,300	222,300	222,300	222,300	222,300	222,300	222,300	
	Total Financial expense	592,923	546,162	488,610	384,264	222,300	222,300	222,300	222,300	222,300	
	Operating profits (PBT)	52,467	1,747,977	2,012,952	2,319,549	2,678,333	2,071,451	2,214,582	2,116,064	2,012,620	
	Preliminary Expense	200,000	-	-	-	-	-	-	-	-	
	Other income - Subsidy for repayment of loan	-	-	-	3,290,000	-	-	-	-	-	
	depreciation	734,475	644,261	565,584	496,912	436,924	384,480	338,592	298,410	263,194	
	Net Profit before Tax	(882,008)	1,103,716	1,447,368	5,112,637	2,241,409	1,686,972	1,875,990	1,817,654	1,749,427	
	Income Tax/ savings on tax	(204,602)	331,115	434,210	546,791	672,423	506,091	562,797	545,296	524,828	
	Profits after Tax	(677,406)	772,601	1,013,158	4,565,846	1,568,986	1,180,880	1,313,193	1,272,358	1,224,599	
	Distribution of profits (40%)	-	309,040	405,263	1,826,338	627,595	472,352	525,277	508,943	489,839	
	Profit transfer to balance sheet	(677,406)	463,561	607,895	2,739,508	941,392	708,528	787,916	763,415	734,759	

1. Electricity are semi-fixed cost. Rs. 100,000 pa is fixed, balance is variable at Rs. 10 per unit usage

2. Electricity usage in units is given below

Usage in units	50000	52500	55125	57881.25	60775.3125	63814.07813	67004.78203	67004.78203	67004.78203
Variable cost	500000	525000	551250	578812.5	607753.125	638140.7813	670047.8203	670047.8203	670047.8203

3. It is assumed that insurance cost is 2% of purchase price and this will increase 5% annually

4. Closing stock is valued at Rs 35 (avg cost)

Annexure 5- Projected balance sheet

Projected Baalance sheet

Sr. No	Description	Year ending March 31st								
		I	II	III	IV	V	VI	VII	VIII	IX
A	Asset									
1	Fixed Capital expenditure									
	Gross Block	6,977,000	6,242,525.00	5,598,263.75	5,032,679.94	4,535,768.12	4,098,844.06	3,714,364.49	3,375,772.16	3,077,362.44
	Less- Depreciation	734,475	644,261.25	565,583.81	496,911.82	436,924.06	384,479.57	338,592.34	298,409.72	263,193.87
	net Block	6,242,525	5,598,263.75	5,032,679.94	4,535,768.12	4,098,844.06	3,714,364.49	3,375,772.16	3,077,362.44	2,814,168.57
2	Sundry debtors	3,242,750	3,616,875	3,858,000	4,099,125	4,340,250	4,581,375	4,822,500	4,822,500	4,822,500
3	Closing stock	294,000	609,000	945,000	1,302,000	1,680,000	1,281,000	861,000	441,000	21,000
4	Cash/ bank balance	1,487,994	1,177,761	1,031,884	48,148	1,024,308	2,492,161	4,014,513	5,496,338	6,914,291
	Total assets	11,267,269	11,001,900	10,867,564	9,985,041	11,143,402	12,068,900	13,073,785	13,837,200	14,571,959
B	Liabilities									
1	Capital	940,000	262,594	726,155	1,334,049	4,073,557	5,014,949	5,723,477	6,511,392	7,274,807
	Add- Profit	(677,406)	463,561	607,895	2,739,508	941,392	708,528	787,916	763,415	734,759
	Less- Drawings	-	-	-	-	-	-	-	-	-
	Closing capital	262,594	726,155	1,334,049	4,073,557	5,014,949	5,723,477	6,511,392	7,274,807	8,009,566
2	term Loan	5,757,400	4,798,200	3,839,000	-	-	-	-	-	-
3	Working capital	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000
4	Creditors	3,024,275	3,254,545	3,471,514	3,688,484	3,905,454	4,122,423	4,339,393	4,339,393	4,339,393
	Total liabilities	11,267,269	11,001,900	10,867,564	9,985,041	11,143,402	12,068,900	13,073,785	13,837,200	14,571,959
	Current Ratio									
	Current Assets	5,024,744	5,403,636	5,834,884	5,449,273	7,044,558	8,354,536	9,698,013	10,759,838	11,757,791
	Current Liabilities	5,247,275	5,477,545	5,694,514	5,911,484	6,128,454	6,345,423	6,562,393	6,562,393	6,562,393
	Ratio	0.957591207	0.986506942	1.024649958	0.921811319	1.149483827	1.316623846	1.4778166	1.639621078	1.79169259
	Average				1.251755263					
	Debt Equity ratio									
	Debt	7,980,400	7,021,200	6,062,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000
	Equity	262,594	726,155	1,334,049	4,073,557	5,014,949	5,723,477	6,511,392	7,274,807	8,009,566
	Ratio	30.39059477	9.669011058	4.544059346	0.545714717	0.443274719	0.388400282	0.341401633	0.305575107	0.277543115
	Average				5.211730528					
	Fixed asset coverage ratio									
	Fixed assets	6,242,525	5,598,264	5,032,680	4,535,768	4,098,844	3,714,364	3,375,772	3,077,362	2,814,169
	Debt	7,980,400	7,021,200	6,062,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000
	ratio	0.782232094	0.797337172	0.830201243	2.040381521	1.843834485	-	-	-	-
	Average				0.699331835					
	Debt service coverage ratio									
	Interest on loan (TL + WC)	592,923	546,162	488,610	384,264	222,300	222,300	222,300	222,300	222,300
	Instalment of loan	2,702,600	3,182,200	3,182,200	2,772,000	2,223,000	2,223,000	2,223,000	2,223,000	2,223,000
	Total	3,295,523	3,728,362	3,670,810	3,156,264	2,445,300	2,445,300	2,445,300	2,445,300	2,445,300
	Net operating income	645,390	2,294,139	2,501,562	2,703,813	2,900,633	2,293,751	2,436,882	2,338,364	2,234,920
	ratio	0.195838415	0.615320826	0.681474061	0.856649743	1.186207428	0.938024415	-	-	-
	Average				0.707098094					

1. assumed that 30 days of purchases are average creditors maintained
2. assumed that 30 days of sales are average debtors maintained by the business

Annexure 8 - Details of Mnpower

Details of Manpower

S. No.	Designation	In no.	Salary per person per month	Annual cost
i.	Factory manager	1	25,000	300,000
ii.	Accountant cum cashier	1	12,000	144,000
iii.	Mechanic	2	7,500	180,000
iv.	Security	1	6,000	72,000
v.	Labour	5		600,000
Total				1,296,000
Add: benefits @ 10%				129,600
Total				1,425,600

See note

Total annual wages	1,425,600
Annual increase in wages	5%
Total manpower	10

Note- It is assumed that some of the labour remains even in the off days, considering working days to be 300 days

Annexure 9 - Computation of Depreciation

Computation of Depreciation

Sr. No.	Particulars	Building and civil work	Plant and Machinery	Misc Fixed Asset	Amount in lakhs
i.	Cost	3,500,000	2,235,500	378,000	61.14
ii.	Pre operatives	-	-	-	0.00
iii.	Contingencies	-	-	113,500	1.14
	Total				62.27

	Rates of Depreciation	10%	15%	10%	Total depreciation for the year
Year 1		350,000.00	335,325.00	49,150.00	734,475.00
Year 2		315,000.00	285,026.25	44,235.00	644,261.25
Year 3		283,500.00	242,272.31	39,811.50	565,583.81
Year 4		255,150.00	205,931.47	35,830.35	496,911.82
Year 5		229,635.00	175,041.75	32,247.32	436,924.06
Year 6		206,671.50	148,785.48	29,022.58	384,479.57
Year 7		186,004.35	126,467.66	26,120.33	338,592.34
Year 8		167,403.92	107,497.51	23,508.29	298,409.72
Year 9		150,663.52	91,372.89	21,157.46	263,193.87

Annexure 10 - Calculation of Income taxCalculation of Income Tax

Particulars	Year ending March 31st								
	I	II	III	IV	V	VI	VII	VIII	IX
Net profit before tax	52,467	1,747,977	2,012,952	2,319,549	2,678,333	2,071,451	2,214,582	2,116,064	2,012,620
Add- dep on SLM	-	-	-	-	-	-	-	-	-
Sub total	52,467	1,747,977	2,012,952	2,319,549	2,678,333	2,071,451	2,214,582	2,116,064	2,012,620
Less- Dep on WDV	734,475	644,261	565,584	496,912	436,924	384,480	338,592	298,410	263,194
Sub total	(682,008)	1,103,716	1,447,368	1,822,637	2,241,409	1,686,972	1,875,990	1,817,654	1,749,427
Less - Deductions	-	-	-	-	-	-	-	-	-
Taxable profits	(682,008)	1,103,716	1,447,368	1,822,637	2,241,409	1,686,972	1,875,990	1,817,654	1,749,427
Income tax @30%	(204,602)	331,115	434,210	546,791	672,423	506,091	562,797	545,296	524,828

Annexure 11- Break even analysis (At maximum capacity utilization)

Break even capacity at maximum capacity utilization

Sales		55,590,000
Variable cost		
- Running and maintenance cost	2,779,500	
- Interest on Working capital	222,300	
- electricity expense	670,048	3,671,848
Contribution		51,918,152
Less: Fixed costs		
Wages and salaries		1,425,600
Depreciation		734,475
Fixed charges for office		200,000
Electricity fixed charge		100,000
Interest on TL		370,623
Fixed cost		2,830,698

	Rs. per kg	
Sales price per kg	38	
Variable costs		
Inut paddy cost	19.8	
Electricity cost	0.37	
Running and maintenance	3.8	
Interest on working capital	0.12	
Contribution per unit	13.90425121	
BEP in kgs	203,585.07	
Total BEP %	11.31%	

Break-even point is the condition when an entity generate sufficient revenue that it can meet its fixed expense after deducting any variable expense, i.e., the point where contribution is equal to the fixed expense.

For the first year of operation the break-even capacity comes at 11.31% capacity, it is because of the fact that in the Initial year the fixed expense of consultancy for project is taken in to consideration for calculation of BEP. considering our operational capacity in year 1 to be 75% which is more than the BEP, hence we can conclude that the project is sound enough to cover its fixed expense.

Annexure 13 - Repayment schedule

Repayment schedule

Amount of Loan (in lakhs)	62.370
Amount of subsidy (in lakhs)	32.900
Rate of interest	6.00%
Moratorium period	6 months

Year	Quarter	Balance outstanding	Principal instalment	Interest
1	1	62.37	0	0.9356
	2	62.37	0	0.9356
	3	62.37	2.398	0.9356
	4	59.972	2.398	0.8996
2	1	57.574	2.398	0.8636
	2	55.176	2.398	0.8276
	3	52.778	2.398	0.7917
	4	50.38	2.398	0.7557
3	1	47.982	2.398	0.7197
	2	45.584	2.398	0.6838
	3	43.186	2.398	0.6478
	4	40.788	2.398	0.6118
4	1	38.39	2.398	0.5759
	2	35.992	2.398	0.5399
	3	33.594	0.694	0.5039
	4	32.9	0	0
5	1	0	0	0
	2	0	0	0
	3	0	0	0
	4	0	0	0
6	1	0	0	0
	2	0	0	0
	3	0	0	0
	4	0	0	0
7	1	0	0	0
	2	0	0	0
	3	0	0	0
	4	0	0.00	0

repaid via subsidy

In case of Capital subsidy, the amount vary depending on location of unit and scheme offered by the government at that time. Thus it is assumed here that 35% of cost of project(Rs. 32.90 lakhs)is sourced through back end subsidy.

The amount Rs. 32.90 lakhs is sourced by Government subsidy. Since this is a back end subsidy, the amount is funded to bank at the end of repayment schedule.

Subsidy is available maximum 35%

Annexure 14 - Cash flow statement

Particulars	0	I	II	III	IV	V	VI	VII	VIII	IX
opening balance	2,223,000	2,223,000	1,487,994	1,177,761	1,031,884	48,148	1,024,308	2,492,161	4,014,513	5,496,338
Add: Capital	940,000	-	-	-	-	-	-	-	-	-
Add: Loan disbursement	6,237,000	-	-	-	-	-	-	-	-	-
Less: Purchase of asset	6,227,000	-	-	-	-	-	-	-	-	-
Less: Land purchase	750,000	-	-	-	-	-	-	-	-	-
Add: Sales realizations	-	35,670,250	39,785,625	42,438,000	45,090,375	47,742,750	50,395,125	53,047,500	53,047,500	53,047,500
Less: Payment made to creditors of previous year	-	-	3,024,275	3,254,545	3,471,514	3,688,484	3,905,454	4,122,423	4,339,393	4,339,393
Add: Receipts from debtors of previous year	-	-	3,242,750	3,616,875	3,858,000	4,099,125	4,340,250	4,581,375	4,822,500	4,822,500
Less: Payments made for current year purchase	-	35,537,335	38,168,817	40,658,924	43,154,203	45,654,913	48,161,326	50,673,725	50,772,243	50,875,687
Less: Pre incorporation expense	200,000	-	-	-	-	-	-	-	-	-
Less: Interest payments	-	592,923	546,162	488,610	384,264	222,300	222,300	222,300	222,300	222,300
	2,223,000	1,762,992	2,777,116	2,830,557	2,970,277	2,324,325	3,470,604	5,102,587	6,550,577	7,928,958
Less: Income tax	-	(204,602)	331,115	434,210	546,791	672,423	506,091	562,797	545,296	524,828
	-	1,967,594	2,446,001	2,396,347	2,423,486	1,651,903	2,964,513	4,539,790	6,005,281	7,404,130
Less: Distributions made from profits	-	-	309,040	405,263	1,826,338	627,595	472,352	525,277	508,943	489,839
	-	1,967,594	2,136,961	1,991,084	597,148	1,024,308	2,492,161	4,014,513	5,496,338	6,914,291
Less: Principal repayment of loan	-	479,600	959,200	959,200	549,000	-	-	-	-	-
Closing cash balance	2,223,000	1,487,994	1,177,761	1,031,884	48,148	1,024,308	2,492,161	4,014,513	5,496,338	6,914,291

Sales Budget

S. No.	Particulars	Year ending March 31st								
		I	II	III	IV	V	VI	VII	VIII	IX
A.	Estimated occupational capacity	70%	75%	80%	85%	90%	95%	100%	100%	100%
B.	Production capacity (kgs) [A. X Total capacity]	1,260,000	1,350,000	1,440,000	1,530,000	1,620,000	1,710,000	1,800,000	1,800,000	1,800,000
C.	Own produce (kgs) [B. X 2/3]	840,000	900,000	960,000	1,020,000	1,080,000	1,140,000	1,200,000	1,200,000	1,200,000
D.	Government produce (kgs) [B. X 1/3]	420,000	450,000	480,000	510,000	540,000	570,000	600,000	600,000	600,000
E.	Revenue from sale of own produce [C. X Sale price per kg]	31,920,000	35,910,000	38,304,000	40,698,000	43,092,000	45,486,000	47,880,000	47,880,000	47,880,000
F.	Revenue from processing government produce [D. X Processing charges]	63,000	67,500	72,000	76,500	81,000	85,500	90,000	90,000	90,000
G.	Input required (kgs) [C. X Input output ratio]	1,800,000	1,928,571	2,057,143	2,185,714	2,314,286	2,442,857	2,571,429	2,571,429	2,571,429
H.	Sale of by products -Husk	1,260,000	1,350,000	1,440,000	1,530,000	1,620,000	1,710,000	1,800,000	1,800,000	1,800,000
I.	Sale of by products -Bran	5,670,000	6,075,000	6,480,000	6,885,000	7,290,000	7,695,000	8,100,000	8,100,000	8,100,000
	Total revenue	38,913,000	43,402,500	46,296,000	49,189,500	52,083,000	54,976,500	57,870,000	57,870,000	57,870,000

Estimation of Production capacity

Per annum capacity in kgs 1,800,000
Operational days 225 days

Products	Production at 100% capacity	sales prices per kg	purchase price per kg	Processing charges for government produce per kg
Output	1,800,000	38.0	18.0	0.15

Production Budget

	Year ending March 31st								
	I	II	III	IV	V	VI	VII	VIII	IX
Opening Stock	-	8,400	17,400	27,000	37,200	48,000	36,600	24,600	12,600
Production	840,000	900,000	960,000	1,020,000	1,080,000	1,140,000	1,200,000	1,200,000	1,200,000
Sales	831,600	891,000	950,400	1,009,800	1,069,200	1,151,400	1,212,000	1,212,000	1,212,000
Closing Stock	8,400	17,400	27,000	37,200	48,000	36,600	24,600	12,600	600

It is assumed that 2/3rd capacity of rice mill is used to process own produce, i.e., to process paddy into rice which is further sold by rice mill in the market. The balance 1/3rd capacity is used to process the government produce, for such processing rice mill charges minimal processing charges.

In case of processing own produce, paddy is procured from farmers and processed for selling. While for government produce, paddy is provided to mill for further processing and only processing charges are taken for such work.

Sales price per kg is Rs. 50 (considering single type of output rice) which will increase 5% annually

Input output ratio is taken to be 70%

Assumed that Husk being by product of producing the rice, is 10% of the total production capacity. Sale price of husk per kg is rs. 10

S. no. Assumptions

- 1 Electricity are semi-fixed cost. Rs. 100,000 pa is fixed, balance is variable at Rs. 10 per unit usage
- 2 Electricity usage in units is given below

Usage in units	50000	52500	55125	57881.25	60775.3125	63814.07813	67004.78203	67004.78203	67004.78203
Variable cost	500000	525000	551250	578812.5	607753.125	638140.7813	670047.8203	670047.8203	670047.8203

- 3 Assumed that 30 days of purchases are average creditors maintained
- 4 Assumed that 30 days of sales are average debtors maintained by the business
- 5 It is assumed that insurance cost is 2% of purchase price and this will increase 5% annually



(Wholly – owned subsidiary of NABARD)

- i. More than 100 Full-time Consultants**
- ii. Backed by 400 domain specialists**
- iii. Executed over 1700 assignments across India and in African and Asian Continents**
- iv. Core Competencies**
 - a. Preparation/Appraisals of DPRs**
 - b. Techno-feasibility study**
 - c. Baseline Surveys**
 - d. Project Management Consultancy**
 - e. Climate Issues and Green Funds**
 - f. Monitoring and Evaluation**
 - g. Impact Assessment Studies**
 - h. Third Party Monitoring of Infrastructural Projects**
 - i. Skills for Livelihood**
 - j. Capacity Building**
 - k. Accreditation of Rural Godowns**
 - l. Climate Change Issues**
 - m. CSR Facilitation**
 - n. IT in Rural Banks**

Pro - Services Rendered by NABCONS

No.	Name of Services	Description
1	Project Management Consultancy (PMC)	Entails provision of end-to-end solution, including assistance in statutory approvals, bid process management, issuing and evaluating tender documents and supervision over infrastructure projects like Mega Food Park, Rural Godowns, Cold Storage, etc. funded by Govt. or private entities.
2	Preparation of Detailed Project Report / Conduct / Techno-economic Feasibility	For various activities under agriculture, horticulture, forestry, fisheries, irrigation, animal husbandry, food processing activities, agri-infrastructure, climate issues, etc.
3	Third Party Monitoring (TPM) of Infrastructure Projects	TPM of various Govt.-funded infra projects to assess the level of compliance followed in execution. This also covers socio-economic impact evaluation.
4	Monitoring and Evaluation (M&E)	M & E is undertaken for various developmental schemes of Govt. of India and State Govts in the areas of agriculture, animal husbandry and all other socio-development sectors.
5	Training and Capacity Building	Training is imparted on forward markets, agriculture market infrastructure, rural godown, agri-financing, treasury and investment management for banks, etc.
6	Studies / Baseline Surveys	Baseline surveys are taken up for measuring impact of community investment made by public and private sector Companies. Studies are conduct on women, children, disadvantaged groups / regions, etc.
7	Livelihood Mapping	Livelihood mapping and analysis is done for identification of potential activities to be taken up by SHGs
8	International Visitors' Programme / International Exposure Visits	Entails organizing study tours / exposure for the visiting foreign delegates to their areas of interest such as watershed, micro-finance, fin-inclusion, cooperatives, projects appraisal, agro-processing, post-harvest technologies, farmers' clubs, etc.
9	Consultancy on Banking and Finance	Designing and execution of priority sector strategies, advisory services on Treasury and Investment Management for Banks, preparation of IT Policy, etc.
10	Transaction advisory	Transaction Advisory for setting up of Agri-mall, Silos & Cold Storages
11	Skills for Livelihood	Skilling of rural BPL youth and placement in the formal sector, monitoring skill initiatives of MORD, Govt. of India, facilitating access to credit for trainees, etc.
12	Accreditation of Godowns	Engaged by WDRA as Accreditation Agency for accrediting rural godowns.