



Detailed Project Report (DPR)
of

SWASTIK DAIRY FARM

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1. EXECUTIVE SUMMARY

1.1 Project Snapshot – Introduction and Overview

Dairy industry is the highest contributor of the rural economy and hence it is considered to be the backbone of the agricultural sector. Dairy farming is the most important part of the agriculture for thousands of years now and India is the largest milk producer. It produces 112 million MT with the highest share of 13% of the world's production, which costs approximately 105,946 cores. India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth.

Name of the Entity : SWASTIK DAIRY FARM LLP

Address : Plot No.27, Near Katraj Dudh Dairy, Pune – 411 046

Name of the partners in LLP :

1. Ranjeet Magdum

2. Rakesh Korde

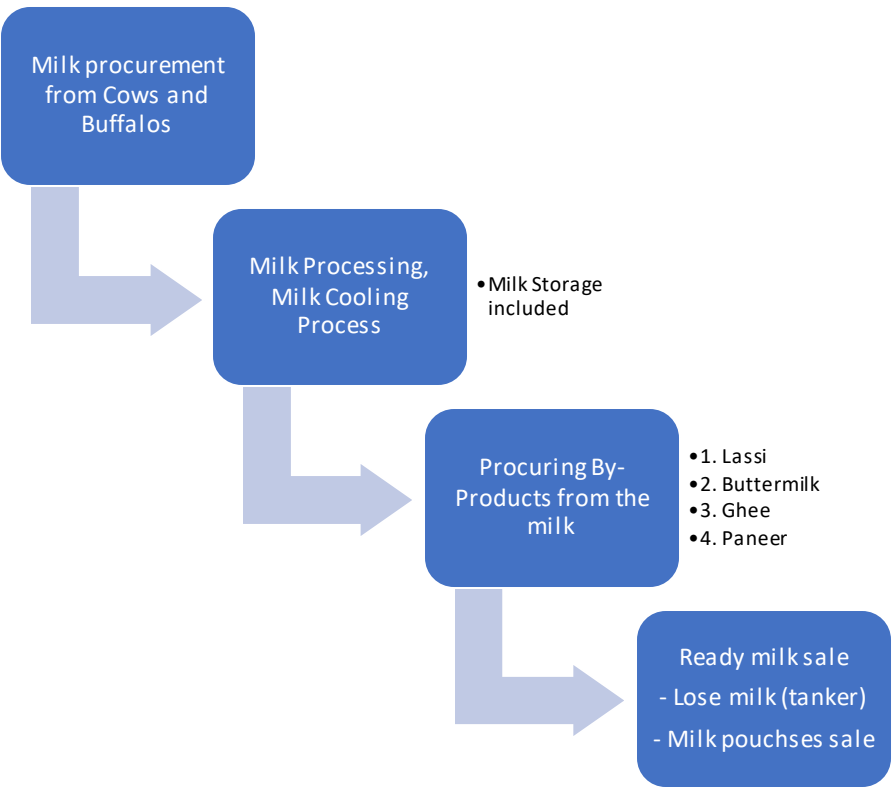
Under Swastik Dairy Farm LLP, Ranjeet and Rakesh, both are going to procure cow & buffalo milk from various owned animals and going to sell milk and allied products like curd, paneer, ghee and many more at their own dairy counter as loose milk and will also be selling the packaged pouch milk.



Not just milk, but also other milk products, by products from milk will also be sold by the organisation. Milk share in the revenue cycle is 60% and by products will be contributing almost 40% of the total share in the revenue. Business Owners and their relatives are having more than 15 years of experience in the field of dairy, milk & milk products which will be very useful in running the business of the LLP.

As the families of both the partners are having a good business connection in the locality, it will be easier to start and/or expand the business and the goodwill of the Business unit will be created at a greater extent. Once the business will start achieving higher sales, large scale economies will help them to get a higher GP/NP ratio and overall positive incremental revenue.

The activities of the organisation have been summarized here :



1.2 Profile of Promoters, Business Owners

Mr. Ranjeet and Mr. Rakesh are the partners of the LLP firm named Swastik Dairy firm with their key position in the business. Both of them are having adequate knowledge in the field of dairy, cow & buffalo milk procurement and milk products. Milk procurement and milk processing are 2 different tasks and they are capable of handling both the activities with expertise. In the field of Agriculture and allied activities, learned men are making a difference nowadays. Although, availability of labour is a big issue as workers preferred to migrate to cities and work in factories. But with all the experience and hard work of 15+ years, both promoters are equipped with a skillset to engage skilled labour and required staff for the company. The driving force behind every business is increased sales and high profits. Businessmen should be confident about the product they are selling as well as their own ability to successfully, gain the trust, arouse an interest and eventually convince them to try a new product. The Business owners are having all such qualities inherently and were able to develop the same during the business course of their other respective businesses. Convincing a prospective customer to buy a product is not an easy task. Selling is an art and requires patience; applicant is skillful in such task & it can be considered as a plus point for an entity.

1.3 Employment Details

Despite such beliefs to the contrary, Agriculture & Dairy as a field is not just about the traditional roles related to farming and animals. What we fail to realize is that Agriculture & allied activities have grown tremendously in modern times, with cutting-edge research and constant innovations taking place, and so has its scope. The focus has now shifted from traditional roles to various other dimensions like Horticulture, Poultry Farming, Pisciculture, Dairy Farming, Agricultural Biotechnology, etc. Agriculture is also being commercialized as proper attention is being paid to the marketing, distribution, and packaging of its output. In India, Agriculture sector employs people in an astonishing way and more than 70% of the Indian population is dependent on Agricultural Sector and allied businesses.

Swastik Dairy Farm LLP will help the economy by way of employment generation, as it is going to generate employment to minimum of 10 people, directly. It will generate employment in an indirect way for many more people in the milk & dairy field.

1.4 Cost of Project

Estimating the cost of a project varies based on the industry, the type and scope of the project undertaken and the time frame for completing the project. The variables of any given project in Agricultural sector may change according to circumstances.

Classification of costs into two categories and estimating average cost or per unit cost helps in taking appropriate decisions. Since fixed costs are not much related to level of production, per unit fixed costs are more when production is small. Therefore, small farmers/small producers face the problem of high fixed costs. Such costs can further be divided into 2 types viz. capital expenditure and revenue expenditure. Particularly in this sector, cost generally refer to the expenses incurred on inputs required for production of crops, live-stock etc. Inputs required are labor, seeds, manures and fertilizers, land, pesticides, diesel, electricity, irrigation water, feeds, fodders, medicines etc. In this business, owners need to invest heavily in variable costs as well, which refers to costs incurred on inputs, which are exhausted in one use in the production process.

Swastik Dairy Farm LLP needs to invest in cows and buffalos (live stock) and also in Plant & machineries for the processing of milk. Also, they need a slight funding for civil and other construction related work in connection with business.

Detailed particulars about the cost have been provided hereunder :

Sr. No.	Particulars	Amount Rs. (in Lacs)
1	Civil Works	25.00
2	Live Stock (Cows and Buffalos)	--
3	Dairy Plant & Machinery	12.00
4	Furniture & Fixtures	--
5	Live Stock	--
6	Working Capital	10.00
	Total Cost in Rs.	47.00

1.5 Means of Finance

With reference to aforementioned information, the total project cost will be arranged in the following manner :

MEANS OF FINANCE	(Rs. in lakhs)
Term Loan	33.00
Cash Credit	9.00
Own Contribution (10%)	5.00
Total	47.00

1.6 Existing Obligations

The business owners are not having any heavy existing obligations, although, we have provided the documents such as Sanction letters and Bank statements of existing loans (if any), in order to assess the existing banking commitments.

1.7 Subsidy

Government subsidies are monetary grants provided by the government to private institutions or other public entities, in order to stimulate economic activity or promote activities that are in the public good. Subsidies encourage companies to undertake economic activities and business ventures that the government sees as in the public's best interest. Like indirect taxes, they can alter relative prices and budget constraints and thereby affect decisions concerning production, consumption and allocation of resources.

The subsidy in connection with Milk & Milk Products for Milk processing activity is 33.33 % of the total Project Cost (for fixed cost). Such subsidy is available from NABARD.

While making financial projections, we have not considered any subsidies as the project of this dairy is feasible, profitable and sustainable even without the subsidy amount.

2. PROJECT VIABILITY & MARKET STUDIES

2.1 Feasibility Studies

In India Milk processing units and dairies has been practiced as an allied agriculture industry. Semi commercial dairying started with the establishment of military dairy farms and cooperative milk unions throughout the country towards the end of the Nineteenth century. To meet the demand of the increasing population milk production in India has to be increased. It is neither possible nor desirable to increase the cattle and buffalo population to achieve this target. This can only be achieved by stepping up milk production of our bovine population by cross breeding of cows and use of improved cows and cow. Unlike rich countries like the U.K. and the U.S. dairying in India is a subsidiary occupation of almost all the farmers.

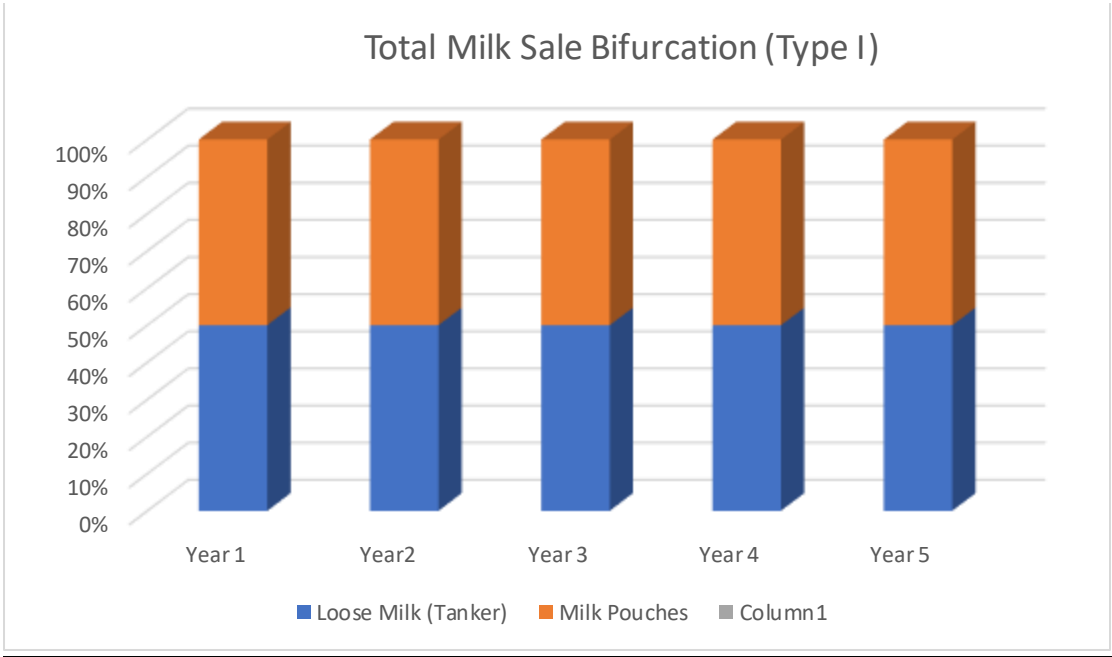
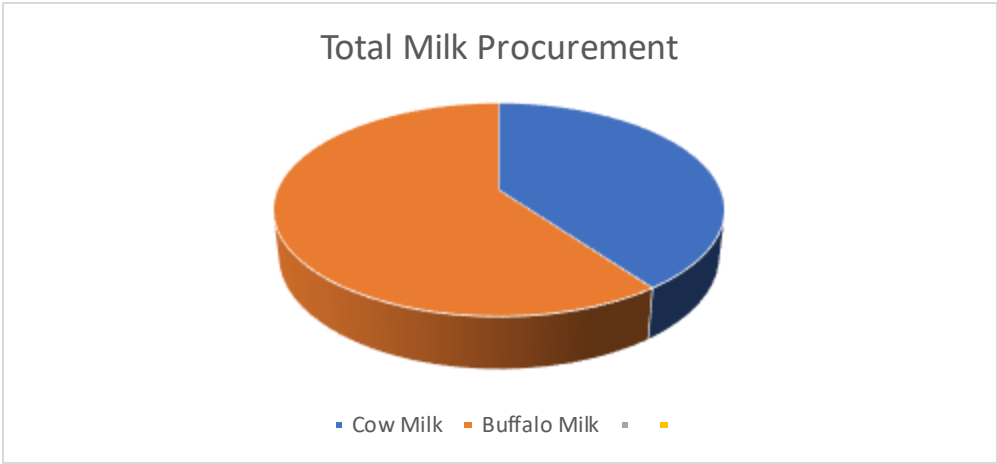
Technically, all the equipment and machineries for cow farming, procuring the milk for dairy are available easily even in the rural area. Hence technical feasibility of the project is clearly qualifying.

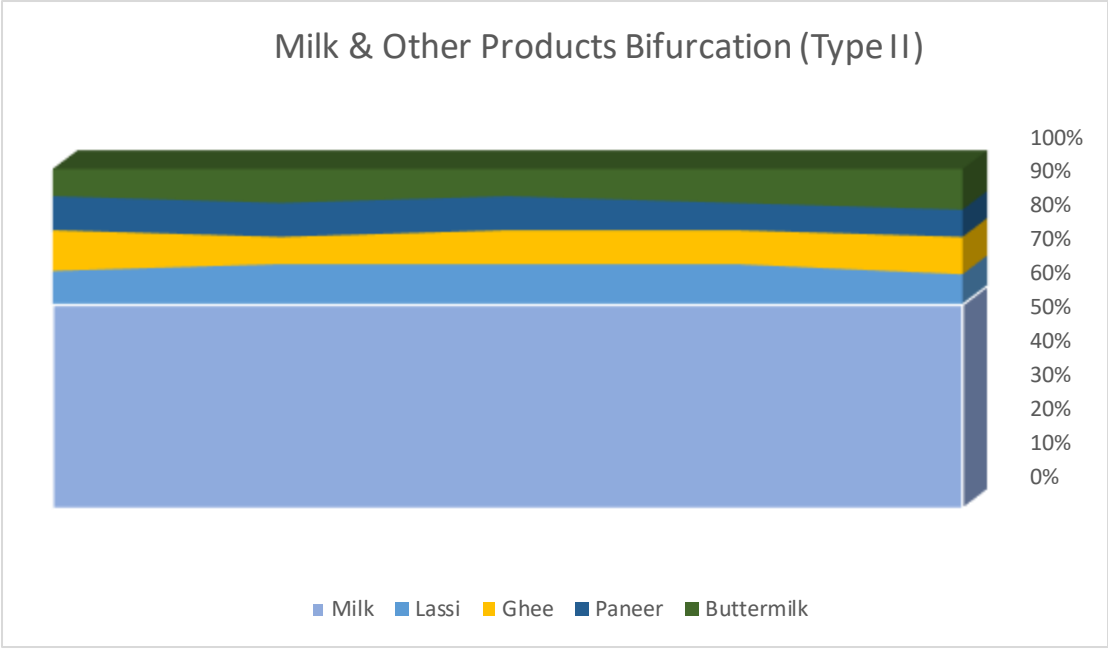
Operationally speaking, availability of land and staff for milk processing operations is not an issue and the same is easily available for the promoters. Ghodeke family itself is in connection with the operations of cow farming and dairy activities, hence the project qualifies operational feasibility as well.



Various Factors about the Business from Feasibility perspective :

Swastik Dairy Farm LLP is going to procure both Cow & Buffalo milk, which will save it from the risk of over-dependency on singular factor in the milk market.





Sales & Distribution market focused by the business owners is the areas in Pune, Solapur, Pandharpur, Vijapur, Hyderabad for milk & milk by products. Promoters are expecting a good sales & revenue generation ratio from these cities as the demand for quality milk & milk products is increasing day by day from such areas. Promoters are in discussion with various large scale milk-dealers and prominent players (like Hatsun Dairy – for lose milk), in aforementioned cities and areas and most of them have shown interest (verbally) in doing the business with dairy after witnessing the sample products of the dairy.

2.2 Industry Analysis



Dairy industry is the highest contributor of the rural economy and hence it is considered to be the backbone of the agricultural sector. It is the leading source of nutrition, Bio-gas, employment, income of cash and a 'cushion for drought proofing in India. Agriculture is the largest private sector and is also known to be the lifeline of the Indian economy. More than 60% of the population is dependent on the agriculture while 58.2% of the work force is directly or indirectly employed by means of agriculture. Dairy farming is the most important part of the agriculture for thousands of years now and India is the largest milk producer. It produces 112 million MT with the highest share of 13% of the world's production, which costs approximately 105,946 cores. India has been the leading producer and consumer of dairy products worldwide since 1998 with a sustained growth in the availability of

milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. India also has the largest bovine population in the world. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, nearly all of the dairy produce in India is consumed domestically, with the majority of it being sold as fluid milk. On account of this, the Indian dairy industry holds tremendous potential for value-addition and overall development. According to the latest report by IMARC Group, titled, the dairy market in India reached a value of INR 10,540 Billion in 2019. Milk, Flavoured Milk, UHT Milk, Goat Milk, Camel Milk, A2 Milk, Organic Milk, Curd, Probiotic Products, Flavoured & Frozen Yoghurts, Buttermilk, Lassi, Ghee, Butter, Cheese, Paneer, Cream, Khoya, Dairy Whiteners, Skimmed Milk Powder, Ice Cream, Sweet Condensed Milk, Dairy Sweets and Whey.

Agriculture is the largest private sector and is also known to be the lifeline of the Indian economy. More than 60% of the population is dependent on the agriculture while 58.2% of the work force is directly or indirectly employed by means of agriculture. Dairy industry is the highest contributor of the rural economy and hence it is considered to be the backbone of the agricultural sector. It is the leading source of nutrition, Bio-gas, employment, income of cash and a 'cushion for drought proofing in India. India is a developing country. Moreover, the dairy industry in India is not well established when compared to that of western countries. More than 90% of the dairy

products are delivered by unliterary/unorganized sector and only 10% are delivered by organized sectors. Referencing goes like Many dairies adopted the most traditional and the ancient ways of producing milk and its products. Until the past few years countries like India have been concentrating only on limited and regional dairy products like yogurt (regular), butter, cheese etc. Since the last 3 years, in order to capture the market, they have been producing the new dairy products such as sweet yogurt, flavoured milk shakes.



The global livestock farm equipment market size was valued at USD 16.4 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 3.4% from 2020 to 2027. Continued implementation of advanced technologies in the agriculture sector to augment operational efficiency is expected to drive the market over the forecast period. Automated equipment is increasingly being implemented for managing the livestock and undertaking various tasks, including feeding, milking,

monitoring, and cleaning. The myriad of benefits offered by livestock farm equipment in terms of easing the livestock farming activities is expected to drive the market over the forecast period. Livestock farming is expected to gain traction across the globe over the forecast period in line with the rising consumption of dairy products, meat. On the basis various factors related to industry analysis, a detailed scrutiny was carried out by the promoters / business owners and to conclude, based on the SWOT and Porter's five forces business model, they found the industry very demanding and scope for the business is unrestricted.

2.3 Market Potential



Milk is the largest and most valuable raw material to the dairy industry. It is also one of the most produced agricultural commodity. Though a fair amount of milk is traded, majority of the milk produced in a country is consumed internally. Raw milk has a shelf life of a week's time and needs to be stored under refrigeration before it is pasteurized and used to make dairy products like butter, cheese, etc. A milk tank cooling system is a pivotal component of the milk transfer chain. Effective cooling with high efficiency is required to store milk before and after it is processed. This analytical research study imparts an all-inclusive assessment on the market, while propounding historical intelligence, actionable insights, and industry-validated & statistically-upheld market forecast. Verified and suitable set of assumptions and methodology has been leveraged for developing this comprehensive study. Information and analysis on key

market segments incorporated in the report has been delivered in weighted chapters. The milk tank cooling system market has the presence of a number of prominent milk tank cooling system manufacturers. These manufacturers have to build systems depending on their end use at locations with differential temperatures. A much faster growth is expected in Asia-Pacific which falls in the sub tropic zone with hotter countries and its large and increasing population further driving the need for milk tank cooling systems. Cost economics involved in the use of direct expansion milk tank cooling systems will force the end users to opt for alternatives to reduce operating costs. This will, in turn, induce the need for economical and efficient milk tank cooling systems.

In terms of capacity, 1000-5000 Lt Tank is considered the most suitable and reliable type of milk tank cooling systems. Closed tanks are gaining huge prominence in the milk tank cooling systems market, as they help maintain milk quality and temperature. Adoption of these systems in milk farms or raw milk collection points will continue to grow on a significant pace, contributing around 87% of the total market share.

Milk, one of the segments analysed and sized in this study, displays the potential to grow at over 1.8%. The shifting dynamics supporting this growth makes it critical for businesses in this space to keep abreast of the changing pulse of the market. Poised to reach over 917.2 Million Tons by the year 2025, Milk will bring in healthy gains adding significant momentum to global growth.

India is the world's largest producer of dairy products by volume, accounting for more than 13% of world's total milk production, and it also has the world's largest dairy herd. This is because India has 75 million dairy farms, about half of all dairy farms in the world. India has an edge over many developed countries also because its cost of production is lowest in the world and hence it enjoys a comparative advantage in the production of milk. The only problem with India is high cost of conversion to dairy products. It might be due to lack of scale at both production and processing level.

The rising consumption of dairy products and shifting consumer preference from meat to dairy products for protein enrichment are the significant drivers for this market's growth. The easy availability of dairy products due to modern retail facilities and cold chain logistics further drives the market growth. Furthermore, significant product sales through online distribution channels during the Covid-19 pandemic also supported the market growth. Dairy products offer various health benefits as they are rich in calcium, riboflavin, vitamin D, vitamin A, niacin, potassium, and phosphorus.

The milk product segment accounted for the largest revenue share of 32.7% in 2019 and is anticipated to maintain its dominance over the forecast period. This growth is due to rising milk consumption in developing countries as it is highly nutritious and offers protein and calcium. Moreover, milk consumption reduces the risk of osteoporosis among the elderly, which is expected to drive its demand at a substantial rate.

The Indian liquid milk market. The report finds that the market grew at a CAGR of 12.8% during 2014-2019. The major factor for the growth of the liquid milk market in

India is the rapidly rising population due to which the consumption levels of liquid milk have witnessed a significant growth. Increasing incomes, large vegetarian population, rising standards of living and health consciousness among the consumers have also pushed the growth of the market in a positive direction. Most of the market is currently accounted by the unorganised sector. Growth rates of the organised sector, however, is faster than the unorganised sector. Looking forward, IMARC Group expects the liquid milk market in India market to exhibit strong growth during 2020-2025.

With the rising diversification of consumer needs, the uses of milk have been expanding from traditional dairy products to brand new products with high added value. To reach the consumer's demand for organic milk, productivity improvement measures in the Indian government's National Action Plan for Dairy Development are taking place that includes the introduction of cross-breeding, exotic cows, and the improvement of nutrition and hygiene. Furthermore, the integration of dairy tech start-ups with traditional farming industry is bringing the technology, which extends digital India to rural spaces, is, thereby, expected to propel the market growth over the forecast period. Moreover, Akshayakalpa is an initiative where financial assistance is provided to farmers for setting up an organic dairy farm. The farms are free of GMO fodder, which is further anticipated to foster the demand for the market.

The rising demand for milk and milk-based ingredients is one of the primary factors supporting the market growth. This can be attributed to population growth, rising incomes, health consciousness and the thriving food and beverage industry. Another

major trend in the industry is the incorporation automation technologies in dairy farms. Farmers now have easier access to advanced technologies that help in quantifying information to monitor various operations such as grass and herd management. Other than this, various robotics, smartphone data applications, satellite systems and drones are also available in the market for farmers to make profitable and efficient decisions. Besides, there has been a rise in the demand for clean label products which are free from additives, artificial preservatives or chemicals. Owing to this, manufacturers are prompted to expand their product portfolio with the introduction of organic dairy products. Looking forward, IMARC Group expects the global dairy market to exhibit moderate growth during 2020-2025.

2.4 Current Scenario

Global scenario:

The global dairy products market size was valued at USD 481.08 billion in 2019 and is expected to grow at a compound annual growth rate (CAGR) of 2.5% from 2020 to 2027. The rising consumption of dairy products and shifting consumer preference from meat to dairy products for protein enrichment are the significant drivers for this market's growth. The easy availability of dairy products due to modern retail facilities and cold chain logistics further drives the market growth. Furthermore, significant product sales through online distribution channels during the Covid-19 pandemic also supported the market growth. Dairy products offer various health benefits as they are rich in calcium, riboflavin, vitamin D, vitamin A, niacin, potassium, and phosphorus. Recent studies have shown that cheese is good for heart health and could be an excellent source of calcium for people with lactose intolerance. Growing focus on infant nutrition and demand for organic clean label dairy products are also expected to boost the market growth. The market has several growth opportunities, as consumers are willing to try new products. In 2018, the global milk output was valued at 843 million tons, an increase of 2.2% from the value registered in 2017. This increase can be primarily attributed to production expansions in India, Turkey, the European Union, Pakistan, the United States, and Argentina. However, this factor was partially offset by a decline in milk output, especially in China and Ukraine. Increasing demand for dairy products is driven by the growing population, higher income levels, and rising health consciousness. The global market is primarily

dominated by the milk segment, followed by butter and cheese segments. The yogurt and dairy desserts segments are expected to be the fastest-growing segments across the world. Globally, in 2018, the export of butter increased by 7.5%, mainly contributed by countries, like New Zealand, the United States, and India. However, in the European Union, there was a decline in the demand for butter.

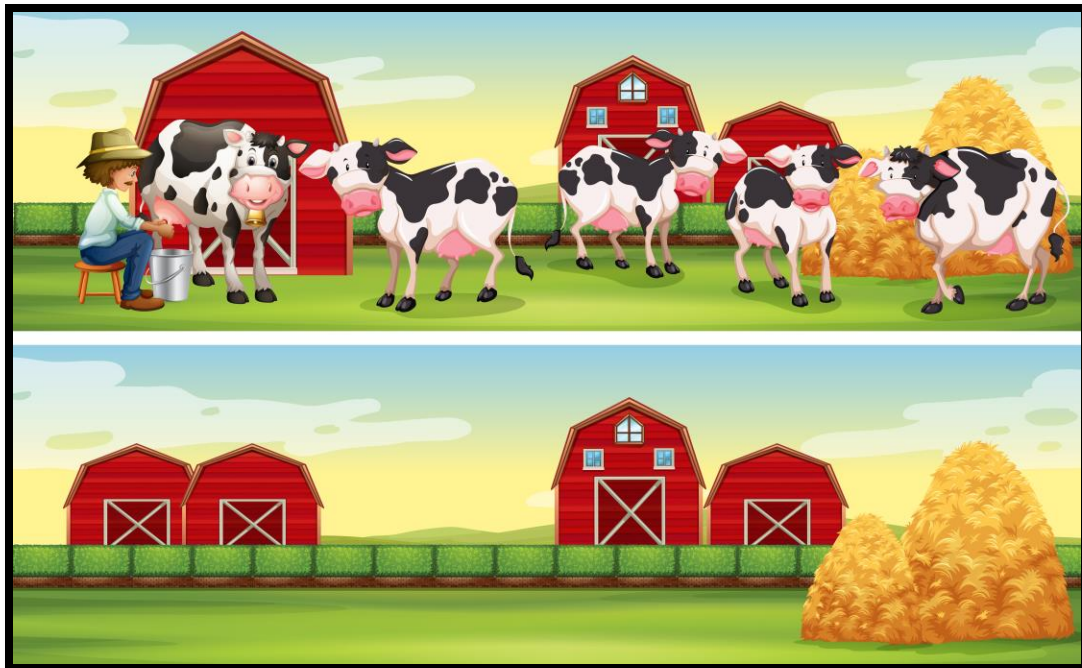
The **GLOBAL DAIRY MARKET** reached a value of US\$ 718.9 Billion in 2019. Dairy is defined as a business enterprise that deals with the processing and harvesting of animal milk for human consumption. Some of the common milch animals include cow, goat, buffalo, camel and sheep. The milk obtained from these animals can be consumed directly and processed into ice cream, cheese, butter, condensed milk and yogurt. These products offer various nutrients such as calcium, proteins, zinc, magnesium, and vitamin D and B12. With widespread demand for dairy products and their proactive function in the global food industry, dairy plays a crucial role in the growth of the economies worldwide. Over the years, the dairy industry has witnessed improvements in product safety through specialization, modernization and consolidation. Moreover, advancements in global trade have also influenced the profitability of dairy farms.

Livestock farm equipment can benefit farm owners in the form of improved operational efficiency and better management of livestock. Growing labour costs in countries, such as India, China, Germany, and the U.K., are expected to prompt the

owners to deploy automation equipment in their farms. For instance, the ratio of workers working on farms in India decreased from 47.0% in 2012 to 43.2% in 2019.

Asia Pacific accounted for a revenue share of more than 30.0% in 2019.

Some of the key players dominating the global cattle feed market are Applegate Livestock Equipment Inc, Provita Eurotech Ltd, Beijing Goke Agriculture Machinery Co. Ltd., J.R Simplot Company, Van Aarsen International, National Farms, V. H. Group, Royal DSM N.V., Caprock, BASF SE, ADM, ContiBeef LLC.



Indian scenario:

India with the total milk production of 109 million tones is the world's highest milk-producing country for the past one decade now and accounted for about 15% of the world milk production in 2009. The importance of dairy enterprise in the national

economy can be gauged from the fact that the value of output from milk group is highest among all the agricultural commodities, accounting for nearly one fourth of the value of output from agricultural sector. Dairying is one of the most important means of providing livelihood and nutritional security to the rural masses. The livestock activities, among which dairy farming predominates, employ about 8.5 million workers in the country. Milk and milk products account for 9.2 and 12.4 percent of protein intake in rural and urban areas, respectively, which is higher than the protein intake through non-vegetarian animal products. Dairying in India has been an eventful journey which has come a long way from being written off as a basket case a few decades back. Today India has emerged as the largest milk producer in the world with an annual production of more than 121.8 million tonnes in 2010-11. The success of India's dairy industry is not a story of the triumph of science and technology. Over the years milk has been transformed from insufficient production to self-sufficient production, from ration to plentiful availability, from loose unhygienic milk to milk that is pure from subjugation to a symbol of farmers economic independence. The requirements of our nation are on the move and must be met first with sustainable economic development. Based on the planning commission's estimates and subsequent corrections on account of consistently higher growth in GDP, it is expected that the demand for milk is likely to be about 155 million tonnes by 2016-17 (end of 12th five year plan) and around 200 million tonnes by 2021-22. Indian dairying must address itself to issues of productivity, efficiency and response to consumer demands.

The Indian dairy industry is a top ranker in the global dairy band wagon. Currently around 46% of the milk is consumed in the form of liquid milk, 47% as traditional dairy products and 7% as western dairy products. The dairy in India is currently estimated to be about 130 million tonnes and is expected to grow at 4.5% per annum. India has had the privilege to operate the largest world Food Programme aided dairy development project, which is popularly known as Operation Flood/White revolution, which has brought a remarkable, multi directional progress and achievements in the dairy field in several parts of the country during the three phases of its operation. The organised dairy sector is now commanding a major substantial share of the milk market in the four metropolitan cities, 770, other cities and towns of the country, immediately benefiting over 10.1 million producers in about 77000 villages covered under the field of multitier network of village milk producers cooperatives by assisting them round the year a remunerative milk market at their door step on one hand and good quality hygienic milk at a fair price to over 350 million urban consumers on the other in the country.

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Indian Dairy sector valued at INR 6 Lac crore is growing @ 4.6% as compared to global growth rate of 2.2%.

Organized dairy sector is expected to grow at CAGR 19.6% for 2015-2020 period while the unorganized sector at 13.3%.

Value-added segment is to witness CAGR of 23% till 2020.

Private equity firms have pumped an investment of INR 900 crore in last couple of years. Indian Liquid Milk Market in 15 major states: Maharashtra, Uttar Pradesh, Andhra Pradesh, Tamil Nadu, Gujarat, Rajasthan, Karnataka, Madhya Pradesh, West Bengal, Bihar, Delhi, Kerala, Punjab, Orissa, Haryana

The market for dairy products in India is projected to grow at a CAGR of over 7% during 2016 - 2021. In 2015, North India dominated the country's dairy products market, on account of increasing per capita expenditure, rising youth population, introduction of value added dairy products, changing consumption patterns, and growing penetration of international players.

2.5 Challenges & Solutions

➤ Pricing

Due to a lack of knowledge, dairy farmers often do not receive the right price for their milk. Based on the fat and solid non-fat milk content, dairy farmers often get lower returns.

➤ REFRIGERATION EQUIPMENT

Temperature is of the utmost importance in food and drink manufacturing facilities. Chillers and cold storage rooms enable manufacturers to control this. If this equipment is not maintained on a regular basis, condensate can collect – another issue that can be dangerous for produce and those working there.

Their cold storage facilities will work more efficiently and be safer if all the equipment is regularly maintained. All staff should understand the chiller system and there should be a regular maintenance schedule. Important procedures include cleaning condensate pans with sanitizers, routine checks and cleaning of all the refrigeration equipment including pipes, fans and compressors.

➤ Safety and quality

Ensuring compliance with food safety, quality and recall regulations is of the utmost importance to food businesses. Being able to fully trace products across their operations all the way through to retailer shelves is a challenging task that needs to be done correctly. A failure here can be costly, both financially and to their brand's reputation.

➤ **Understanding and satisfying demand**

Milk Wholesaler must understand what drives distributor demand: consumers. After all, they want to know consumers are looking for their type of product before they work to meet the retailer's rigorous requirements. One of the most efficient and reliable ways to understand that demand is through reporting tools that are available company-wide.

➤ **Understanding the Distribution Channel**

Milk is the perishable and liquid commodity with strict quality measures. Before venturing into the distribution business, they must understand the basics that include the channel through which it is being distributed. The channel of milk distribution varies greatly from other products.

➤ **Marketing and Pricing :**

Dairy farmers are not getting remunerative price for milk supply. Due to the adoption of extensive crossbreeding program with Holstein Friesian breed, the fat content of crossbreed cow's milk is on the declining condition and low price is offered as the milk price is estimated on the basis of fat and solid non-fat milk content. There is also a poor perception of the farmers, due to lack of marketing facilities and extension services, towards commercial dairy enterprise as an alternative to other occupation.

2.6 SWOT Analysis

One may think that they already know everything that they need to do, to succeed, but a SWOT analysis will force them to look at the business in new ways and from new directions.

SWOT Analysis is a strategic planning method used to evaluate strengths, weaknesses, opportunities, and threats, in a project business. These four factors are called SWOT (strengths, weaknesses, opportunities, and threats). This process involves the specific determination and objectives of a manufacturing or business project that identifies internal and external factors. SWOT analysis can be applied by analyzing and observing the things that affect the four factors, then apply them in the picture in the SWOT matrix, apply the strengths map to take advantage of the opportunities, how to overcome the weaknesses that prevent the advantages of opportunities are able to deal with the threats that exist, and the last is how to overcome the weaknesses that can make threats become real or create a new threat. Determining the direction of development of a business is strongly influenced by many factors, namely internal and external factors.

A SWOT analysis is an incredibly simple, yet powerful tool to help you develop your business strategy, whether you're building a start-up or guiding an existing company. SWOT stands for Strengths, Weaknesses, Opportunities, and Threats.

Strengths

- Agriculture sector still contributing 14% of Gross Domestic Product and it still employs over 52% of labour force of the country and over 70% of Indian rural work force.
- India have achieved a fourfold increase in food grains production as compared to threefold increase in population (from 50 million tons in 1950 to 230 million tons in 2010).
- The country has the second largest area under cultivation and highest area under irrigation (55.8 million hectare). China has 54.5 million hectare under irrigation and United States has 22.4 million hectares under irrigation and the world's largest user of fertilizers (11% of world's dosage).
- The country is now first in production of Pulses (Masood et al, 2009), second in production of cereals like Wheat, second in production of vegetables next only to China, first in livestock population with 18% of world's cattle population with and 13% of world's total milk production is contributed by India. We are third in terms of farm mechanization.
- It was the strength of India's agriculture sector that the country was hardly hit by the global recession a couple of years back that bankrupted many economies of the world.

Weaknesses

- The weakness of Indian Agriculture lies in having more or less stagnant yields that are lower than most of other countries.
- The yield is far less than the yield of most of developed countries. Indian wheat yield stagnated at 28 q/ha while those of most wheat producing countries was 64 q/ha. Similarly rate of growth of rice production in India is far lower than most of Asian countries.
- Post-Harvest losses is another weakness. Due to low processing levels in the country, there is a considerable amount of wastage of agricultural and horticultural produce.
- Low seed replacement ratio is also a weakness as in India, farmers still use those varieties, which were developed 20-30 years ago. We have a low seed replacement ratio of 20-25%.

Opportunities

- Land being already a limiting factor and no more horizontal expansion possible, the situation calls for vertical expansion by integration of food crops with allied enterprises like Apiculture, Floriculture, Sericulture, Horticulture and Vegetables etc. India also have enough scope in Floriculture.
- Organic farming is a great opportunity in today's world as it avoids the large-scale use of synthetic fertilizers, pesticides, growth regulators and solely depends upon

the use of on-farm and off-farm use of crop residues animal wastes, green manures and biological pest control to maintain soil productivity.

- Food Processing Sector: This is the sunrise sector. The average growth has doubled from 7% in 2004 to 14% in 2010. Food processing sector has a huge potential. Provision of efficient supply chains and processing infrastructure can do miracles in terms of employment generation and creation of productive assets in rural areas.

Threats

- The arable land has shrunk from 0.94 acre per person in 1970 to 0.56 acre per person in 2000 and going by the rate the population is increasing it is projected to decrease to 0.15 acre per person. Such small holdings create problems in performing farm mechanization operations.
- Land degradation is another threat to the Agriculture sector. More than 5 billion tonnes of soil are washed every year taking with it 6 million tonnes of nutrients. A look at Table 3 reveals that threat of land degradation looms large over Indian agriculture.
- Climate change is also another important threat hanging like a domicile's sword over Indian agriculture. Climate change is expected to increase dry lands by 11%. Due to Global warming the average temperature has increased. It has affected the yield of major crops.

SUMMARY OF FUNDING FACILITY

COST OF PROJECT

Rs in lakhs

Particulars	Amount Rs.
Asset Addition	37.00
Working Capital Requirement	10.00
Total	47.00

SOURCES OF FUND

Rs in lakhs

Particulars	Amount Rs.
Term Loan	33.00
Cash Credit	9.00
Own Contribution	5.00
Total	47.00

PROJECTED BALANCE SHEET

rupees in lakhs

Particulars	Audited	Tentative	Projected				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
I LIABILITIES							
A DEBT LIABILITIES							
Secured Loans (excluding installments for 1 year)	18.58	18.93	22.28	15.92	8.86	-	-
Existing Loans (if any)	-	-	16.09	13.68	11.63	9.88	8.40
Total Secured Loans	18.58	18.93	38.37	29.60	20.48	9.88	8.40
Unsecured Loans	-	-	-	-	-	-	-
Total Unsecured Loans	-	-	-	-	-	-	-
A. Total Outside Liabilities	18.58	18.93	38.37	29.60	20.48	9.88	8.40
B CURRENT LIABILITIES							
Cash Credit / OD / DLOD	-	-	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-
Short Term Borrowings from Banks/Others (up	-	-	-	-	-	-	-
Advance Payment from Customer/s	-	-	-	-	-	-	-
Creditors for Capital Goods	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-
B. Total Current Liabilities	-	-	9.00	9.00	9.00	9.00	9.00
TOTAL OUTSIDE LIABILITIES(A+B)	18.58	18.93	47.37	38.60	29.48	18.88	17.40
NET WORTH							
Capital Balance							
Opening Balace / Share Capital (incl. Reserves)	62.74	67.79	68.72	84.94	97.36	111.91	128.00
Own Contribution for Business	-	-	5.00	-	-	-	-
Surplus (+) or deficit (-) in P&L Account	5.05	9.93	14.11	15.51	17.86	19.63	21.88
Drawings	-	-	(2.89)	(3.09)	(3.31)	(3.54)	(3.79)
Any other item (+)/(-)	-	(9.00)	-	-	-	-	-
SUB TOTAL	67.79	68.72	84.94	97.36	111.91	128.00	146.10
TOTAL LIABILITIES	86.37	87.65	132.31	135.95	141.39	146.89	163.49

PROJECTED BALANCE SHEET

rupees in lakhs

Particulars	Audited	Tentative	Projected				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
<u>II ASSETS</u>							
<u>CURRENT ASSETS</u>			-	-	-	-	-
Cash & Bank	0.49	1.72	7.55	11.93	16.24	22.31	37.62
Stock in hand	-	-	-	-	-	-	-
Sundry Debtors & Receivables	-	4.25	2.55	3.28	3.51	3.75	4.02
Advances to Staff or Creditors	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Security Deposit & TDS, Taxes (Advance, etc.)	-	-	-	2.00	2.40	2.88	3.46
Export & Other Receivables	-	-	-	-	-	-	-
Other Current Assets (Mandap Stock)	8.80	12.80	15.80	16.12	16.44	16.77	17.10
TOTAL CURRENT ASSETS	9.29	18.77	25.90	33.32	38.59	45.71	62.20
<u>INVESTMENTS</u>	0.17	0.17	5.00	5.00	8.50	9.80	12.50
<u>OTHER NON-CURRENT ASSETS</u>	-	-	-	-	-	-	-
<u>FIXED ASSETS</u>							
GROSS BLOCK	90.48	76.91	68.71	101.41	97.63	94.30	91.38
Addition :	-	-	37.00	-	-	-	-
Less : Depreciation	13.57	8.20	4.30	3.78	3.33	2.93	2.58
NET BLOCK	76.91	68.71	101.41	97.63	94.30	91.38	88.80
TOTAL ASSETS	86.37	87.65	132.31	135.95	141.39	146.89	163.49

PROJECTED OPERATING STATEMENT

rupees in lakhs

Particulars	Audited	Tentative	Projected				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1. GROSS INCOME							
Domestic Revenue	9.91	19.86	44.32	47.87	51.22	54.80	58.64
Export Revenue	-	-	-	-	-	-	-
Less : GST / Other Duties / Return	-	-	-	-	-	-	-
SUB TOTAL	9.91	19.86	44.32	47.87	51.22	54.80	58.64
2. COST OF SALES							
Opening Stock	-	-	-	-	-	-	-
Purchases (+)	3.83	7.92	17.37	19.05	20.38	21.81	23.34
Direct Labour (Wages) (+)	0.02	0.50	1.24	1.44	1.54	1.64	1.76
Power & Fuel (+)	-	-	-	-	-	-	-
Other prime costs (+)	-	-	-	-	-	-	-
Closing Stock (-)	-	-	-	-	-	-	-
SUB TOTAL	3.85	8.42	18.61	20.49	21.92	23.45	25.10
Gross Profit %	61.15%	57.60%	58.00%	57.20%	57.20%	57.20%	57.20%
3. INDIRECT COSTS	1.01	1.51	1.61	1.73	1.80	1.90	2.02
OPERATING PROFIT	5.05	9.93	24.10	25.65	27.50	29.44	31.53
Non Operating Income	-	-	-	-	-	-	-
Interest and Financial Charges							
Cash Credit	-	-	0.95	0.95	0.95	0.95	0.95
Term Loan	-	-	2.46	2.78	2.15	1.45	0.67
Any Existing Funding Facility (TL)	-	-	-	-	-	-	-
Any Existing Funding Facility (other than TL)	-	-	-	-	-	-	-
Depreciation	-	-	4.30	3.78	3.33	2.93	2.58
NET PROFIT BEFORE TAX	5.05	9.93	16.39	18.14	21.08	24.12	27.33
Net Profit %	50.96%	50.00%	36.97%	37.90%	41.15%	44.01%	46.60%
Provision for Income Tax	-	-	2.28	2.63	3.22	4.49	5.45
PROFIT AFTER TAX (PAT)	5.05	9.93	14.11	15.51	17.86	19.63	21.88

FIXED ASSETS ANNEXURE

1 Computers

Rate Of Depreciation

40%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2 Plant & Machinery

Rate Of Depreciation

15%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	12.00	0.00	0.00	12.00	1.80	10.20
Year 2	10.20	0.00	0.00	0.00	10.20	1.53	8.67
Year 3	8.67	0.00	0.00	0.00	8.67	1.30	7.37
Year 4	7.37	0.00	0.00	0.00	7.37	1.11	6.26
Year 5	6.26	0.00	0.00	0.00	6.26	0.94	5.32
Year 6	5.32	0.00	0.00	0.00	5.32	0.80	4.53
Year 7	4.53	0.00	0.00	0.00	4.53	0.68	3.85

3 Plant Shed Construction

Rate Of Depreciation

10%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

4 Furniture & Fixtures

Rate Of Depreciation

10%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FIXED ASSETS ANNEXURE

5 Plots & Land

Rate Of Depreciation

0%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 2	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 3	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 4	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 5	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 6	68.71	0.00	0.00	0.00	68.71	0.00	68.71
Year 7	68.71	0.00	0.00	0.00	68.71	0.00	68.71

6 Building & Civil Works

Rate Of Depreciation

10%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	25.00	0.00	0.00	25.00	2.50	22.50
Year 2	22.50	0.00	0.00	0.00	22.50	2.25	20.25
Year 3	20.25	0.00	0.00	0.00	20.25	2.03	18.23
Year 4	18.23	0.00	0.00	0.00	18.23	1.82	16.40
Year 5	16.40	0.00	0.00	0.00	16.40	1.64	14.76
Year 6	14.76	0.00	0.00	0.00	14.76	1.48	13.29
Year 7	13.29	0.00	0.00	0.00	13.29	1.33	11.96

7 Transport Vehicles & Other Assets

Rate Of Depreciation

15%

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 4	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 5	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 6	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Year 7	0.00	0.00	0.00	0.00	0.00	0.00	0.00

SUMMARY

Year	Opening Balance	Additions During the Year		Deletions	Total	Depreciation	Closing Balance
		Before Oct.	After Oct.				
Year 1	68.71	37.00	0.00	0.00	105.71	4.30	101.41
Year 2	101.41	0.00	0.00	0.00	101.41	3.78	97.63
Year 3	97.63	0.00	0.00	0.00	97.63	3.33	94.30
Year 4	94.30	0.00	0.00	0.00	94.30	2.93	91.38
Year 5	91.38	0.00	0.00	0.00	91.38	2.58	88.80
Year 6	88.80	0.00	0.00	0.00	88.80	2.27	86.52
Year 7	86.52	0.00	0.00	0.00	86.52	2.01	84.51

INDIRECT EXPENSES ANNEXURE

rupees in lakhs

Sn.	Particulars	Projected				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1	Accounting & Audit	-	-	-	-	-
2	Bank Charges	0.12	0.13	0.13	0.14	0.15
3	Electricity Expenses	0.21	0.22	0.24	0.25	0.27
4	Rent	0.54	0.59	0.59	0.62	0.65
5	Telephone Expenses	0.17	0.18	0.19	0.20	0.21
6	Printing & Stationery		-	-	-	-
7	Professional Fees		-	-	-	-
8	Salaries		-	-	-	-
9	Fuel & Travelling Expenses	0.57	0.61	0.65	0.70	0.75
10	Repairs & Maintenance		-	-	-	-
	TOTAL	1.61	1.73	1.80	1.90	2.02

PROJECTED CASH FLOW STATEMENT

rupees in lakhs

Sr No	Particulars	Projections				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
A	CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit Before Tax	16.39	18.14	21.08	24.12	27.33
	Adjustments for:					
	Depreciation	4.30	3.78	3.33	2.93	2.58
	Interest & Finance Charges debited to Profit & Loss Account	3.41	3.73	3.10	2.40	1.62
	Operating Profit before Working Capital Changes	24.10	25.65	27.50	29.44	31.53
	Adjustments for:					
	Decrease/(Increase) in Receivables	1.70	(0.73)	(0.23)	(0.25)	(0.26)
	Decrease/(Increase) in Inventories	-	-	-	-	-
	Decrease/(Increase) in Other asset	-	(2.00)	(0.40)	(0.48)	(0.58)
	Decrease/(Increase) in Other receivables	-	-	-	-	-
	Decrease/(Increase) in Advance Tax Payments	(3.00)	(0.32)	(0.32)	(0.33)	(0.34)
	Increase/(Decrease) in Payables	-	-	-	-	-
	Increase/(Decrease) in Short Term Borrowings	-	-	-	-	-
	Increase/(Decrease) in Capital Goods creditors & others	-	-	-	-	-
	Cash generated from operations	22.80	22.60	26.55	28.39	30.35
	Income Tax paid	(2.28)	(2.63)	(3.22)	(4.49)	(5.45)
	Net Cash flow from Operating activities	20.52	19.98	23.33	23.90	24.90
B	CASH FLOW FROM INVESTING ACTIVITIES					
	Cash Credit	9.00	-	-	-	-
	Own Contribution for Business	5.00	-	-	-	-
	Purchase of Assets	(37.00)	-	-	-	-
	Loan and Advances	-	-	-	-	-
	Investments & Other Assets	(4.83)	-	(3.50)	(1.30)	(2.70)
	Net Cash used in Investing activities	(27.83)	-	(3.50)	(1.30)	(2.70)

PROJECTED CASH FLOW STATEMENT

rupees in lakhs

Sr No	Particulars	Projections				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
C	CASH FLOW FROM FINANCING ACTIVITIES					
	Loan Disbursement / Repayment	19.44	(8.77)	(9.11)	(10.60)	(1.48)
	Drawings by Proprietor	(2.89)	(3.09)	(3.31)	(3.54)	(3.79)
	Interest paid for Cash Credit Limit	(0.95)	(0.95)	(0.95)	(0.95)	(0.95)
	Interest paid for Term Loan Limit	(2.46)	(2.78)	(2.15)	(1.45)	(0.67)
	Increase/(Decrease) in Capital Account Items	-	-	-	-	-
	Increase/(Decrease) in Contingent Liabilities	-	-	-	-	-
	Unsecured Loans & Quasi Capital	-	-	-	-	-
	Net Cash used in Financing Activities	13.14	(15.59)	(15.52)	(16.54)	(6.89)
	Net increase in cash & Cash Equivalents	5.83	4.38	4.31	6.07	15.31
	Cash and Cash equivalents as at the beginning of the year	1.72	7.55	11.93	16.24	22.31
	Cash and Cash equivalents as at the end of the year	7.55	11.93	16.24	22.31	37.62
	Net increase in cash & Cash Equivalents	5.83	4.38	4.31	6.07	15.31

SYNOPSIS OF BALANCE SHEET

rupees in lakhs

Particulars	Projected				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Source of Funds					
Share capital	84.94	97.36	111.91	128.00	146.10
Reserves & surplus / any other item		-	-	-	-
Secured loans : Short term	9.00	9.00	9.00	9.00	9.00
: Long term	38.37	29.60	20.48	9.88	8.40
Unsecured loans	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total	132.31	135.95	141.39	146.89	163.49
Uses of Funds					
Fixed assets (Gross Block)	105.71	101.41	97.63	94.30	91.38
Less : Depreciation	4.30	3.78	3.33	2.93	2.58
Net block	101.41	97.63	94.30	91.38	88.80
Investments & Other Assets	5.00	5.00	8.50	9.80	12.50
Inventories	-	-	-	-	-
Sundry Debtors	2.55	3.28	3.51	3.75	4.02
Cash & Bank balances	7.55	11.93	16.24	22.31	37.62
Loans & advances to others	-	-	-	-	-
Other Current Assets	15.80	18.12	18.84	19.65	20.56
(Less current liabilities)	-	-	-	-	-
(Less provisions)	-	-	-	-	-
NET CURRENT ASSETS	30.90	38.32	47.09	55.51	74.70
Misc. expenditure (to the extent not written off or adjusted	-	-	-	-	-
Total	132.31	135.95	141.39	146.89	163.49

DEBT SERVICE COVERAGE RATIO ANALYSIS

PARTICULARS	Projections				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Net Profit After Interest & Tax	14.11	15.51	17.86	19.63	21.88
(+) Depreciation	4.30	3.78	3.33	2.93	2.58
(+) Bank Interest	2.46	2.78	2.15	1.45	0.67
Net Cash Inflow	20.87	22.08	23.34	24.01	25.13
Bank Interest	2.46	2.78	2.15	1.45	0.67
Principal Repayment of Installment	4.99	6.80	7.43	8.13	8.71
Net Cash Outflow	7.46	9.58	9.58	9.58	9.38
Debt Service Coverage Ratio	2.80	2.30	2.43	2.51	2.68

FINANCIALS INDICATORS

Sr. No.	PARTICULARS	Projections				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
1	SALES(a)	44.32	47.87	51.22	54.80	58.64
2	OTHER INCOME(b)	0.00	0.00	0.00	0.00	0.00
3	TOTAL INCOME (a+b)	44.32	47.87	51.22	54.80	58.64
4	OPERATING PROFIT	24.10	25.65	27.50	29.44	31.53
5	NET PROFIT	14.11	15.51	17.86	19.63	21.88
6	CASH PROFIT	18.41	19.29	21.19	22.56	24.46
7	OPERATING PROFIT MARGIN(%)	54.37%	53.58%	53.69%	53.73%	53.76%
8	NET PROFIT MARGIN (%)	31.84%	32.41%	34.87%	35.83%	37.31%
9	CASH PROFIT TO SALES	41.54%	40.30%	41.37%	41.17%	41.71%
10	QUASSI CAPITAL (UNSECURED LOANS)	0.00	0.00	0.00	0.00	0.00
11	CAPITAL	84.94	97.36	111.91	128.00	146.10
12	NET WORTH	84.94	97.36	111.91	128.00	146.10
13	TOTAL OUTSIDE LIABILITIES	9.00	9.00	9.00	9.00	9.00
14	CURRENT RATIO	2.88	3.70	4.29	5.08	6.91
15	QUICK RATIO	2.88	3.70	4.29	5.08	6.91
16	DEBTORS TURNOVER RATIO	17.38	14.60	14.60	14.60	14.60
17	CREDITORS TURNOVER RATIO	N.A.	N.A.	N.A.	N.A.	N.A.
18	FIXED ASSET TURNOVER RATIO	0.44	0.49	0.54	0.60	0.66
19	SALES TO CAPITAL EMPLOYED	2.62	1.97	1.73	1.49	1.10
20	FIXED ASSETS TO NET WORTH	1.19	1.00	0.84	0.71	0.61
21	CREDITORS NO. OF DAYS PURCHASES	-	-	-	-	-
22	RECEIVABLES NO. OF DAYS SALES	21.00	25.00	25.00	25.00	25.00
23	STOCK NO. OF DAYS SALES	-	-	-	-	-
24	TOL/TNW	0.11	0.09	0.08	0.07	0.06
25	DEBT MANAGEMENT RATIO	29.00%	21.77%	14.49%	6.73%	5.14%
26	INTEREST COVERAGE	5.81	5.87	7.81	11.07	17.89
27	PROPRIETARY RATIO	0.64	0.72	0.79	0.87	0.89
28	CASH FLOW YIELD	141.57%	150.40%	133.83%	126.84%	118.74%
29	CASH FLOW TO ASSETS	15.10%	17.16%	16.91%	16.95%	15.89%

CURRENT RATIO

PARTICULARS	Projections				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
CURRENT ASSETS					
Cash & Bank	7.55	11.93	16.24	22.31	37.62
Stock in hand	-	-	-	-	-
Sundry Debtors	2.55	3.28	3.51	3.75	4.02
Advances	-	-	-	-	-
Deposits	-	2.00	2.40	2.88	3.46
Security Deposit & TDS, Taxes (Advance, etc.)	-	-	-	-	-
Other Current Assets (Mandap Stock)	15.80	16.12	16.44	16.77	17.10
TOTAL CURRENT ASSETS	25.90	33.32	38.59	45.71	62.20
CURRENT LIABILITIES					
Cash Credit	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	-	-	-	-	-
Provisions	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
TOTAL CURRENT LIABILITIES	9.00	9.00	9.00	9.00	9.00
CURRENT RATIO	2.88	3.70	4.29	5.08	6.91

SENSITIVITY ANALYSIS

rupees in lakhs

I. REVENUE GROWTH OF 5%

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected revenue	44.32	47.87	51.22	54.80	58.64
% Change	5%	5%	5%	5%	5%
Growth	2.22	2.39	2.56	2.74	2.93
Change					
Cost of Goods sold	18.61	20.49	21.92	23.45	25.10
Indirect Costs	1.61	1.73	1.80	1.90	2.02
Interest, Depreciation	7.71	7.51	6.42	5.32	4.20
EBT	16.39	18.14	21.08	24.12	27.33
Updated EBT	18.60	18.19	21.13	24.17	27.38
Impact on EBT	2.22	0.05	0.05	0.05	0.05

II. REVENUE REDUCTION OF (-)5%

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected revenue	44.32	47.87	51.22	54.80	58.64
% Change	5%	5%	5%	5%	5%
Updated Revenue	42.10	45.47	48.66	52.06	55.71
Change					
Cost of Goods sold	18.61	20.49	21.92	23.45	25.10
Indirect Costs	1.61	1.73	1.80	1.90	2.02
Interest, Depreciation	7.71	7.51	6.42	5.32	4.20
EBT	16.39	18.14	21.08	24.12	27.33
Updated EBT	14.17	15.75	18.51	21.38	24.40
Impact on EBT	(2.22)	(2.39)	(2.56)	(2.74)	(2.93)

III. INCREASE IN COGS BY 5%

rupees in lakhs

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected revenue	44.32	47.87	51.22	54.80	58.64
Cost of Goods sold	18.61	20.49	21.92	23.45	25.10
% Change	5%	5%	5%	5%	5%
Increase	0.93	1.02	1.10	1.17	1.25
Updated COGS	19.55	21.51	23.02	24.63	26.35
Indirect Costs	1.61	1.73	1.80	1.90	2.02
Interest, Depreciation	7.71	7.51	6.42	5.32	4.20
EBT	16.39	18.14	21.08	24.12	27.33
Updated EBT	15.46	17.12	19.98	22.95	26.07
Impact on EBT	(0.93)	(1.02)	(1.10)	(1.17)	(1.25)

BREAK EVEN ANALYSIS

rupees in lakhs

Sr. No.	Particulars	Weightage	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
(A)	Gross Revenue		19.86	44.32	47.87	51.22	54.80	58.64
(B)	Variable Expenses							
	Purchases	100%	7.92	17.37	19.05	20.38	21.81	23.34
	Direct Labour (Wages)	75%	0.38	0.93	1.08	1.15	1.23	1.32
	Power & Fuel	65%	0.00	0.00	0.00	0.00	0.00	0.00
	Other prime costs	60%	0.00	0.00	0.00	0.00	0.00	0.00
	Difference in Stock	100%	0.00	0.00	0.00	0.00	0.00	0.00
	Total Variable expenses		8.30	18.30	20.13	21.54	23.04	24.66
(C)	Contribution (A - B)		11.57	26.02	27.74	29.68	31.76	33.98
	Contribution (%)		58.23%	58.70%	57.95%	57.95%	57.95%	57.95%
(D)	Fixed & Semi-fixed Expenses							
	Administration Costs	70%	0.00	0.08	0.09	0.09	0.10	0.10
	Rent	100%	0.00	0.54	0.59	0.59	0.62	0.65
	Insurance	100%	0.00	0.21	0.22	0.24	0.25	0.27
	Property Taxes	100%	0.00	0.00	0.00	0.00	0.00	0.00
	Other Fixed Costs		0.00	0.00	0.00	0.00	0.00	0.00
	Total Fixed & Semi-fixed Expenses		0.00	0.83	0.90	0.92	0.97	1.02
(E)	Operating profit (C - D)		11.57	25.18	26.83	28.76	30.79	32.96
(F)	Break-even point		0.00%	3.21%	3.26%	3.09%	3.04%	2.99%

SECURITY MARGIN

Sr. No.	PARTICULARS	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
A	WDV OF FIXED ASSETS	68.71	101.41	97.63	94.30	91.38	88.80
B	AGGREGATE TL OUTSTANDINGS	18.93	22.28	15.92	8.86	0.00	0.00
C	SECURITY MARGIN	49.78	79.13	81.71	85.45	91.38	88.80
	PERCENTAGE OF MARGIN	72.45%	78.03%	83.70%	90.61%	100.00%	100.00%

SUMMARY OF LOAN REPAYMENT SCHDULE

Interest Rate

10.50% p.a

Particulars	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Principal at the begining of the year	0.00	29.08	23.35	16.99	9.93
Add :- Disbursement	33.00	0.00	0.00	0.00	0.00
Add :- Interest	2.46	2.78	2.15	1.45	0.67
Less :- Repayment During the year	6.38	8.51	8.51	8.51	8.31
Principal at the end of the year	29.08	23.35	16.99	9.93	2.29

Detailed working of Term Loan from Bank

rupees in lakhs

Month	Opening Balance	Disbursement	Monthly Interest	Monthly Installement	Closing Balance
REPAYMENT					
Year I - Month 1					
Month 2					
Month 3					
Month 4	-	33.00	0.29	0.71	32.58
Month 5	32.58	-	0.29	0.71	32.16
Month 6	32.16	-	0.28	0.71	31.73
Month 7	31.73	-	0.28	0.71	31.30
Month 8	31.30	-	0.27	0.71	30.86
Month 9	30.86	-	0.27	0.71	30.42
Month 10	30.42	-	0.27	0.71	29.98
Month 11	29.98	-	0.26	0.71	29.53
Month 12	29.53	-	0.26	0.71	29.08
		33.00	2.46	6.38	
Year II - Month 1	29.08	-	0.25	0.71	28.62
Month 2	28.62	-	0.25	0.71	28.17
Month 3	28.17	-	0.25	0.71	27.70
Month 4	27.70	-	0.24	0.71	27.24
Month 5	27.24	-	0.24	0.71	26.77
Month 6	26.77	-	0.23	0.71	26.29
Month 7	26.29	-	0.23	0.71	25.81
Month 8	25.81	-	0.23	0.71	25.33
Month 9	25.33	-	0.22	0.71	24.84
Month 10	24.84	-	0.22	0.71	24.35
Month 11	24.35	-	0.21	0.71	23.85
Month 12	23.85	-	0.21	0.71	23.35
			2.78	8.51	
Year III - Month 1	23.35	-	0.20	0.71	22.85
Month 2	22.85	-	0.20	0.71	22.34
Month 3	22.34	-	0.20	0.71	21.82
Month 4	21.82	-	0.19	0.71	21.30
Month 5	21.30	-	0.19	0.71	20.78
Month 6	20.78	-	0.18	0.71	20.25
Month 7	20.25	-	0.18	0.71	19.72
Month 8	19.72	-	0.17	0.71	19.19
Month 9	19.19	-	0.17	0.71	18.64
Month 10	18.64	-	0.16	0.71	18.10
Month 11	18.10	-	0.16	0.71	17.55
Month 12	17.55	-	0.15	0.71	16.99
			2.15	8.51	

Year IV - Month 1	16.99	-	0.15	0.71	16.43
Month 2	16.43	-	0.14	0.71	15.86
Month 3	15.86	-	0.14	0.71	15.29
Month 4	15.29	-	0.13	0.71	14.72
Month 5	14.72	-	0.13	0.71	14.14
Month 6	14.14	-	0.12	0.71	13.55
Month 7	13.55	-	0.12	0.71	12.96
Month 8	12.96	-	0.11	0.71	12.37
Month 9	12.37	-	0.11	0.71	11.77
Month 10	11.77	-	0.10	0.71	11.16
Month 11	11.16	-	0.10	0.71	10.55
Month 12	10.55	-	0.09	0.71	9.93
			1.45	8.51	
Year V - Month 1	9.93	-	0.09	0.71	9.31
Month 2	9.31	-	0.08	0.71	8.68
Month 3	8.68	-	0.08	0.71	8.05
Month 4	8.05	-	0.07	0.71	7.41
Month 5	7.41	-	0.06	0.71	6.76
Month 6	6.76	-	0.06	0.71	6.11
Month 7	6.11	-	0.05	0.71	5.46
Month 8	5.46	-	0.05	0.71	4.80
Month 9	4.80	-	0.04	0.71	4.13
Month 10	4.13	-	0.04	0.71	3.46
Month 11	3.46	-	0.03	0.71	2.78
Month 12	2.78	-	0.02	0.51	2.29
			0.67	8.31	

Credit Monitoring Arrangement (CMA)

rupees in lakhs

LIABILITIES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Capital	84.94	97.36	111.91	128.00	146.10
Net Worth	84.94	97.36	111.91	128.00	146.10
Term Loans	22.28	15.92	8.86	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00	0.00
Other Term Liabilities	0.00	0.00	0.00	0.00	0.00
Total Term Liabilities	22.28	15.92	8.86	0.00	0.00
Sundry Creditors	0.00	0.00	0.00	0.00	0.00
Bank Borrowings-CC	9.00	9.00	9.00	9.00	9.00
Provision	0.00	0.00	0.00	0.00	0.00
Other Current Liabilities	0.00	0.00	0.00	0.00	0.00
other advances	16.09	13.68	11.63	9.88	8.40
Total Current Liabilities	25.09	22.68	20.63	18.88	17.40
Total Outside Liabilities	47.37	38.60	29.48	18.88	17.40
Total Liabilities	132.31	135.95	141.39	146.89	163.49

ASSETS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Fixed Assets	105.71	101.41	97.63	94.30	91.38
Depreciation	4.30	3.78	3.33	2.93	2.58
Net Block	101.41	97.63	94.30	91.38	88.80
Cash & Bank Balance	7.55	11.93	16.24	22.31	37.62
advances to suppliers	0.00	0.00	0.00	0.00	0.00
Othr current assets	15.80	18.12	18.84	19.65	20.56
stock	0.00	0.00	0.00	0.00	0.00
investments	0.00	0.00	0.00	0.00	0.00
Receivables	2.55	3.28	3.51	3.75	4.02
Total Current Assets	25.90	33.32	38.59	45.71	62.20
Investments	5.00	5.00	8.50	9.80	12.50
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00
Total Non Current Assets	5.00	5.00	8.50	9.80	12.50
Accumulated Losses	0.00	0.00	0.00	0.00	0.00
Other Intangible Assets	0.00	0.00	0.00	0.00	0.00
Total Intangible Assets	0.00	0.00	0.00	0.00	0.00
Total Assets	132.31	135.95	141.39	146.89	163.49
control total	0.00	0.00	0.00	0.00	0.00

WORKING CAPITAL CALCULATIONS

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Capital	84.94	97.36	111.91	128.00	146.10
Other Reserves					
P/L Account					
unsecured loans	0.00	0.00	0.00	0.00	0.00
Term Loans	22.28	15.92	8.86	0.00	0.00
Term Deposits	0.00	0.00	0.00	0.00	0.00
Other Term Liabilities	0.00	0.00	0.00	0.00	0.00
Long Term Sources	107.22	113.28	120.77	128.00	146.10
Net Fixed Assets	101.41	97.63	94.30	91.38	88.80
Investments	5.00	5.00	8.50	9.80	12.50
Other Non Current Assets	0.00	0.00	0.00	0.00	0.00
Adv to Suppliers of Cap Goods					
Intangible Assets	0.00	0.00	0.00	0.00	0.00
Long Term Uses	106.41	102.63	102.80	101.18	101.30
Net Working Capital	0.81	10.65	17.96	26.83	44.80
CA-CL	0.81	10.65	17.96	26.83	44.80
control total	0.00	0.00	0.00	0.00	0.00
NWC as % to TCA	3.12	31.95	46.55	58.69	72.03

KEY FINANCIAL INDICATORS

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Net Sales	44.32	47.87	51.22	54.80	58.64
% increase	123.16	8.00	7.00	7.00	7.00
Net Profit after Tax	14.11	15.51	17.86	19.63	21.88
% to Sales	31.84	32.41	34.87	35.83	37.31
Cash Accruals	18.41	19.29	21.19	22.56	24.46
TNW	84.94	97.36	111.91	128.00	146.10
TOL/TNW	0.56	0.40	0.26	0.15	0.12
NWC	0.81	10.65	17.96	26.83	44.80
Current Ratio	1.03	1.47	1.87	2.42	3.57
Net Sales	44.32	47.87	51.22	54.80	58.64
Net Profit	14.11	15.51	17.86	19.63	21.88
Depreciation	4.30	3.78	3.33	2.93	2.58

PARTICULARS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Net Sales	44.32	47.87	51.22	54.80	58.64
Purchases	17.37	19.05	20.38	21.81	23.34
Sundry Creditors	0.00	0.00	0.00	0.00	0.00
CREDITORS NO. OF DAYS PURCH.	0.00	0.00	0.00	0.00	0.00
Receivables	2.55	3.28	3.51	3.75	4.02
RECEIVABLES NO. OF DAYS SALES	21.00	25.00	25.00	25.00	25.00
Stock	0.00	0.00	0.00	0.00	0.00
STOCK NO. OF DAYS SALES	0.00	0.00	0.00	0.00	0.00

Working Capital - Assessment

BASED ON TONDAN COMMITTEE - I

Method I (WCG)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
1. Total Current Assets	25.90	33.32	38.59	45.71	62.20
2. Other Current Liabilities	16.09	13.68	11.63	9.88	8.40
3. WCG	9.81	19.65	26.96	35.83	53.80
4. 25 % Margin	2.45	4.91	6.74	8.96	13.45
5. MPBF as per method I	7.36	14.74	20.22	26.87	40.35

BASED ON TONDAN COMMITTEE - II

Method II (TCA)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
1. Total Current Assets	25.90	33.32	38.59	45.71	62.20
2. Other Current Liabilities	16.09	13.68	11.63	9.88	8.40
3. WCG	9.81	19.65	26.96	35.83	53.80
4. 25 % Margin (TCA*25%)	6.47	8.33	9.65	11.43	15.55
5. MPBF as per method II	3.33	11.32	17.32	24.40	38.25

NAYAK COMMITTEE NORMS - TURNOVER METHOD

Turnover Method	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
1. Actual / Projected Sales	44.32	47.87	51.22	54.80	58.64
2. WCG - 25 % of sales	11.08	11.97	12.80	13.70	14.66
3. 5 % of sales as margin	2.22	2.39	2.56	2.74	2.93
4. Minimum permissible finance	8.86	9.57	10.24	10.96	11.73
(20% of turnover)					
5. Margin Money by Borrower	2.22	2.39	2.56	2.74	2.93
6. Actual/Projected NWC	0.81	10.65	17.96	26.83	44.80

Particulars	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
	Projected	Projected	Projected	Projected	Projected
Stock	0.00	0.00	0.00	0.00	0.00
(Days cost of production)	0	0	0	0	0
Receivables	2.55	3.28	3.51	3.75	4.02
(Days sales)	21	25	25	25	25
Other Current assets	15.80	18.12	18.84	19.65	20.56
% to Total Current Assets	61.01	54.36	48.82	42.98	33.05
Loans and advances	0.00	0.00	0.00	0.00	0.00
holding period	0	0	0	0	0
Cash & bank balances	7.55	11.93	16.24	22.31	37.62
% to total Current Assets	29.15	35.80	42.09	48.81	60.49
Total Current Assets	25.90	33.32	38.59	45.71	62.20
Sundry Creditors	0.00	0.00	0.00	0.00	0.00
Days purchases	0	0	0	0	0
OCL – Provisions	0.00	0.00	0.00	0.00	0.00
% to TCL	N.A.	N.A.	N.A.	N.A.	N.A.
Total Current Liabilities	0.00	0.00	0.00	0.00	0.00

Notes to the Project Report

- a. Depreciation is calculated as per the rate prescribed in the Income Tax Act and Separate Depreciation schedule has been attached for calculation purpose.
- b. Data such as Sensativity Analysis & Balance Sheet synopsis has been prepared based on the standard financial assumptions and calculations.
- c. It has been presumed that there will be no change in the Government policies & rules with respect to the business of the loan applicant. Also, no abnormal events will take place during the life of the project / business,
- d. Provision for Income Tax has been made on the Rules and Regulations which are applicable for current scenario.
- e. Standard assumption of Year end at March has been presumed
- f. Indirect Expenses, Break Even Analysis and Security margin calculation have been shown in the separate Annexures.
- g. All the data related to revenue from business, asset addition, existing obligations, etc. have been provided based on the information given by the client.
- h. This Projected data is a future-oriented financial information prepared using assumptions to the best judgment of applicants as to the most probable set of economic conditions and should not be treated as a forecast.
- i. All the information related to business entity, owner's profile, employment along with the feasibility studies, Industry analysis, market potential, current scenario and challenges-solutions is based on the discussions and inputs from the loan applicant.