



Model Detailed Project Report

PEANUT BUTTER UNIT

Prepared by

National Institute of Food Technology

Entrepreneurship and Management(NIFTEM)

Plot No. 97, Sector 56, HSIIDC, Industrial Estate, Kundli,

Sonipat, Haryana 131028

Ministry of Food Processing Industries, Government of India

1. INTRODUCTION

PEANUT BUTTER



Peanut butter is a food paste or spread made from ground, dry-roasted peanuts. It often contains additional ingredients that modify the taste or texture, such as salt, sweeteners, or emulsifiers. Peanut butter is a protein-packed spread popular around the world. It's made of ground peanuts - often roasted first - blended into a thick paste.

Natural peanut butter is available at health food stores and specialty grocers, and can be easily found online. Look for a product that contains no additives other than a little salt.

Peanuts have considerable nutrients and are consumed in different forms all over the world since long. Peanut butter is one such product consumed in large quantities especially in western countries since many years. It is not very popular in India and the domestic market is dominated by milk butter. Hence, the promoters must target growing export market and should be financially sound. The technology is available indigenously and it is advisable to engage a technical consultant to ensure quality.

Peanut butter is served as a spread on bread, toast, or crackers, and used to make sandwiches.

2. MARKET POTENTIAL:

The global peanut butter market reached a value of US\$ 3.5 Billion in 2019, exhibiting a CAGR of 4.6% during 2014-2019. Peanuts are an essential crop grown worldwide and are commercially used for the production of oil, butter, flour, confections and snack products.

Indian peanuts are popular all over the world with large exports every year. But unfortunately, our market share is primarily confined to raw peanuts and value-added products like blanched & roasted peanuts and peanut butter has very negligible contribution. Peanut Butter Market in India estimated to grow aggressively due to increasing demand from all the states of India. The Indian Peanut Butter Market witnessing 14.2% of CAGR from 2019 to 2025.

Delhi is the 1st place for the highest demand of peanut butter in India. After Delhi Punjab — the land of milk, butter and ghee — is witnessing significant changes in people's eating habits with traditional butter being replaced by peanut butter. This can be gauged from the fact that for fast-moving consumer goods (FMCG) companies, Punjab is the biggest market for peanut butter after Delhi. Otherwise, Delhi market is followed by Mumbai, Bengaluru and Pune for other products in the FMCG segment.

3. PRODUCT DESCRIPTION

3.1 PRODUCT BENEFITS & TYPES

- Peanut butter is an ideal substitute for milk butter. It is a low calorie, high protein product. Compared to milk butter, its price is very competitive.
- Peanut butter is most commonly used in sandwiches and as a spread. It is widely used in bakeries and confectioneries

- For women specifically, a study found a 21% reduced risk of developing type 2 diabetes was associated with consuming peanut butter at least 5 times per week.
- However, peanuts are high in calories and, while they contain “good fats”.
- One of the main fats in peanut butter is oleic acid. When substituted for other fats in your diet, oleic acid is shown to help maintain good cholesterol, blood sugar, and blood pressure. Managing these levels in your body can lower the risk of heart disease.
- Peanut butter is a great substitution or alternative to meat products because it is much less expensive, it’s filling, and it contains fiber.

Breakup by Product Type:

- Smooth Peanut Butter
- Crunchy Peanut Butter

Smooth peanut butter is the most preferred product type in the market as it is easier to spread and mixes better with smoothies and desserts.

Product Nutrition

A quarter-cup of peanuts (the approximate amount in a 2 tablespoon serving of peanut butter) contains:

- Calories: 207
- Protein: 9 grams
- Fat: 18 grams
- Carbohydrates: 6 grams
- Fiber: 3 grams
- Sugar: 1 gram

Peanut butter is a good source of:

- Vitamin E
- Niacin (B3)

- Manganese
- Vitamin B6
- Magnesium

Peanut butter is also a good source of copper, a mineral that helps maintain our bone health, immune function, and blood vessels. Some research suggests that getting enough copper in your diet may reduce your risk for osteoporosis and heart disease.

3.2 Raw Material Requirement & Sources

- **Peanuts are the main raw material for manufacturing peanut butter:** Cost per Kg is approx. Rs.80-85.

Peanuts are a nutritious, hunger-satisfying, low-glycemic snack. Groundnuts in India are available throughout the year due to a two-crop cycle harvested in March and October. Ground Nuts are important protein crops in India grown mostly under rain-fed conditions. The awareness and concern for quality amongst the Indian groundnut shellers and processors are growing steadily.

- Other raw material required except peanut are as follows:
 1. Honey: Cost per KG is Rs.250-280
 2. Jaggery: Cost per KG is Rs.50

Average raw material cost of Per KG Peanut Butter is approx. Rs. 300-320.

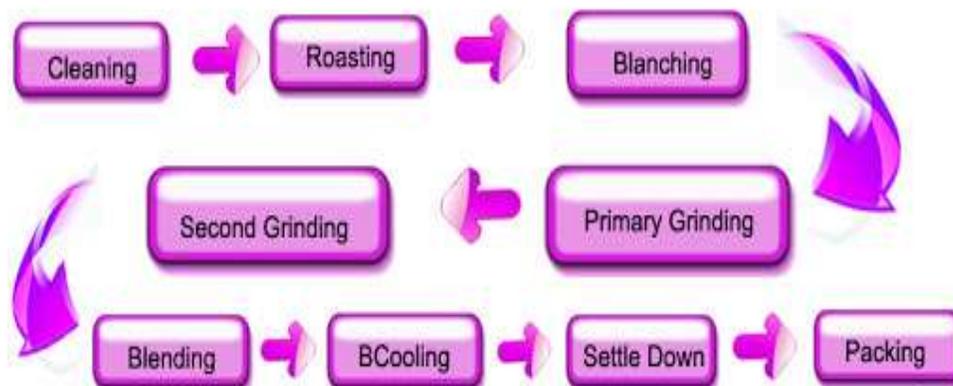
3.3 MANUFACTURING PROCESS

It is possible to buy raw peanuts instead of shelled peanuts or peanut pods. But it is advisable to install groundnut shelling plant to ensure quality of the all-important input which determines the ultimate quality of butter. The manufacturing process in this project is briefly described hereunder:

- **Peanut Grading:** Procurement of raw material & Peanuts are graded according to sizes to ensure only big or bold peanuts are taken up for process.

- **Peanut Roasting & Blanching:** This is a critical stage. Roasting is done at around 160O C for 40-60 minutes depending upon the moisture contents. Roasting reduces water contents to around 1% which increases the shelf life of peanuts and helps develop flavor. After roasting, peanuts are cooled and then blanched (removal of outer red skin). After blanching each peanut is inspected to remove discolored (grey or black) nuts.
- Grinding Peanuts are then ground in peanut butter mill in two stages to produce fine and creamy butter. The outlet temperature is around 65-75OC. All ingredients like salt, sugar and stabilizers are added during this process
- De-aeration Air is incorporated into peanut butter during milling and subsequently it is removed in a vacuum.
- Cooling a scraped surface heat exchanger is used for cooling. The outlet temperature depends upon the type of stabiliser used.
- Filling and Packing Peanut butter is filled in Pet Jars or metal drums as per the instructions of the buyer. Immediately after filling, the jars are vibrated to remove any remaining air bubbles. After keeping jars or drums for around 35-40 hours at around 20OC, the peanut butter sets completely and can be dispatched. Recovery from groundnut shells or pods is 55% HPS groundnuts, 22% husk and balance 23% are splits or kapchi. Roasting of peanuts and removal of discoloured peanuts, results in further waste/loss of 5%
- Checking of final product, packaging & sent for sale.

PEANUT BUTTER MANUFACTURING FLOW CHART



4. PROJECT COMPONENTS

4.1 Land

Land required 1000-1200 square feet approx.

Approximate rent for the same is Rs.20000-24000 per month.

4.2 Plant & Machinery

Main Machine

Machine Name	Description	Image
Roasting Machine	The machine mainly process food: legume, kernels, nut (e.g. various kinds of peanut kernels, melon seeds, almond, chestnut, horsebean) etc.	
Granulator	The Nut Granulator is perfect solution for nut, peanut and dry fruit processor for cutting nuts and make granules of accurate size.	

<p>Grinder (30-80 KG output)</p>	<p>This machine is designed for grinding oily peanuts into peanut butter or low oil peanuts into peanut powder.</p>	
<p>Peanut Butter Mixer</p>	<p>1. Peanut seasoning mixer machine is mainly used in mixing, powder coating and blending of seasoning powder.</p>	
<p>Filling Machine (Single Head)</p>	<p>The peanut butter filling machine is an ideal equipment for filling high viscosity fluid and paste.</p>	

Note: total cost of the machinery is Rs.6, 30, 000 excluding GST and other transportation cost.

4.3 Other Equipment's

S.N.	Item Description	Rate
1	Storage tank(15,000*2)	30,000

2	Collection Tank(10,000*2)	20,000
3	Induction sealer	12,000
4	Labelling	12,000
	Total	74,000

4.4 Misc. Assets

S.N.	Item Description	Rate
1	Electricity Fittings	50,000
2	Furniture and equipment's	50,000

4.5 Power Requirement

The borrower shall require power load of 15 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

4.6 Manpower Requirement

5 -6 Manpower are required for the Peanut Butter manufacturing unit.

Includes:

2 Skilled Labour

2 Unskilled Labour

1-2 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	7.04	1.76	5.28
Furniture & Fixtures and Other Assets	1.00	0.25	0.75
Working capital	5.33	1.33	4.00
Total	13.37	3.34	10.03

5.2 Means of Finance

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution	3.34
Bank Loan	6.03
Working capital Limit	4.00
Total	13.37

5.3 Projected Balance Sheet

(in Lacs)					
PROJECTED BALANCE SHEET					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		3.97	5.13	7.05	8.89
<i>Add:- Own Capital</i>	3.34				
Add:- Retained Profit	1.63	2.90	4.68	6.09	8.29
Less:- Drawings	1.00	1.75	2.75	4.25	5.50
Closing Balance	3.97	5.13	7.05	8.89	11.67
Term Loan	5.36	4.02	2.68	1.34	-
Working Capital Limit	4.00	4.00	4.00	4.00	4.00
Sundry Creditors	2.88	3.40	3.97	4.59	5.26
Provisions & Other Liab	0.50	0.63	0.75	0.90	1.08
TOTAL :	16.71	17.17	18.45	19.72	22.01
<u>Assets</u>					
Fixed Assets (Gross)	8.04	8.04	8.04	8.04	8.04
Gross Dep.	1.16	2.14	2.99	3.71	4.33
Net Fixed Assets	6.88	5.90	5.05	4.33	3.71
Current Assets					
Sundry Debtors	3.02	3.67	4.28	4.95	5.67
Stock in Hand	6.08	7.17	8.35	9.63	10.99
Cash and Bank	0.73	0.43	0.77	0.81	1.63
TOTAL :	16.71	17.17	18.45	19.72	22.01

5.4 Projected Cash Flow

(in Lacs)					
PROJECTED CASH FLOW STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	3.34				
Net Profit	1.63	2.90	4.68	6.21	8.74
Depreciation & Exp. W/off	1.16	0.99	0.84	0.72	0.62
Increase in Cash Credit	4.00	-	-	-	-
Increase In Term Loan	6.03	-	-	-	-
Increase in Creditors	2.88	0.52	0.57	0.62	0.66
Increase in Provisions & Oth lib	0.50	0.13	0.13	0.15	0.18
TOTAL :	19.54	4.54	6.21	7.71	10.20
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	8.04				
Increase in Stock	6.08	1.09	1.18	1.29	1.36
Increase in Debtors	3.02	0.66	0.61	0.67	0.72
Repayment of Term Loan	0.67	1.34	1.34	1.34	1.34
Drawings	1.00	1.75	2.75	4.25	5.50
Taxation	-	-	-	0.13	0.45
TOTAL :	18.81	4.83	5.88	7.67	9.37
Opening Cash & Bank Balance	-	0.73	0.43	0.77	0.81
Add : Surplus	0.73	(0.30)	0.33	0.04	0.83
Closing Cash & Bank Balance	0.73	0.43	0.77	0.81	1.63

5.5 Projected Profitability

(in Lacs)					
PROJECTED PROFITABILITY STATEMENT					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilization %	40%	45%	50%	55%	60%
<u>SALES</u>					
Gross Sale					
Peanut Butter	100.50	122.36	142.82	165.03	189.08
Total	100.50	122.36	142.82	165.03	189.08
COST OF SALES					
Raw Material Consumed	86.40	102.06	119.16	137.81	157.68
Electricity Expenses	1.44	1.66	1.90	2.19	2.41
Depreciation	1.16	0.99	0.84	0.72	0.62
Wages & labour	5.16	5.68	6.24	6.87	7.55
Repair & maintenance	1.91	2.69	3.14	3.63	3.78
Cost of Production	96.07	113.07	131.29	151.22	172.04
Add: Opening Stock /WIP	-	3.20	3.77	4.38	5.04
Less: Closing Stock /WIP	3.20	3.77	4.38	5.04	5.73
Cost of Sales	92.86	112.50	130.69	150.55	171.35
GROSS PROFIT	7.64	9.85	12.13	14.47	17.73
Salary to Staff	0.84	0.92	1.02	1.12	1.23
Interest on Term Loan	0.59	0.52	0.37	0.23	0.08
Interest on working Capital	0.44	0.44	0.44	0.44	0.44

Rent	2.88	3.17	3.48	3.83	4.22
selling & adm exp	1.26	1.90	2.14	2.64	3.03
TOTAL	6.01	6.95	7.46	8.26	8.99
NET PROFIT	1.63	2.90	4.68	6.21	8.74
Taxation				0.13	0.45
PROFIT (After Tax)	1.63	2.90	4.68	6.09	8.29

5.6 Production and Yield

COMPUTATION OF PRODUCTION OF PEANUT BUTTER		
Items to be Manufactured		
Peanut Butter		
Machine Production capacity per Hour	30-80	KG
Operational capacity per Hour taken	30	KG
Working hours in a day	8	
Production Per Day	240	
No of Working Days in Month	25	
No of Working Days in a Year	300	
machine capacity per annum	72,000	KG
Final product		
wastage	5%	of Input
Final production per day	228	KG
Production per Annum	68,400	KG

Production of Peanut Butter		
Production	Capacity	KG
1st year	40%	27,360
2nd year	45%	30,780
3rd year	50%	34,200
4th year	55%	37,620
5th year	60%	41,040

Raw Material Cost			
Year	Capacity Utilization	Rate (per KG)	Amount (Rs. in lacs)
1st year	40%	300.00	86.40
2nd year	45%	315.00	102.06
3rd year	50%	331.00	119.16
4th year	55%	348.00	137.81
5th year	60%	365.00	157.68

5.7 Sales Revenue

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	912	1,026	1,140	1,254
Production	27,360	30,780	34,200	37,620	41,040
Less : Closing Stock	912	1,026	1,140	1,254	1,368
Net Sale	26,448	30,666	34,086	37,506	40,926
sale price per KG	380.00	399.00	419.00	440.00	462.00
Sales (in Lacs)	100.50	122.36	142.82	165.03	189.08

5.8 Working Capital Assessment

(in Lacs)					
COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	3.20	3.77	4.38	5.04	5.73
<u>Raw Material</u>					
	2.88	3.40	3.97	4.59	5.26
Closing Stock	6.08	7.17	8.35	9.63	10.99

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					
(in Lacs)					
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	6.08				
Less : Creditors	2.88				
Paid stock	3.20	25%	0.80	75%	2.40
Sundry Debtors	3.02	25%	0.75	75%	2.26
	6.22		1.55		4.66
WORKING CAPITAL LIMIT DEMAND (from Bank)					
				4.00	

5.9 Power, Salary & Wages Calculation

Utility Charges (per month)		
Particulars	value	Description
Power connection required	15	KWH
consumption per day	120	units
Consumption per month	3,000	units
Rate per Unit	10	Rs.
power Bill per month	30,000	Rs.

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Skilled (in thousand rupees)	13,000	2	26,000
Unskilled (in thousand rupees)	8,500	2	17,000
Total salary per month			43,000
Total annual labour charges	(in lacs)		5.16

<u>BREAK UP OF Staff Salary CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Helper	7,000	1	7,000
Total salary per month			7,000
Total annual Staff charges	(in lacs)		0.84

5.10 Depreciation

COMPUTATION OF DEPRECIATION			(in Lacs)
Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	7.04	1.00	8.04
Total	7.04	1.00	8.04
Less : Depreciation	1.06	0.10	1.16
WDV at end of Year	5.98	0.90	6.88
Additions During The Year	-	-	-
Total	5.98	0.90	6.88
Less : Depreciation	0.90	0.09	0.99
WDV at end of Year	5.09	0.81	5.90
Additions During The Year	-	-	-
Total	5.09	0.81	5.90
Less : Depreciation	0.76	0.08	0.84
WDV at end of Year	4.32	0.73	5.05
Additions During The Year	-	-	-
Total	4.32	0.73	5.05
Less : Depreciation	0.65	0.07	0.72
WDV at end of Year	3.67	0.66	4.33
Additions During The Year	-	-	-
Total	3.67	0.66	4.33
Less : Depreciation	0.55	0.07	0.62
WDV at end of Year	3.12	0.59	3.71

5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN								
							Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance	
1st	Opening Balance							
	1st month	-	6.03	6.03	-	-	6.03	
	2nd month	6.03	-	6.03	0.06	-	6.03	
	3rd month	6.03	-	6.03	0.06	-	6.03	
	4th month	6.03	-	6.03	0.06		6.03	
	5th month	6.03	-	6.03	0.06		6.03	
	6th month	6.03	-	6.03	0.06		6.03	
	7th month	6.03	-	6.03	0.06	0.11	5.92	
	8th month	5.92	-	5.92	0.05	0.11	5.81	
	9th month	5.81	-	5.81	0.05	0.11	5.70	
	10th month	5.70	-	5.70	0.05	0.11	5.58	
	11th month	5.58	-	5.58	0.05	0.11	5.47	
	12th month	5.47	-	5.47	0.05	0.11	5.36	
					0.59	0.67		
2nd	Opening Balance							
	1st month	5.36	-	5.36	0.05	0.11	5.25	
	2nd month	5.25	-	5.25	0.05	0.11	5.14	
	3rd month	5.14	-	5.14	0.05	0.11	5.03	
	4th month	5.03	-	5.03	0.05	0.11	4.91	
	5th month	4.91	-	4.91	0.05	0.11	4.80	
	6th month	4.80	-	4.80	0.04	0.11	4.69	
	7th month	4.69	-	4.69	0.04	0.11	4.58	
	8th month	4.58	-	4.58	0.04	0.11	4.47	
	9th month	4.47	-	4.47	0.04	0.11	4.36	
	10th month	4.36	-	4.36	0.04	0.11	4.24	
	11th month	4.24	-	4.24	0.04	0.11	4.13	
	12th month	4.13	-	4.13	0.04	0.11	4.02	
					0.52	1.34		
3rd	Opening Balance							
	1st month	4.02	-	4.02	0.04	0.11	3.91	
	2nd month	3.91	-	3.91	0.04	0.11	3.80	
	3rd month	3.80	-	3.80	0.03	0.11	3.69	
	4th month	3.69	-	3.69	0.03	0.11	3.57	
	5th month	3.57	-	3.57	0.03	0.11	3.46	
	6th month	3.46	-	3.46	0.03	0.11	3.35	

7th month	3.35	-	3.35	0.03	0.11	3.24
8th month	3.24	-	3.24	0.03	0.11	3.13
9th month	3.13	-	3.13	0.03	0.11	3.02
10th month	3.02	-	3.02	0.03	0.11	2.90
11th month	2.90	-	2.90	0.03	0.11	2.79
12th month	2.79	-	2.79	0.03	0.11	2.68
				0.37	1.34	
4th	Opening Balance					
1st month	2.68	-	2.68	0.02	0.11	2.57
2nd month	2.57	-	2.57	0.02	0.11	2.46
3rd month	2.46	-	2.46	0.02	0.11	2.35
4th month	2.35	-	2.35	0.02	0.11	2.23
5th month	2.23	-	2.23	0.02	0.11	2.12
6th month	2.12	-	2.12	0.02	0.11	2.01
7th month	2.01	-	2.01	0.02	0.11	1.90
8th month	1.90	-	1.90	0.02	0.11	1.79
9th month	1.79	-	1.79	0.02	0.11	1.68
10th month	1.68	-	1.68	0.02	0.11	1.56
11th month	1.56	-	1.56	0.01	0.11	1.45
12th month	1.45	-	1.45	0.01	0.11	1.34
				0.23	1.34	
5th	Opening Balance					
1st month	1.34	-	1.34	0.01	0.11	1.23
2nd month	1.23	-	1.23	0.01	0.11	1.12
3rd month	1.12	-	1.12	0.01	0.11	1.01
4th month	1.01	-	1.01	0.01	0.11	0.89
5th month	0.89	-	0.89	0.01	0.11	0.78
6th month	0.78	-	0.78	0.01	0.11	0.67
7th month	0.67	-	0.67	0.01	0.11	0.56
8th month	0.56	-	0.56	0.01	0.11	0.45
9th month	0.45	-	0.45	0.00	0.11	0.34
10th month	0.34	-	0.34	0.00	0.11	0.22
11th month	0.22	-	0.22	0.00	0.11	0.11
12th month	0.11	-	0.11	0.00	0.11	-
				0.08	1.34	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

5.12 Financial Indicators

FINANCIAL INDICATORS					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
TURNOVER	100.50	122.36	142.82	165.03	189.08
GROSS PROFIT	7.64	9.85	12.13	14.47	17.73
G.P. RATIO	7.60%	8.05%	8.50%	8.77%	9.38%
NET PROFIT	1.63	2.90	4.68	6.21	8.74
N.P. RATIO	1.62%	2.37%	3.27%	3.77%	4.62%
CURRENT ASSETS	9.83	11.28	13.40	15.39	18.30
CURRENT LIABILITIES	7.38	8.03	8.72	9.49	10.34
CURRENT RATIO	1.33	1.40	1.54	1.62	1.77
TERM LOAN	5.36	4.02	2.68	1.34	-
TOTAL NET WORTH	3.97	5.13	7.05	8.89	11.67
DEBT/EQUITY	1.35	0.78	0.38	0.15	-
TOTAL NET WORTH	3.97	5.13	7.05	8.89	11.67
TOTAL OUTSIDE LIABILITIES	12.74	12.05	11.40	10.83	10.34
TOL/TNW	3.21	2.35	1.62	1.22	0.89
PBDIT	3.82	4.85	6.33	7.60	9.88
INTEREST	1.03	0.96	0.81	0.67	0.52
INTEREST COVERAGE RATIO	3.70	5.04	7.78	11.39	19.00
WDV	6.88	5.90	5.05	4.33	3.71
TERM LOAN	5.36	4.02	2.68	1.34	-
FACR	1.28	1.47	1.89	3.23	-

5.13 DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	2.79	3.89	5.52	6.81	8.90
Interest on Term Loan	0.59	0.52	0.37	0.23	0.08
Total	3.38	4.41	5.89	7.04	8.98
<u>REPAYMENT</u>					
Instalment of Term Loan	0.67	1.34	1.34	1.34	1.34
Interest on Term Loan	0.59	0.52	0.37	0.23	0.08
Total	1.26	1.86	1.71	1.57	1.42
DEBT SERVICE COVERAGE RATIO	2.68	2.37	3.44	4.49	6.33
AVERAGE D.S.C.R.	3.86				

5.14 Break Even Point Analysis

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	100.50	122.36	142.82	165.03	189.08
Less : Op. WIP Goods	-	3.20	3.77	4.38	5.04
Add : Cl. WIP Goods	3.20	3.77	4.38	5.04	5.73
Total Sales	103.70	122.92	143.43	165.69	189.77
Variable & Semi Variable Exp.					
Raw Material Consumed	86.40	102.06	119.16	137.81	157.68
Electricity Exp/Coal Consumption at 85%	1.22	1.41	1.62	1.86	2.05
Wages & Salary at 60%	3.60	3.96	4.36	4.79	5.27
Selling & administrative Expenses 80%	1.01	1.52	1.71	2.11	2.42
Interest on working Capital	0.44	0.44	0.44	0.44	0.44
Repair & maintenance	1.91	2.69	3.14	3.63	3.78
Total Variable & Semi Variable Exp	94.58	112.08	130.43	150.64	171.64
Contribution	9.13	10.85	13.00	15.05	18.13
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.22	0.25	0.29	0.33	0.36
Wages & Salary at 40%	2.40	2.64	2.90	3.19	3.51
Interest on Term Loan	0.59	0.52	0.37	0.23	0.08

Depreciation	1.16	0.99	0.84	0.72	0.62
Selling & administrative Expenses 20%	0.25	0.38	0.43	0.53	0.61
Rent	2.88	3.17	3.48	3.83	4.22
Total Fixed Expenses	7.50	7.95	8.32	8.83	9.39
Capacity Utilization	40%	45%	50%	55%	60%
OPERATING PROFIT	1.63	2.90	4.68	6.21	8.74
BREAK EVEN POINT	33%	33%	32%	32%	31%
BREAK EVEN SALES	85.18	90.04	91.83	97.27	98.31

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 Peanut butter is 240 Kgs per day. First year, Capacity has been taken @ 40%.
2. Working shift of 10 hours per day has been considered.
3. Raw Material stock is for 10 days and finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 9 days.
5. Credit period by the Sundry Creditors has been provided for 10 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 15 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.