



Model Detailed Project Report

CORIANDER SEEDS

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

CORIANDER SEEDS



Coriander is an annual herb in the family Apiaceae. It is also known as, dhaniya. All parts of the plant are edible, but the fresh leaves and the dried seeds are the parts most traditionally used in cooking.

Coriander seeds have a pleasing lemony flavor and floral aroma. The flavor goes very well with cumin and many recipes include equal amounts of the two spices. The plant's leaves and the ripened seeds taste completely different and they cannot be substituted for each other. Fresh cilantro tastes pungent, and to a certain percentage of the population, it tastes soapy.

Coriander seeds are usually toasted and ground before using; otherwise, they can have a tough texture to chew. Ground coriander is used as a spice in dishes like curry and in baked goods.

2. MARKET POTENTIAL:

Indian spices in whole form, especially coriander and cumin seeds, appear to be gaining more acceptance in the global market.

The seeds have a lemony citrus flavor when crushed, due to terpenes linalool and pinene. It is described as warm, nutty, spicy, and orange-flavored.

Coriander market on National Commodities and Derivatives Exchange (NCDEX) have surged more than 73% since the start of sowing season in October. Madhya Pradesh produced the largest volume of coriander seeds in fiscal year 2020 across India. This amounted to over 370 thousand metric tons, over an area of 628 thousand hectares. The country's annual production of coriander seeds that year was over 755 thousand metric tons.

3. PRODUCT DESCRIPTION

3.1 Raw Material sources

Whole unprocessed Dhaniya seeds (coriander Seeds) is required as the major raw material for the manufacturing of cookies.

Packaging Material:

1. Poly packets
2. Cartoon box

Average raw material (cost per KG): Rs. 120-150

3.2 MANUFACTURING PROCESS

- Procurement of raw material (Coriander seeds), which can be easily procured from farmers.
- Cleaning of impurities from coriander seeds through cleaning process.
- After cleaning process drying of moisture from coriander seeds to be done, it can be done with the help of dryer or under sunlight according of the size of business.
- Packaging of coriander seeds.
- Transportation of goods.


4. PROJECT COMPONENTS

4.1 Land

Land required 800-1000 square feet approx.

Approximate rent for the same is Rs.15000-20000 per month.

4.2 Plant & Machinery

| S.N. | Item Description | Image |
|------|-----------------------|--|
| 1 | Seed Cleaning machine |  |

| | | |
|---|--------------------------|--|
| 2 | Dryer |  |
| 4 | Packaging machine |  |

Note: cost of the machinery is approx. Rs. 6,50,000 excluding GST and other transportation cost.

4.3 Misc. Assets

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

4.4 Power Requirement

The borrower shall require power load of 10 HP which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

4.5 Manpower Requirement

5-6 Manpower are required for the Coriander seeds processing & packaging 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 |
| Land & Building | Owned/rented |
| Plant & Machinery | 6.50 |
| miscellaneous Assets | 1.00 |
| Working capital | 2.78 |
| Total | 10.28 |

5.2 Means of Finance

| MEANS OF FINANCE | |
|--------------------------------|--------------|
| PARTICULARS | AMOUNT |
| Own Contribution (min 10%) | 1.03 |
| Subsidy @35%(Max. Rs 10 Lac) | 2.63 |
| Term Loan @ 55% | 4.13 |
| Working Capital (bank Finance) | 2.50 |
| Total | 10.28 |

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 | | 4.52 | 4.99 | 5.71 | 6.21 |
| <i>Add:- Own Capital</i> | 1.03 | | | | |
| Add:- Retained Profit | 0.86 | 1.97 | 3.22 | 4.50 | 5.99 |
| Less:- Drawings | - | 1.50 | 2.50 | 4.00 | 5.00 |
| Subsidy/grant | 2.63 | | | | |
| Closing Balance | 4.52 | 4.99 | 5.71 | 6.21 | 7.20 |
| Term Loan | 3.67 | 2.75 | 1.83 | 0.92 | - |
| Working Capital Limit | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Sundry Creditors | 0.84 | 0.97 | 1.12 | 1.27 | 1.44 |
| Provisions & Other Liab | 0.20 | 0.25 | 0.30 | 0.36 | 0.43 |
| TOTAL : | 11.73 | 11.46 | 11.46 | 11.26 | 11.57 |
| <u>Assets</u> | | | | | |
| Fixed Assets (Gross) | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| Gross Dep. | 1.08 | 1.99 | 2.78 | 3.45 | 4.03 |
| Net Fixed Assets | 6.43 | 5.51 | 4.72 | 4.05 | 3.47 |
| Current Assets | | | | | |
| Sundry Debtors | 1.44 | 1.70 | 1.94 | 2.19 | 2.45 |
| Stock in Hand | 2.34 | 2.67 | 3.04 | 3.44 | 3.86 |
| Cash and Bank | 1.53 | 1.58 | 1.76 | 1.58 | 1.78 |
| TOTAL : | 11.73 | 11.46 | 11.46 | 11.26 | 11.57 |

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 | 1.03 | | | | |
| Net Profit | 0.86 | 1.97 | 3.22 | 4.50 | 6.11 |
| Depriciation & Exp. W/off | 1.08 | 0.92 | 0.79 | 0.67 | 0.57 |
| Increase in Cash Credit | 2.50 | - | - | - | - |
| Increase In Term Loan | 4.13 | - | - | - | - |
| Increase in Creditors | 0.84 | 0.13 | 0.15 | 0.15 | 0.16 |
| Increase in Provisions & Oth lib | 0.20 | 0.05 | 0.05 | 0.06 | 0.07 |
| Sunsidy/grant | 2.63 | | | | |
| TOTAL : | 13.26 | 3.07 | 4.20 | 5.38 | 6.92 |
| <u>APPLICATION OF FUND</u> | | | | | |
| Increase in Fixed Assets | 7.50 | | | | |
| Increase in Stock | 2.34 | 0.33 | 0.37 | 0.40 | 0.42 |
| Increase in Debtors | 1.44 | 0.27 | 0.24 | 0.25 | 0.26 |
| Repayment of Term Loan | 0.46 | 0.92 | 0.92 | 0.92 | 0.92 |
| Drawings | - | 1.50 | 2.50 | 4.00 | 5.00 |
| Taxation | - | - | - | - | 0.12 |
| TOTAL : | 11.73 | 3.02 | 4.02 | 5.57 | 6.71 |
| Opening Cash & Bank Balance | - | 1.53 | 1.58 | 1.76 | 1.58 |
| Add : Surplus | 1.53 | 0.05 | 0.18 | (0.19) | 0.20 |
| Closing Cash & Bank Balance | 1.53 | 1.58 | 1.76 | 1.58 | 1.78 |

5.5 Projected Profitability

| (in Lacs) | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| PROJECTED PROFITABILITY STATEMENT | | | | | |
| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| Capacity Utilisation % | 50% | 55% | 60% | 65% | 70% |
| <u>SALES</u> | | | | | |
| Gross Sale | | | | | |
| CORIANDER SEEDS | 47.85 | 56.75 | 64.62 | 72.94 | 81.71 |
| Total | 47.85 | 56.75 | 64.62 | 72.94 | 81.71 |
| COST OF SALES | | | | | |
| Raw Material Consumed | 28.13 | 32.42 | 37.26 | 42.41 | 47.88 |
| Electricity Expenses | 1.68 | 1.93 | 2.22 | 2.56 | 2.81 |
| Depreciation | 1.08 | 0.92 | 0.79 | 0.67 | 0.57 |
| Wages & labour | 5.64 | 6.20 | 6.82 | 7.51 | 8.26 |
| Repair & maintenance | 1.67 | 1.99 | 2.26 | 2.55 | 2.86 |
| Packaging | 2.39 | 2.84 | 3.23 | 3.65 | 4.09 |
| Consumables | 1.44 | 1.42 | 1.29 | 1.46 | 1.43 |
| Cost of Production | 42.02 | 47.72 | 53.88 | 60.80 | 67.90 |
| Add: Opening Stock /WIP | - | 1.40 | 1.59 | 1.80 | 2.03 |
| Less: Closing Stock /WIP | 1.40 | 1.59 | 1.80 | 2.03 | 2.26 |
| Cost of Sales | 40.62 | 47.53 | 53.67 | 60.57 | 67.66 |
| GROSS PROFIT | 7.23 | 9.22 | 10.95 | 12.36 | 14.04 |
| | 15.11% | 16.25% | 16.94% | 16.95% | 17.19% |
| Salary to Staff | 1.68 | 1.85 | 2.03 | 2.24 | 2.46 |
| Interest on Term Loan | 0.41 | 0.36 | 0.26 | 0.16 | 0.05 |

| | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Interest on working Capital | 0.28 | 0.28 | 0.28 | 0.28 | 0.28 |
| Rent | 2.40 | 2.64 | 2.90 | 3.19 | 3.51 |
| selling & adm exp | 1.60 | 2.13 | 2.26 | 2.01 | 1.63 |
| TOTAL | 6.36 | 7.25 | 7.73 | 7.87 | 7.94 |
| NET PROFIT | 0.86 | 1.97 | 3.22 | 4.50 | 6.11 |
| | 1.81% | 3.48% | 4.98% | 6.17% | 7.47% |
| Taxation | | | | | 0.12 |
| PROFIT (After Tax) | 0.86 | 1.97 | 3.22 | 4.50 | 5.99 |

5.6 Production and Yield

| COMPUTATION OF PROCESSING & PACKAGING OF CORIANDER SEEDS | | |
|---|---------|---------|
| Items to be Packed | | |
| CORIANDER SEEDS | | |
| Machine capacity Per Day | 150 | KG |
| Total working Hours | 8 | |
| working days in a month | 25 | Days |
| working days per annum | 300 | |
| machine capacity per annum | 45000 | KG |
| Final Output | | |
| 1 Packet size (Assume) | 100 | Grams |
| CORIANDER SEEDS Packets in a Day | 1500 | Packets |
| CORIANDER SEEDS Packets Per Annum | 450,000 | Packets |

| Processing of CORIANDER SEEDS | | |
|--------------------------------------|-----------------|----------------|
| Production | Capacity | Packets |
| 1st year | 50% | 225,000 |
| 2nd year | 55% | 247,500 |
| 3rd year | 60% | 270,000 |
| 4th year | 65% | 292,500 |
| 5th year | 70% | 315,000 |

| Raw Material Cost | | | |
|--------------------------|---------------------------------|--------------------------|---------------------------------|
| Year | Capacity Utilization | Rate (per KG) | Amount (Rs. in lacs) |
| 1st year | 50% | 125.00 | 28.13 |
| 2nd year | 55% | 131.00 | 32.42 |
| 3rd year | 60% | 138.00 | 37.26 |
| 4th year | 65% | 145.00 | 42.41 |
| 5th year | 70% | 152.00 | 47.88 |

5.7 Sales Revenue

| <u>COMPUTATION OF SALE</u> | | | | | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Particulars | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| Op Stock | - | 7,500 | 8,250 | 9,000 | 9,750 |
| Production | 225,000 | 247,500 | 270,000 | 292,500 | 315,000 |
| Less : Closing Stock | 7,500 | 8,250 | 9,000 | 9,750 | 10,500 |
| Net Sale | 217,500 | 246,750 | 269,250 | 291,750 | 314,250 |
| sale price per 100 Gram Packets | 22.00 | 23.00 | 24.00 | 25.00 | 26.00 |
| Sales (in Lacs) | 47.85 | 56.75 | 64.62 | 72.94 | 81.71 |

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> | | | | | |
| | 1.40 | 1.59 | 1.80 | 2.03 | 2.26 |
| <u>Raw Material</u> | | | | | |
| | 0.94 | 1.08 | 1.24 | 1.41 | 1.60 |
| Closing Stock | 2.34 | 2.67 | 3.04 | 3.44 | 3.86 |

| COMPUTATION OF WORKING CAPITAL REQUIREMENT | | | | | |
|---|---------------|-------------------|-------------|---------------------|-------------|
| (in Lacs) | | | | | |
| TRADITIONAL METHOD | | | | | |
| Particulars | Amount | Own Margin | | Bank Finance | |
| Finished Goods & Raw Material | 2.34 | | | | |
| Less : Creditors | 0.84 | | | | |
| Paid stock | 1.49 | 10% | 0.15 | 90% | 1.35 |
| Sundry Debtors | 1.44 | 10% | 0.14 | 90% | 1.29 |
| | 2.93 | | 0.29 | | 2.64 |
| MPBF | | | | | 2.64 |
| WORKING CAPITAL LIMIT DEMAND (from Bank) | | | | | 2.50 |
| Working Capital Margin | | | | | 0.28 |

5.9 Power, Salary & Wages Calculation

| Utility Charges (per month) | | |
|------------------------------------|--------------|--------------------|
| Particulars | value | Description |
| Power connection required | 7 | KWH |
| consumption per day | 56 | units |
| Consumption per month | 1,400 | units |
| Rate per Unit | 10 | Rs. |
| power Bill per month | 14,000 | Rs. |

| <u>BREAK UP OF LABOUR CHARGES</u> | | | |
|--|----------------------|------------------|---------------|
| Particulars | Wages | No of | Total |
| | Rs. per Month | Employees | Salary |
| Skilled (in thousand rupees) | 14,000 | 2 | 28,000 |
| Unskilled (in thousand rupees) | 9,500 | 2 | 19,000 |
| Total salary per month | | | 47,000 |
| Total annual labour charges | (in lacs) | | 5.64 |

| <u>BREAK UP OF Staff Salary CHARGES</u> | | | |
|--|----------------------|------------------|---------------|
| Particulars | Salary | No of | Total |
| | Rs. per Month | Employees | Salary |
| helper | 7,000 | 2 | 14,000 |
| Total salary per month | | | 14,000 |
| Total annual Staff charges | (in lacs) | | 1.68 |

5.10 Depreciation

| | | | (in Lacs) |
|------------------------------------|-------------------|---------------|-------------|
| COMPUTATION OF DEPRECIATION | | | |
| Description | Plant & Machinery | Miss. Assets | TOTAL |
| Rate of Depreciation | 15.00% | 10.00% | |
| Opening Balance | - | - | - |
| Addition | 6.50 | 1.00 | 7.50 |
| Total | 6.50 | 1.00 | 7.50 |
| Less : Depreciation | 0.98 | 0.10 | 1.08 |
| WDV at end of Year | 5.53 | 0.90 | 6.43 |
| Additions During The Year | - | - | - |
| Total | 5.53 | 0.90 | 6.43 |
| Less : Depreciation | 0.83 | 0.09 | 0.92 |
| WDV at end of Year | 4.70 | 0.81 | 5.51 |
| Additions During The Year | - | - | - |
| Total | 4.70 | 0.81 | 5.51 |
| Less : Depreciation | 0.70 | 0.08 | 0.79 |
| WDV at end of Year | 3.99 | 0.73 | 4.72 |
| Additions During The Year | - | - | - |
| Total | 3.99 | 0.73 | 4.72 |
| Less : Depreciation | 0.60 | 0.07 | 0.67 |
| WDV at end of Year | 3.39 | 0.66 | 4.05 |
| Additions During The Year | - | - | - |
| Total | 3.39 | 0.66 | 4.05 |
| Less : Depreciation | 0.51 | 0.07 | 0.57 |
| WDV at end of Year | 2.88 | 0.59 | 3.47 |

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 | - | 4.13 | 4.13 | - | - | 4.13 |
| | 2nd month | 4.13 | - | 4.13 | 0.04 | - | 4.13 |
| | 3rd month | 4.13 | - | 4.13 | 0.04 | - | 4.13 |
| | 4th month | 4.13 | - | 4.13 | 0.04 | | 4.13 |
| | 5th month | 4.13 | - | 4.13 | 0.04 | | 4.13 |
| | 6th month | 4.13 | - | 4.13 | 0.04 | | 4.13 |
| | 7th month | 4.13 | - | 4.13 | 0.04 | 0.08 | 4.05 |
| | 8th month | 4.05 | - | 4.05 | 0.04 | 0.08 | 3.97 |
| | 9th month | 3.97 | - | 3.97 | 0.04 | 0.08 | 3.90 |
| | 10th month | 3.90 | - | 3.90 | 0.04 | 0.08 | 3.82 |
| | 11th month | 3.82 | - | 3.82 | 0.04 | 0.08 | 3.74 |
| | 12th month | 3.74 | - | 3.74 | 0.03 | 0.08 | 3.67 |
| | | | | | 0.41 | 0.46 | |
| 2nd | Opening Balance | | | | | | |
| | 1st month | 3.67 | - | 3.67 | 0.03 | 0.08 | 3.59 |
| | 2nd month | 3.59 | - | 3.59 | 0.03 | 0.08 | 3.51 |
| | 3rd month | 3.51 | - | 3.51 | 0.03 | 0.08 | 3.44 |
| | 4th month | 3.44 | - | 3.44 | 0.03 | 0.08 | 3.36 |
| | 5th month | 3.36 | - | 3.36 | 0.03 | 0.08 | 3.28 |
| | 6th month | 3.28 | - | 3.28 | 0.03 | 0.08 | 3.21 |
| | 7th month | 3.21 | - | 3.21 | 0.03 | 0.08 | 3.13 |
| | 8th month | 3.13 | - | 3.13 | 0.03 | 0.08 | 3.06 |
| | 9th month | 3.06 | - | 3.06 | 0.03 | 0.08 | 2.98 |
| | 10th month | 2.98 | - | 2.98 | 0.03 | 0.08 | 2.90 |
| | 11th month | 2.90 | - | 2.90 | 0.03 | 0.08 | 2.83 |
| | 12th month | 2.83 | - | 2.83 | 0.03 | 0.08 | 2.75 |
| | | | | | 0.36 | 0.92 | |
| 3rd | Opening Balance | | | | | | |
| | 1st month | 2.75 | - | 2.75 | 0.03 | 0.08 | 2.67 |
| | 2nd month | 2.67 | - | 2.67 | 0.02 | 0.08 | 2.60 |
| | 3rd month | 2.60 | - | 2.60 | 0.02 | 0.08 | 2.52 |
| | 4th month | 2.52 | - | 2.52 | 0.02 | 0.08 | 2.44 |
| | 5th month | 2.44 | - | 2.44 | 0.02 | 0.08 | 2.37 |
| | 6th month | 2.37 | - | 2.37 | 0.02 | 0.08 | 2.29 |
| | 7th month | 2.29 | - | 2.29 | 0.02 | 0.08 | 2.22 |
| | 8th month | 2.22 | - | 2.22 | 0.02 | 0.08 | 2.14 |
| | 9th month | 2.14 | - | 2.14 | 0.02 | 0.08 | 2.06 |
| | 10th month | 2.06 | - | 2.06 | 0.02 | 0.08 | 1.99 |

| | | | | | | | |
|------------|-------------------|------|---|--------|-------------|-------------|------|
| | 11th month | 1.99 | - | 1.99 | 0.02 | 0.08 | 1.91 |
| | 12th month | 1.91 | - | 1.91 | 0.02 | 0.08 | 1.83 |
| | | | | | 0.26 | 0.92 | |
| 4th | Opening Balance | | | | | | |
| | 1st month | 1.83 | - | 1.83 | 0.02 | 0.08 | 1.76 |
| | 2nd month | 1.76 | - | 1.76 | 0.02 | 0.08 | 1.68 |
| | 3rd month | 1.68 | - | 1.68 | 0.02 | 0.08 | 1.60 |
| | 4th month | 1.60 | - | 1.60 | 0.01 | 0.08 | 1.53 |
| | 5th month | 1.53 | - | 1.53 | 0.01 | 0.08 | 1.45 |
| | 6th month | 1.45 | - | 1.45 | 0.01 | 0.08 | 1.38 |
| | 7th month | 1.38 | - | 1.38 | 0.01 | 0.08 | 1.30 |
| | 8th month | 1.30 | - | 1.30 | 0.01 | 0.08 | 1.22 |
| | 9th month | 1.22 | - | 1.22 | 0.01 | 0.08 | 1.15 |
| | 10th month | 1.15 | - | 1.15 | 0.01 | 0.08 | 1.07 |
| | 11th month | 1.07 | - | 1.07 | 0.01 | 0.08 | 0.99 |
| | 12th month | 0.99 | - | 0.99 | 0.01 | 0.08 | 0.92 |
| | | | | | 0.16 | 0.92 | |
| 5th | Opening Balance | | | | | | |
| | 1st month | 0.92 | - | 0.92 | 0.01 | 0.08 | 0.84 |
| | 2nd month | 0.84 | - | 0.84 | 0.01 | 0.08 | 0.76 |
| | 3rd month | 0.76 | - | 0.76 | 0.01 | 0.08 | 0.69 |
| | 4th month | 0.69 | - | 0.69 | 0.01 | 0.08 | 0.61 |
| | 5th month | 0.61 | - | 0.61 | 0.01 | 0.08 | 0.53 |
| | 6th month | 0.53 | - | 0.53 | 0.00 | 0.08 | 0.46 |
| | 7th month | 0.46 | - | 0.46 | 0.00 | 0.08 | 0.38 |
| | 8th month | 0.38 | - | 0.38 | 0.00 | 0.08 | 0.31 |
| | 9th month | 0.31 | - | 0.31 | 0.00 | 0.08 | 0.23 |
| | 10th month | 0.23 | - | 0.23 | 0.00 | 0.08 | 0.15 |
| | 11th month | 0.15 | - | 0.15 | 0.00 | 0.08 | 0.08 |
| | 12th month | 0.08 | - | 0.08 | 0.00 | 0.08 | - |
| | | | | | 0.05 | 0.92 | |
| | DOOR TO DOOR | 60 | | MONTHS | | | |
| | MORATORIUM PERIOD | 6 | | MONTHS | | | |
| | REPAYMENT PERIOD | 54 | | MONTHS | | | |

5.12 DSCR

| <u>CALCULATION OF D.S.C.R</u> | | | | | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PARTICULARS | 1st year | 2nd year | 3rd year | 4th year | 5th year |
| CASH ACCRUALS | 1.94 | 2.89 | 4.00 | 5.17 | 6.57 |
| Interest on Term Loan | 0.41 | 0.36 | 0.26 | 0.16 | 0.05 |
| Total | 2.35 | 3.25 | 4.26 | 5.32 | 6.62 |
| <u>REPAYMENT</u> | | | | | |
| Instalment of Term Loan | 0.46 | 0.92 | 0.92 | 0.92 | 0.92 |
| Interest on Term Loan | 0.41 | 0.36 | 0.26 | 0.16 | 0.05 |
| Total | 0.86 | 1.27 | 1.17 | 1.07 | 0.97 |
| DEBT SERVICE COVERAGE RATIO | 2.71 | 2.55 | 3.63 | 4.97 | 6.82 |
| AVERAGE D.S.C.R. | 4.14 | | | | |

5.13 Break Even Point Analysis

| BREAK EVEN POINT ANALYSIS | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Year | I | II | III | IV | V |
| Net Sales & Other Income | 47.85 | 56.75 | 64.62 | 72.94 | 81.71 |
| Less : Op. WIP Goods | - | 1.40 | 1.59 | 1.80 | 2.03 |
| Add : Cl. WIP Goods | 1.40 | 1.59 | 1.80 | 2.03 | 2.26 |
| Total Sales | 49.25 | 56.94 | 64.83 | 73.17 | 81.94 |
| Variable & Semi Variable Exp. | | | | | |
| Raw Material Consumed | 28.13 | 32.42 | 37.26 | 42.41 | 47.88 |

| | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Electricity Exp/Coal Consumption at 85% | 1.43 | 1.64 | 1.89 | 2.17 | 2.39 |
| Wages & Salary at 60% | 4.39 | 4.83 | 5.31 | 5.85 | 6.43 |
| Selling & administrative Expenses 80% | 1.28 | 1.70 | 1.81 | 1.60 | 1.31 |
| Interest on working Capital | 0.275 | 0.275 | 0.275 | 0.275 | 0.275 |
| Repair & maintenance | 1.67 | 1.99 | 2.26 | 2.55 | 2.86 |
| Packaging | 2.39 | 2.84 | 3.23 | 3.65 | 4.09 |
| Consumables | 1.44 | 1.42 | 1.29 | 1.46 | 1.43 |
| Total Variable & Semi Variable Exp | 41.01 | 47.12 | 53.33 | 59.97 | 66.66 |
| Contribution | 8.25 | 9.83 | 11.49 | 13.20 | 15.29 |
| Fixed & Semi Fixed Expenses | | | | | |
| Electricity Exp/Coal Consumption at 15% | 0.25 | 0.29 | 0.33 | 0.38 | 0.42 |
| Wages & Salary at 40% | 2.93 | 3.22 | 3.54 | 3.90 | 4.29 |
| Interest on Term Loan | 0.41 | 0.36 | 0.26 | 0.16 | 0.05 |
| Depreciation | 1.08 | 0.92 | 0.79 | 0.67 | 0.57 |
| Selling & administrative Expenses 20% | 0.32 | 0.43 | 0.45 | 0.40 | 0.33 |
| Rent | 2.40 | 2.64 | 2.90 | 3.19 | 3.51 |
| Total Fixed Expenses | 7.38 | 7.85 | 8.27 | 8.70 | 9.18 |
| | | | | | |
| Capacity Utilization | 50% | 55% | 60% | 65% | 70% |
| OPERATING PROFIT | 0.86 | 1.97 | 3.22 | 4.50 | 6.11 |
| BREAK EVEN POINT | 45% | 44% | 43% | 43% | 42% |
| BREAK EVEN SALES | 44.09 | 45.50 | 46.67 | 48.24 | 49.20 |

6. LICENSE & APPROVALS

- Obtain the GST registration.
- Additionally, obtain the UDYAM 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. Packet packaging Capacity of Coriander seeds is 1500 packets per day. First year, Capacity has been taken @ 50%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 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 9 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 7-8 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.