

MODEL DPR

ESTABLISHMENT OF COTTON GINNING AND BALING UNIT (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.)	To be filled by the applicant
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					
2						

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.

3. Details of the Promoter(s)/Partner(s)/Directors(s)/ Members

S N	Name of Promoter(s)/ Partner(s)/ Director(s)/ Members	Aadhaar No.	PAN No.	Academic and technical Qualification	Net Worth	DIN No.	Credit Rating	Date of Share holding	Partner profit sharing ratio
1									
2									

4. Relative experience of the Applicant/Promoter(s)/Partner(s)/Directors(s)/ Members

S N	Name of lead Applicant/Promoter(s)/Partner(s)/ Members of Applicant Entity	Detail of Experience	Details of Turnover (year-wise)	Supporting Document attached, if any (Yes/No)
1				
2				

5. Details of Existing Banking and Credit facilities of the Applicant/ Promoter(s)/ Partner(s)/ Directors(s)

SN	Types of Facility	Name of Bank and Branch	Limits	Outstanding as on dd/mm/yyyy	Securities	Rate of interest	Repayment terms	Purpose
1	Cash Credit							
2	Term Loan							
3	Others							

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

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

6. Project Details

- a. Objective of the proposed project: COTTON GINNING AND BALING
- 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:

SN	Particulars	Details
1	Land Area	5000 sq ft (land is considered as Owned/ leased) @ Rs. 400 per sq ft
2	Status of Legal title & Possession	
3	if leased, Period of lease	
4	Coordinates of location	
5	Details of CLU	To be filled by the applicant, some sample details are added
6	Connectivity to roads	
	I. State Highway (in Km.)	XX Km from YY road
	II. National Highway (in Km.)	

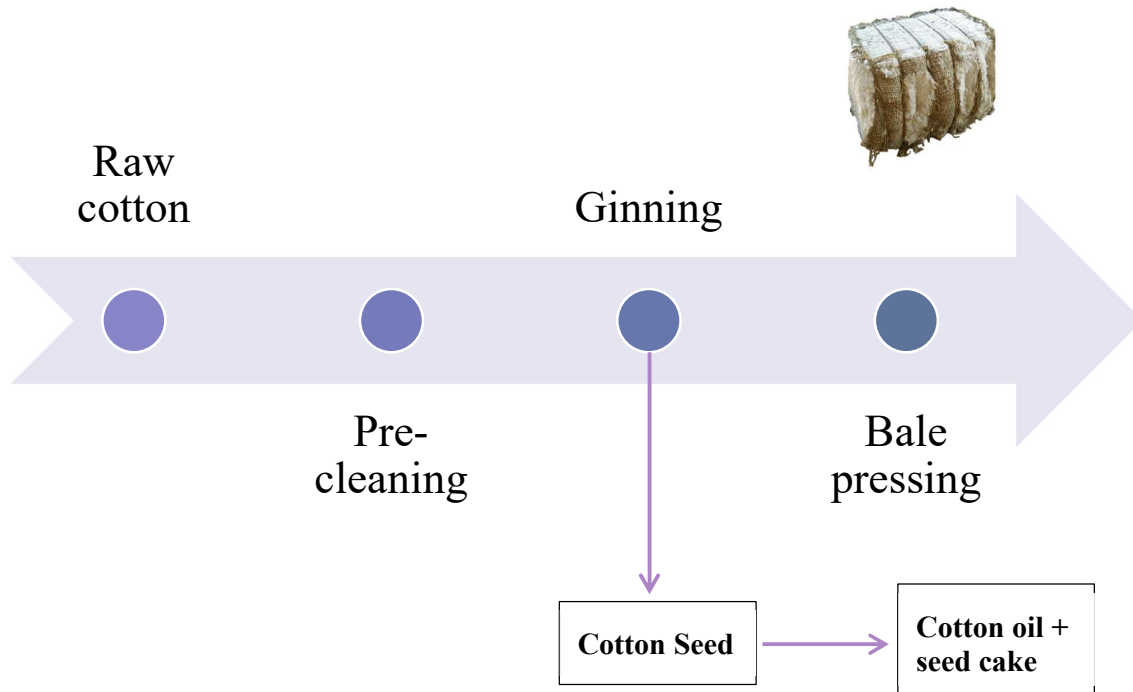
7	Availability of Water	Borewell and water pipe line
8	Availability of Power	State electricity board

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]			
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)	1 Unit	12000 MT Per annum	180 days in 2 shifts

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



9. Proposed Project Financials

a. Estimated Project cost details

S. No.	Particulars	Amount (Rs. In Lakhs)
1	Civil Works	20.00
2	Plant & Machineries	83.00
3	Miscellaneous Fixed Assets	0.00
4	Working Capital Margin Money	15.00
5	Preliminary & Preoperative Expenses	02.00
	Project Cost	1.00

b. 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	Automatic raw cotton pre cleaner machine	1	200,000
2	Automatic revolving cotton baling press	1	3,600,000
3	Lint cleaner machine	1	300,000
4	Cotton baling press machine	1	2,400,000
5	Automatic cotton oilseed expeller	1	450,000
6	Packing machine	1	200,000
7	Electric motor/ transformer motor/ fitting	1	1,000,000
8	Testing equipment, PH meter, Furnance	1	150,000
Total Machineries (Rs. In Lakhs)			83.00
Total Cost of Plant and Machineries (Rs. In Lakhs)			83.00

c. Means of finance

S. No.	Source of Finance	Amount (Rs. In Lakhs)	%
1	*Promoter's Equity (10.00%)	12	10.00
2	Term Loan from Bank (including back end capital subsidy@25% of project cost excluding working capital)	93	77.5
4	Working Capital Margin Money	15	12.5
	Total	104.00	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	5385.45	5770.13	6154.80	6539.48	6924.15
2	Cost of Operations	5352.65	5733.05	6113.60	6494.30	6875.16
3	Gross Profit	32.80	37.07	41.20	45.18	48.99
4	Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	32.80	37.07	41.20	45.18	48.99

5	Profit before taxation	9.321	18.362	25.118	31.464	37.427
6	Profit after taxation	5.925	12.853	17.583	22.024	26.199

*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]	87.35%	-
2	Avg. Debt Service Coverage Ratio (DSCR)	1.23	-
3	Break Even Point (BEP)	12.34%	-
4	Debt-Equity Ratio (TTL/TNW)	2.45	-
5	Fixed Assets Coverage Ratio	0.52	-

e. Credit Facilities proposed

I. Fund Based

a) Term Loan	93 lacs
b) Working Capital (Attach Assessment of working capital, if proposed)	15 lacs

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.

Cotton is one of the most important fiber and cash crop of India and plays a dominant role in the industrial and agricultural economy of the country. Cotton in India provides direct livelihood to 6 million farmers and about 40 -50 million people are employed in cotton trade and its processing.

Cotton is known for its versatility, performance and natural comfort. Cotton's strength and absorbency makes it an ideal fabric to make clothes and homewares, and industrial products like tarpaulins, tents, hotel sheets, army uniforms, and even astronauts' clothing choices when inside a space shuttle. Cotton fibre can be woven or knitted into fabrics including velvet, corduroy, chambray, velour, jersey and flannel. Cottonseed oil was primarily used in oil lamps and to make candles. Nowadays, it's used in insecticides, laundry detergents, and cosmetics. Cottonseed oil may have economic benefits.

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.

13. Employment Generation projections

- Direct Employment: (Skilled and Semi-skilled): 12
- Contractual Employment with no. of days:
- 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	20000
Mechanic	3	10000
Watchman	2	6000
Total salary	7	61000
Benefits @ 10%		6100
Total salary (Rs. In Lakh Per year)		18.084

- Direct Employment: (Skilled and Semi-skilled) -12
- Contractual Employment with no. of days: 4 (300 days)
- Indirect Employment (specify): 5



Model DPR for Establishment of Cotton Ginning and Baling Unit (With Capital Subsidy)

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.
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 operationalefficiency
1			
2			To be filled by the applicant

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 informationfurnished 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.

Date: _____

Signature of the Applicant

Place: _____

Annexures

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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)	-
	Total	-
2	Site Development	-
(a)	Total	-
3	Civil Work	
(a)	Civil Work	20.00
	Total	20.00
4	Plant and Machinery (indigenous)	
(a)	Plant and Machinery	83.00
	Total	83.00
5	Miscellaneous Fixed Assets	
(a)	Cost	-
6	Working Capital Margin	15.00
7	Preliminary Expenses	-
(a)	Security Deposit	-
	Total	
8	Pre-Operative Expense (for 6 months upto the date of 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	-
	Total Cost of Project	120.00

Annexure 2 - Means of Finance

Sr. No.	Item	Grand Total (in lakhs)
1	Promoter's equity	12.00
2	Eligible Assistance	-
3	Term Loan	93.00
4	CC Limit	15.00
Total		120.00

Annexure 3 - Complete Estimate of Civil and Plant and Machinery

1. Civil Work		Units	Amt
1	Civil work for building	1	2,000,000
Total Civil Work			2,000,000
2. Plant and machinery		Units	Amt
1	Automatic raw cotton pre cleaner machine	1	200,000
2	Automatic revolving cotton baling press	1	20 - 25 bales/ 3,600,000
3	Lint cleaner machine	1	300,000
4	Cotton baling press machine	1	2,400,000
5	Automatic cotton oilseed expeller	1	5 ton per day 450,000
6	Packing machine	1	200,000
7	Electric motor/ transformer motor/ fitting	1	1,000,000
8	Testing equipment, PH meter, Furnance	1	150,000
Total Plant and Machinery			8,300,000
Total fixed Assets			10,300,000

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 cotton cost	462,000,000	495,000,000	528,000,000	561,000,000	594,000,000	627,000,000	660,000,000	660,000,000	660,000,000
	Electricity expense	2,600,000	2,705,000	2,815,250	2,931,013	3,052,563	3,180,191	3,314,201	3,314,201	3,314,201
	Insurance cost @ 2% of purchase cost	166,000	174,300	183,015	192,166	201,774	211,863	222,456	233,579	245,258
	Running and Manintenance expense @12.5% of sales	57,750,000	61,875,000	66,000,000	70,125,000	74,250,000	78,375,000	82,500,000	82,500,000	82,500,000
	Cost of Production	522,516,000	559,754,300	596,998,265	634,248,178	671,504,337	708,767,054	746,036,657	746,047,780	746,059,458
	Add: Opening Stock	-	5,291,160	10,960,260	17,007,300	23,432,280	30,235,200	23,054,340	15,495,540	7,936,740
	Less: Closing Stock	5,291,160	10,960,260	17,007,300	23,432,280	30,235,200	23,054,340	15,495,540	7,936,740	377,940
	Sub Total	517,224,840	554,085,200	590,951,225	627,823,198	664,701,417	715,947,914	753,595,457	753,606,580	753,618,258
	Administrative salaries and wages	1,808,400	1,934,988	2,070,437	2,215,368	2,370,444	2,536,375	2,713,921	2,903,895	3,107,168
	Packing cost for Oil @ Rs. 3 per kg	11,277,000	12,082,500	12,888,000	13,693,500	14,499,000	15,304,500	16,110,000	16,110,000	16,110,000
	Transportation charges	4,715,000	4,962,500	5,210,000	5,457,500	5,705,000	5,952,500	6,200,000	6,200,000	6,200,000
	Fixed charge for office	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000
	Total	18,040,400	19,219,988	20,408,437	21,606,368	22,814,444	24,033,375	25,263,921	25,453,895	25,657,168
	Cost of Sales	535,265,240	573,305,188	611,359,662	649,429,566	687,515,861	739,981,289	778,859,377	779,060,475	779,275,426
	Expected sales revenue	538,545,000	577,012,500	615,480,000	653,947,500	692,415,000	745,111,125	784,327,500	784,327,500	784,327,500
	Gross Profit	3,279,760	3,707,312	4,120,338	4,517,934	4,899,139	5,129,836	5,468,123	5,267,025	5,052,074
	Financial expense									
	Interest on Term Loan	552,635	482,885	397,038	311,192	225,346	42,923	-	-	-
	Interest on WC Loan	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Total Financial expense	702,635	632,885	547,038	461,192	375,346	192,923	150,000	150,000	150,000
	Operating profits (PBT)	2,577,125	3,074,427	3,573,299	4,056,742	4,523,793	4,936,913	5,318,123	5,117,025	4,902,074
	Preliminary Expense	200,000	-	-	-	-	-	-	-	-
	depreciation	1,445,000	1,238,250	1,061,513	910,386	781,118	670,511	575,839	494,778	425,344
	Other income - Subsidy for loan	-	-	-	-	-	2,625,000	-	-	-
	Net Profit before Tax	932,125	1,836,177	2,511,787	3,146,356	3,742,675	6,891,402	4,742,283	4,622,247	4,476,730
	Income Tax/ savings on tax	339,638	550,853	753,536	943,907	1,122,803	1,279,921	1,422,685	1,386,674	1,343,019
	Profits after Tax	592,488	1,285,324	1,758,251	2,202,449	2,619,873	5,611,482	3,319,598	3,235,573	3,133,711
	Distribution of profits (80%)	473,990	1,028,259	1,406,601	1,761,959	2,095,898	4,489,185	2,655,679	2,588,459	2,506,969
	Profit transfer to balance sheet	118,498	257,065	351,650	440,490	523,975	1,122,296	663,920	647,115	626,742

1. Electricity are semi-fixed cost. Rs. 500,000 pa is fixed, balance is variable at Rs. 14 per unit usage

2. Electricity usage in units is given below

Usage in units	150000	157500	165375	173643.75	182325.9375	191442.2344	201014.3461	201014.3461	201014.3461
Variable cost	2100000	2205000	2315250	2431012.5	2552563.125	2680191.281	2814200.845	2814200.845	2814200.845

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

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	10,300,000	8,855,000.00	7,616,750.00	6,555,237.50	5,644,851.88	4,863,734.09	4,193,222.98	3,617,383.63	3,122,605.78
	Less- Depreciation	1,445,000	1,238,250.00	1,061,512.50	910,385.63	781,117.78	670,511.11	575,839.35	494,777.85	425,344.15
	net Block	8,855,000	7,616,750.00	6,555,237.50	5,644,851.88	4,863,734.09	4,193,222.98	3,617,383.63	3,122,605.78	2,697,261.63
2	Sundry debtors	44,878,750	48,084,375	51,290,000	54,495,625	57,701,250	62,092,594	65,360,625	65,360,625	65,360,625
3	Closing stock	5,291,160	10,960,260	17,007,300	23,432,280	30,235,200	23,054,340	15,495,540	7,936,740	377,940
4	Cash/ bank balance	39,003,203	36,380,524	33,297,752	29,774,753	25,828,031	33,736,317	45,454,344	54,155,037	62,765,923
	Total assets	98,028,113	103,041,909	108,150,289	113,347,510	118,628,215	123,076,473	129,927,893	130,575,008	131,201,750
B	Liabilities									
1	Capital	1,200,000	1,318,498	1,575,562	1,927,213	2,367,702	2,891,677	4,013,973	4,677,893	5,325,008
	Add- Profit	118,498	257,065	351,650	440,490	523,975	1,122,296	663,920	647,115	626,742
	Less- Drawings	-	-	-	-	-	-	-	-	-
	Closing capital	1,318,498	1,575,562	1,927,213	2,367,702	2,891,677	4,013,973	4,677,893	5,325,008	5,951,750
2	term Loan	8,584,615	7,153,846	5,723,077	4,292,308	2,861,538	-	-	-	-
3	Working capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
4	Creditors	86,625,000	92,812,500	99,000,000	105,187,500	111,375,000	117,562,500	123,750,000	123,750,000	123,750,000
	Total liabilities	98,028,113	103,041,909	108,150,289	113,347,510	118,628,215	123,076,473	129,927,893	130,575,008	131,201,750
	Current Ratio									
	Current Assets	89,173,113	95,425,159	101,595,052	107,702,658	113,764,481	118,883,250	126,310,509	127,452,402	128,504,488
	Current Liabilities	88,125,000	94,312,500	100,500,000	106,687,500	112,875,000	119,062,500	125,250,000	125,250,000	125,250,000
	Ratio	1.01189348	1.011797572	1.01089604	1.00951525	1.007880233	0.998494491	1.00846714	1.017584046	1.025983937
	Average				1.011390243					
	Debt Equity ratio									
	Debt	10,084,615	8,653,846	7,223,077	5,792,308	4,361,538	1,500,000	1,500,000	1,500,000	1,500,000
	Equity	1,318,498	1,575,562	1,927,213	2,367,702	2,891,677	4,013,973	4,677,893	5,325,008	5,951,750
	Ratio	7.648565866	5.492544263	3.747939956	2.446383336	1.508307647	0.373694566	0.320657191	0.281689742	0.252026728
	Average				2.452423255					
	Fixed asset coverage ratio									
	Fixed assets	8,855,000	7,616,750	6,555,238	5,644,852	4,863,734	4,193,223	3,617,384	3,122,606	2,697,262
	Debt	10,084,615	8,653,846	7,223,077	5,792,308	4,361,538	1,500,000	1,500,000	1,500,000	1,500,000
	ratio	0.878070175	0.880157778	0.907540868	0.97454282	1.115141856	-	-	-	-
	Average				0.528383722					
	Debt service coverage ratio									
	Interest on loan (TL + WC)	702,635	632,885	547,038	461,192	375,346	192,923	150,000	150,000	150,000
	Instalment of loan	2,215,385	2,930,769	2,930,769	2,930,769	2,930,769	1,736,538	1,500,000	1,500,000	1,500,000
	Total	2,918,019	3,563,654	3,477,808	3,391,962	3,306,115	1,929,462	1,650,000	1,650,000	1,650,000
	Net operating income	3,279,760	3,707,312	4,120,338	4,517,934	4,899,139	5,129,836	5,468,123	5,267,025	5,052,074
	ratio	1.123967918	1.040312039	1.184751488	1.331953189	1.481841607	2.658688099	-	-	-
	Average				1.232565248					

1. assumed that 60 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	20,000	240,000	
iii.	Mechanic	3	10,000	360,000	
iv.	Security	2	6,000	144,000	
v.	Labour	5		600,000	See note
Total				1,644,000	
Add: benefits @ 10%				164,400	
Total				1,808,400	

Total annual wages	1,808,400
Annual increase in wages	7%
Total manpower	12

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	2,000,000	8,300,000	-	103.00
ii.	Pre operatives	-	-	-	0.00
iii.	Contingencies	-	-	-	0.00
	Total				103.00

	Rates of Depreciation	10%	15%	10%	Total depreciation for the year
Year 1		200,000.00	1,245,000.00	-	1,445,000.00
Year 2		180,000.00	1,058,250.00	-	1,238,250.00
Year 3		162,000.00	899,512.50	-	1,061,512.50
Year 4		145,800.00	764,585.63	-	910,385.63
Year 5		131,220.00	649,897.78	-	781,117.78
Year 6		118,098.00	552,413.11	-	670,511.11
Year 7		106,288.20	469,551.15	-	575,839.35
Year 8		95,659.38	399,118.47	-	494,777.85
Year 9		86,093.44	339,250.70	-	425,344.15

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	2,577,125	3,074,427	3,573,299	4,056,742	4,523,793	4,936,913	5,318,123	5,117,025	4,902,074
Add- dep on SLM	-	-	-	-	-	-	-	-	-
Sub total	2,577,125	3,074,427	3,573,299	4,056,742	4,523,793	4,936,913	5,318,123	5,117,025	4,902,074
Less- Dep on WDV	1,445,000	1,238,250	1,061,513	910,386	781,118	670,511	575,839	494,778	425,344
Sub total	1,132,125	1,836,177	2,511,787	3,146,356	3,742,675	4,266,402	4,742,283	4,622,247	4,476,730
Less - Deductions	-	-	-	-	-	-	-	-	-
Taxable profits	1,132,125	1,836,177	2,511,787	3,146,356	3,742,675	4,266,402	4,742,283	4,622,247	4,476,730
Income tax @30%	339,638	550,853	753,536	943,907	1,122,803	1,279,921	1,422,685	1,386,674	1,343,019

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

Break even capacity at maximum capacity utilization

Sales		769,350,000
Variable cost		
- Running and maintenance cost	38,467,500	
- Interest on Working capital	150,000	
- electricity expense	2,814,201	41,431,701
Contribution		727,918,299
Less: Fixed costs		
Wages and salaries		1,808,400
Insurance		166,000
Depreciation		1,445,000
Fixed charges for office		240,000
Electricity fixed charge		500,000
Transportation fixed charges		1,250,000
Interest on TL		552,635
Fixed cost		5,962,035

Particulars	Cotton	Cotton seed oil	Cotton seed oil cake	
Sales price per kg	140	85	21	
Input raw cotton cost	24.75	5.3625	14.3	
Electricity cost	0.37	0.08	0.22	
Transportation charges	0.19	0.04	0.11	
Packaging charges	3.00	3.00	-	
Running and maintenance	18.5625	0.9384375	2.5025	
Interest on working capital	0.01	0.01	0.01	
Contribution per unit	93.11597374	75.56544014	3.862007049	
Contribution margin	66.51%	88.90%	18.39%	
Sales mix	41.79%	11.64%	46.57%	
Proportionate Contribution margin	27.80%	10.35%	8.56%	46.71%

BEP in Rs.	12764109.91
BEP in %	12.34%

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 9.59% 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)	93.000
Amount of Subsidy (in lakhs)	26.250
Rate of interest	6.00%
Moratorium period	6 months

Year	Quarter	Balance outstanding	Principal instalment	Interest
1	1	93.00	0	1.395
	2	93.00	0	1.395
	3	93.00	3.576923077	1.395
	4	89.42307692	3.576923077	1.34135
2	1	85.84615385	3.576923077	1.28769
	2	82.26923077	3.576923077	1.23404
	3	78.69230769	3.576923077	1.18038
	4	75.11538462	3.576923077	1.12673
3	1	71.53846154	3.576923077	1.07308
	2	67.96153846	3.576923077	1.01942
	3	64.38461538	3.576923077	0.96577
	4	60.80769231	3.576923077	0.91212
4	1	57.23076923	3.576923077	0.85846
	2	53.65384615	3.576923077	0.80481
	3	50.07692308	3.576923077	0.75115
	4	46.5	3.576923077	0.6975
5	1	42.92307692	3.576923077	0.64385
	2	39.34615385	3.576923077	0.59019
	3	35.76923077	3.576923077	0.53654
	4	32.19230769	3.576923077	0.48288
6	1	28.61538462	2.365384615	0.42923
	2	26.25	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

Annexure 14 - Cash flow statement

Particulars	0	I	II	III	IV	V	VI	VII	VIII	IX
opening balance	1,500,000	1,500,000	39,003,203	36,380,524	33,297,752	29,774,753	25,828,031	33,736,317	45,454,344	54,155,037
Add: Capital	1,200,000	-	-	-	-	-	-	-	-	-
Add: Loan disbursement	9,300,000	-	-	-	-	-	-	-	-	-
Less: Purchase of asset	10,300,000	-	-	-	-	-	-	-	-	-
Less: Land purchase	-	-	-	-	-	-	-	-	-	-
Add: Sales realizations	-	493,666,250	528,928,125	564,190,000	599,451,875	634,713,750	683,018,531	718,966,875	718,966,875	718,966,875
Less: Payment made to creditors of previos year	-	-	86,625,000	92,812,500	99,000,000	105,187,500	111,375,000	117,562,500	123,750,000	123,750,000
Add: Receipts from debtors of previos year	-	-	44,878,750	48,084,375	51,290,000	54,495,625	57,701,250	62,092,594	65,360,625	65,360,625
Less: Payments made for current year purchase	-	453,931,400	486,161,788	518,406,702	550,667,046	582,943,781	615,237,929	647,550,577	647,751,675	647,966,626
Less: Pre incorporation expense	200,000	-	-	-	-	-	-	-	-	-
Less: Interest payments	-	702,635	632,885	547,038	461,192	375,346	192,923	150,000	150,000	150,000
	1,500,000	40,532,215	39,390,405	36,888,658	33,911,389	30,477,501	39,741,961	49,532,708	58,130,170	66,615,910
Less: Income tax	-	339,638	550,853	753,536	943,907	1,122,803	1,279,921	1,422,685	1,386,674	1,343,019
	-	40,192,578	38,839,552	36,135,122	32,967,482	29,354,699	38,462,040	48,110,023	56,743,495	65,272,892
Less: Distrubutions made from profits	-	473,990	1,028,259	1,406,601	1,761,959	2,095,898	4,489,185	2,655,679	2,588,459	2,506,969
	-	39,718,588	37,811,293	34,728,521	31,205,522	27,258,801	33,972,855	45,454,344	54,155,037	62,765,923
Less: Principal repayment of loan	-	715,385	1,430,769	1,430,769	1,430,769	1,430,769	236,538	-	-	-
Closing cash balance	1,500,000	39,003,203	36,380,524	33,297,752	29,774,753	25,828,031	33,736,317	45,454,344	54,155,037	62,765,923

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]	8,400,000	9,000,000	9,600,000	10,200,000	10,800,000	11,400,000	12,000,000	12,000,000	12,000,000
C.	Cotton production	2,940,000	3,150,000	3,360,000	3,570,000	3,780,000	3,990,000	4,200,000	4,200,000	4,200,000
D.	Seed production	5,460,000	5,850,000	6,240,000	6,630,000	7,020,000	7,410,000	7,800,000	7,800,000	7,800,000
E.	Oil production	819,000	877,500	936,000	994,500	1,053,000	1,111,500	1,170,000	1,170,000	1,170,000
F.	Cotton seed cake	2,730,000	2,925,000	3,120,000	3,315,000	3,510,000	3,705,000	3,900,000	3,900,000	3,900,000
G.	Sale - Cotton	411,600,000	441,000,000	470,400,000	499,800,000	529,200,000	569,772,000	599,760,000	599,760,000	599,760,000
H.	Sale - Oil	69,615,000	74,587,500	79,560,000	84,532,500	89,505,000	96,367,050	101,439,000	101,439,000	101,439,000
I.	Sale - Cotton seed cake	57,330,000	61,425,000	65,520,000	69,615,000	73,710,000	78,972,075	83,128,500	83,128,500	83,128,500
J.	Total revenue	538,545,000	577,012,500	615,480,000	653,947,500	692,415,000	745,111,125	784,327,500	784,327,500	784,327,500

Estimation of Production capacity

Per annum capacity in kgs	12,000,000
Operational days	180
No of shifts	2

Products	Production at 100% capacity	sales prices per kg	Purchase price per kg
Pure Cotton	4,200,000	140.0	-
Cotton seed oil	1,170,000	85.0	-
Cotton seed cake	4,680,000	21.0	-
Raw Cotton	12,000,000	-	55.0

Production Budget - Cotton

Particulars	Year ending March 31st								
	I	II	III	IV	V	VI	VII	VIII	IX
Opening Stock	-	29,400	60,900	94,500	130,200	168,000	128,100	86,100	44,100
Production	2,940,000	3,150,000	3,360,000	3,570,000	3,780,000	3,990,000	4,200,000	4,200,000	4,200,000
Sales	2,910,600	3,118,500	3,326,400	3,534,300	3,742,200	4,029,900	4,242,000	4,242,000	4,242,000
Closing Stock	29,400	60,900	94,500	130,200	168,000	128,100	86,100	44,100	2,100
Value of closing stock	4,057,200	8,404,200	13,041,000	17,967,600	23,184,000	17,677,800	11,881,800	6,085,800	289,800

Production Budget - Cotton seed oil

Particulars	Year ending March 31st								
	I	II	III	IV	V	VI	VII	VIII	IX
Opening Stock	-	8,190	16,965	26,325	36,270	46,800	35,685	23,985	12,285
Production	819,000	877,500	936,000	994,500	1,053,000	1,111,500	1,170,000	1,170,000	1,170,000
Sales	810,810	868,725	926,640	984,555	1,042,470	1,122,615	1,181,700	1,181,700	1,181,700
Closing Stock	8,190	16,965	26,325	36,270	46,800	35,685	23,985	12,285	585
Value of closing stock	687,960	1,425,060	2,211,300	3,046,680	3,931,200	2,997,540	2,014,740	1,031,940	49,140

Production Budget - Cotton seed oil cake

Particulars	Year ending March 31st								
	I	II	III	IV	V	VI	VII	VIII	IX
Opening Stock	-	27,300	56,550	87,750	120,900	156,000	118,950	79,950	40,950
Production	2,730,000	2,925,000	3,120,000	3,315,000	3,510,000	3,705,000	3,900,000	3,900,000	3,900,000
Sales	2,702,700	2,895,750	3,088,800	3,281,850	3,474,900	3,742,050	3,939,000	3,939,000	3,939,000
Closing Stock	27,300	56,550	87,750	120,900	156,000	118,950	79,950	40,950	1,950
Value of closing stock	546,000	1,131,000	1,755,000	2,418,000	3,120,000	2,379,000	1,599,000	819,000	39,000

S. no.	Assumptions
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1 Electricity are semi-fixed cost. Rs. 500,000 pa is fixed, balance is variable at Rs. 14 per unit usage

2 Electricity usage in units is given below

Usage in units	120000	126000	132300	138915	145860.75	153153.7875	160811.4769	160811.4769	160811.4769
Variable cost	1680000	1764000	1852200	1944810	2042050.5	2144153.025	2251360.676	2251360.676	2251360.676

3 Assumed that 60 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 200 Full-time Consultants**
- ii. Backed by 400 domain specialists**
- iii. Executed over 2500 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.