

PRAHAR SHAKTI FARMER PRODUCER COMPANY LIMITED

CIN :- U01100MH2020PTC347706

Ch Sanjay N. Tatte, Raipura Achalpur, Dist. Amravati Achalpur Amravati Maharashtra 444506

DPR Prepared By :- CA. Deepak Zhawar

1.1 Total Project Cost

Sr. No.	Particular	Amount (Rs.)	Grant (%)	Grant Amount (Rs.)
1	Land and Building	1,46,77,000	60%	88,06,200
2	Machinery and Equipment	1,34,25,909	60%	80,55,545
3	Furniture and Fixture	-	60%	-
4	IT & IT Infrastructure	-	60%	-
5	Transport vehical (Refer van and other)	-	60%	-
6	Preliminary Expenses	14,00,000	60%	8,40,000
7	Working Capital	7,19,313		
Total		3,02,22,222		1,77,01,745

1.2 Means of Finance

Sr. No.	Particular	Bank Loan (%)	Amount (Rs.)
1	Govt. Grant under SMART Project	60%	1,77,01,745
2	Bank Finance - Long Term Loan	20%	56,20,582
3	Own Contribution	20% + Working Capital	68,99,895
Total			3,02,22,222

1.3 Financial Indicators

Sr. No.	Financial ratio	Estimated	Result	Level
1	Break Even Point (BEP)	44.35%	Project Viable	40-60 %
2	Avg. Return on Capital Employed Average (ROCE)	17.34%	Project Viable	12-18 %
3	Internal Rate of Return (IRR)	10.43%	Project Viable	10-15 %
4	Net present value (at a discount rate of 10 per cent)	5,13,885	NPV is high and positive at a conservative project life of 7 years	POSITIVE
5	Payback period	5.20	Project Viable	5-7 y
6	Debt Service Coverage Ratio (DSCR)	1.94	Project Viable	1.5-2.5

2.1

Land and Building

Sr. No.	Particular	Unit	No. of Unit	Rate per unit	Amount (Rs.)
1	Land	Sq. ft.			Lease
2	Factory Shed	Sq. Ft.	1		
	Civil Cost & Fabrication Cost		1	1,46,77,000	1,46,77,000
Total					1,46,77,000

2.2

Machinery and Equipment

Sr. No.	Description	Capacity	No. Required	Rate	Amount (Rs.)	Total HP
A Custom Hiring - Pre Harvest						
1	Tractor		1	8,40,000	8,40,000	
2	Trolley		1	2,47,800	2,47,800	
3	Boom Blaster (Sprayer)		1	2,80,000	2,80,000	
Subtotal					13,67,800	
B						
Subtotal						
C Orange Cleaning & Grading						
1	Optical Grading Unit . Gading based on Size, Washing Waxing and Drying Unit - 2 Lane		1	99,46,384	99,46,384	26
2	Plastic Crete		2000	406	811840	
3	62.50 KVA Silent DG Set		1	7,95,886	7,95,886	
4	82.5 KVA Transformer and Instalation		1	5,03,999	5,03,999	
Subtotal					1,20,58,109	26
D Cold Storage / Pre Cooling Chamber						
Subtotal						
Total					1,34,25,909	26

2.3

Furniture and Fixture

Sr. No.	Particular	No. Required	Rate	Amount (Rs.)
1	Office Table , Chairs, Wall Fan	1		
Total				-

2.4

IT & It Infrastructure

Sr. No.	Particular	No. Required	Rate	Amount (Rs.)
1				
Total				-

418370

2.5

Transport vehical (Refer van and other)

Sr. No.	Particular	No. Required	Rate	Amount (Rs.)
Total				-

2.6

Preliminary Expenses

Sr. No.	Particular	Amount (Rs.)
1	Chartered Accountants - DPR Fees	1,00,000
2	Other Mis Expenses - Contingency	13,00,000
Total		14,00,000

Preliminary expenses are considered as prior expenses before the beginning of business or Projects

4.1 Repayment Schedule

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Loan Amount (Rs) 56,20,582
 Interest rate /PA 11.30%
 Loan Tenure in years 2
 Moratorium Period (In
 EMI Rs. 3,40,929.76

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Year	Particulars	Opening Balance	Interest	Pricipal Repayment	EMI	Closing Outstanding
Year 1	Month 1	56,20,582	52,927	-	52,927	56,20,582
	Month 2	56,20,582	52,927	-	52,927	56,20,582
	Month 3	56,20,582	52,927	-	52,927	56,20,582
	Month 4	56,20,582	52,927	-	52,927	56,20,582
	Month 5	56,20,582	52,927	-	52,927	56,20,582
	Month 6	56,20,582	52,927	-	52,927	56,20,582
	Month 7	56,20,582	52,927	2,88,003	3,40,930	53,32,579
	Month 8	53,32,579	50,215	2,90,715	3,40,930	50,41,865
	Month 9	50,41,865	47,478	2,93,452	3,40,930	47,48,412
	Month 10	47,48,412	44,714	2,96,216	3,40,930	44,52,197
	Month 11	44,52,197	41,925	2,99,005	3,40,930	41,53,192
	Month 12	41,53,192	39,109	3,01,821	3,40,930	38,51,371
Year 2	Month 13	38,51,371	36,267	3,04,663	3,40,930	35,46,709
	Month 14	35,46,709	33,398	3,07,532	3,40,930	32,39,177
	Month 15	32,39,177	30,502	3,10,428	3,40,930	29,28,750
	Month 16	29,28,750	27,579	3,13,351	3,40,930	26,15,399
	Month 17	26,15,399	24,628	3,16,301	3,40,930	22,99,097
	Month 18	22,99,097	21,650	3,19,280	3,40,930	19,79,817
	Month 19	19,79,817	18,643	3,22,286	3,40,930	16,57,531
	Month 20	16,57,531	15,608	3,25,321	3,40,930	13,32,210
	Month 21	13,32,210	12,545	3,28,385	3,40,930	10,03,825
	Month 22	10,03,825	9,453	3,31,477	3,40,930	6,72,348
	Month 23	6,72,348	6,331	3,34,598	3,40,930	3,37,749
	Month 24	3,37,749	3,180	3,37,749	3,40,930	0

5.1 Closing and Opening Stock Calculation

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Opening Stock	-	-	-	-	-	-	-
Agri Input	13,93,892	13,93,892	18,29,483	23,05,148	28,23,806	33,88,568	40,02,746
Trading	-	-	-	-	-	-	-
Grain Processing	4,17,876	4,17,876	4,61,753	5,07,218	5,54,317	6,03,097	6,15,159
Horticulture Processing	-	-	-	-	-	-	-
Total	18,11,768	18,11,768	22,91,236	28,12,366	33,78,123	39,91,665	46,17,904
Closing Stock							
Agri Input	5% 13,93,892	18,29,483	23,05,148	28,23,806	33,88,568	40,02,746	46,69,870
Trading	5% -	-	-	-	-	-	-
Grain Processing	5% 4,17,876	4,61,753	5,07,218	5,54,317	6,03,097	6,15,159	6,27,462
Horticulture Processing	5% -	-	-	-	-	-	-
Total	18,11,768	22,91,236	28,12,366	33,78,123	39,91,665	46,17,904	52,97,332

Closing Stock is an amount of unsold stock lying in your business on a given date. In simple words, it's the inventory which is still in your business waiting to be sold for a given period. The closing stock can be in various forms such as raw materials, in-process goods (WIP) or finished goods

Assumption:

1. Closing stock of each facility is 5%

5.2 Working Capital Calculation

Sr. No.	Particulars	Duration (In days)	Amount (Rs.)									
			Y1	Y2	Y3	Y4	Y5	Y6	Y7			
A	Accounts Receivables (Debtors)											
1	Agri Input	14										
2	Custom Hiring	14	37,282	39,146	41,104	43,159	45,317	47,583	49,962			
3	Cleaning & Grading	14	13,67,284	18,70,257	23,60,491	28,95,073	34,77,212	41,10,327	47,98,061			
4	Dal Mill	14										
5	Warehouse	14										
6	Processing Unit - Horti Commodity	14	4,31,805	4,77,145	5,24,125	5,72,794	6,23,200	6,75,664	7,29,177			
	Subtotal		18,36,472	23,86,549	29,25,721	35,11,026	41,45,729	47,93,574	54,96,400			
B	Closing Stock		18,11,768	22,91,236	28,12,366	33,78,123	39,91,665	46,17,904	52,97,332			
	Total		36,48,239	46,77,785	57,38,087	68,89,150	81,37,394	94,11,478	1,07,93,732			
C	Accounts Payable & Accrued Expenses (Creditors)											
1	Agri Input	7										
2	Custom Hiring	7	16,432	17,253	18,116	19,022	19,973	20,972	22,020			
3	Cleaning & Grading	7	5,94,272	8,06,714	10,17,864	12,48,111	14,98,838	17,71,518	20,67,719			
4	Dal Mill	7										
5	Warehouse	7										
	Processing Unit - Horti Commodity	7	1,60,281	1,77,111	1,94,549	2,12,615	2,31,325	2,50,951	2,70,670			
	Total		7,70,985	10,01,079	12,30,529	14,79,748	17,50,136	20,28,441	23,10,410			
D	Working Capital		28,77,254	36,76,706	45,07,558	54,09,402	63,87,257	73,83,037	84,63,322			
	Own Contribution	25%	7,19,313									

Working capital, also known as net working capital (NWC), is the difference between a company's current assets, such as accounts receivable (customers' unpaid bills), and inventories of raw materials and finished and its current liabilities, such as accounts payable. This sheet provide requirement of working capital for running business

Assumption:

- 1 Company has to give credit for sale at 14 Days
- 2 Company will receive credit from suppliers for 7 days
- 3 25 % of Working Capital will be financed by the company and balance 75% from bank finance at 12% rate of interest

6.1 Consolidated Profit and loss account for the Project

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Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Revenue							
Facility 1 - Cleaning & Grading	3,56,49,653	4,87,60,781	6,15,41,105	7,54,78,699	9,00,55,891	10,71,67,695	12,50,97,300
Facility 2 - Processing Unit - Dal Mill							
Facility 3 - Warehouse							
Facility 4 - Custom Hiring	9,72,000	10,20,600	10,71,630	11,25,712	11,81,472	12,40,546	13,02,573
Facility 5 - Agri Input Centre							
Facility 6 - Processing Unit - Horti Commodity	1,12,57,785	1,24,39,852	1,36,64,699	1,49,33,564	1,62,47,718	1,76,17,672	1,89,94,136
Total Revenue	4,78,79,438	6,22,20,734	7,62,77,715	9,15,37,975	10,80,85,081	12,49,75,313	14,31,98,999
Variable Cost							
Facility 1 - Cleaning & Grading	3,09,87,053	4,20,64,199	5,30,74,177	6,50,80,076	7,81,53,730	9,23,72,028	10,78,16,783
Facility 2 - Processing Unit - Dal Mill							
Facility 3 - Warehouse							
Facility 4 - Custom Hiring	8,56,800	8,99,600	9,44,677	9,91,853	10,41,446	10,93,518	11,48,194
Facility 5 - Agri Input Centre							
Facility 6 - Processing Unit - Horti Commodity	83,57,574	92,35,064	1,01,44,367	1,10,86,339	1,20,61,936	1,29,83,175	1,39,49,239
Total Variable Cost	4,02,01,377	5,21,99,192	6,41,63,306	7,71,58,168	9,12,57,192	10,57,68,722	12,18,14,216
Fixed Cost							
Facility 1 - Cleaning & Grading	8,40,000	8,82,000	9,26,100	9,72,405	10,21,025	10,72,077	11,25,600
Facility 2 - Processing Unit - Dal Mill							
Facility 3 - Warehouse							
Facility 4 - Custom Hiring	96,000	1,00,800	1,05,840	1,11,132	1,16,689	1,22,573	1,28,689
Facility 5 - Agri Input Centre							
Facility 6 - Processing Unit - Horti Commodity	11,16,000	11,38,370	11,61,036	11,84,368	12,07,994	12,32,154	12,56,797
Admin Expenses	17,68,000	18,56,400	19,49,250	20,46,081	21,49,015	22,56,466	23,69,399
Total Fixed Cost	38,20,000	39,77,570	41,42,246	43,14,926	44,94,723	46,83,220	48,80,416
Total Cost	4,40,21,377	5,61,76,722	6,83,05,552	8,14,72,794	9,57,51,915	11,04,51,941	12,63,94,631
Profit Before Depreciation, Interest and Tax	38,58,061	60,44,111	79,72,162	1,00,64,681	1,23,33,255	1,45,23,382	1,69,04,368
Depreciation	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121
Amortisation	2,80,000	2,80,000	2,80,000	2,80,000	2,80,000	2,80,000	
Profit Before Interest and Tax	22,62,940	44,48,990	63,77,041	84,69,560	1,07,38,134	1,32,08,261	1,55,89,247
Interest on Term loan	8,52,894	6,89,991	5,49,907	6,49,129	7,64,471	8,85,964	10,15,599
Profit Before Tax	14,10,046	37,68,999	58,36,134	78,20,432	99,73,663	1,23,22,297	1,45,73,648
Less: Tax	(1,66,410)	4,51,005	9,91,625	15,82,341	29,39,964	26,12,980	31,56,832
Profit After Tax	15,76,466	33,16,915	48,44,510	63,18,091	79,33,699	97,09,316	1,14,16,816
Dividend @ 25 %		3,94,116	8,29,229	12,11,127	15,79,523	19,82,925	24,27,329
Profit After Tax And Dividend	15,76,466	29,22,799	40,15,281	51,06,964	63,52,176	77,26,391	89,89,487
Cumulative Profit	15,76,466	44,99,264	85,14,545	1,36,21,509	1,99,73,685	2,77,00,076	3,66,89,563

7.1 Balancesheet for the Project

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Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
ASSETS							
Current Assets							
Cash and Bank Balance	21,21,690	27,88,238	83,98,640	1,51,00,724	2,30,48,021	3,20,89,534	4,23,94,142
Accounts Receivables							
Other Current Assets							
Total Current Assets	21,21,690	27,88,238	83,98,640	1,51,00,724	2,30,48,021	3,20,89,534	4,23,94,142
Gross Fixed Assets	2,81,02,909	2,67,87,788	2,54,72,667	2,41,57,546	2,28,42,425	2,15,27,304	2,02,12,183
Less: Depreciation	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121
Net Fixed Assets	2,67,87,788	2,54,72,667	2,41,57,546	2,28,42,425	2,15,27,304	2,02,12,183	1,88,97,062
Preliminary & Pre-operative Expenses	11,20,000	8,40,000	5,60,000	2,80,000	0	0	0
TOTAL ASSETS	3,00,29,478	2,91,00,905	3,31,16,186	3,82,23,149	4,45,75,326	5,23,01,717	6,12,91,204
LIABILITIES & SHAREHOLDERS EQUITY							
CURRENT LIABILITIES							
Short Term Debt (Working capital loan)							
Accounts Payable & Accrued Expenses							
Other Current Liabilities							
Total Current Liabilities	0	0	0	0	0	0	0
Secured Long Term Debt	38,51,371	0	0	0	0	0	0
Differed Tax Liabilities							
TOTAL LIABILITIES	38,51,371	0	0	0	0	0	0
EQUITY							
Share capital	68,99,895	68,99,895	68,99,895	68,99,895	68,99,895	68,99,895	68,99,895
Smart Grant -in-Aid	1,77,01,745	1,77,01,745	1,77,01,745	1,77,01,745	1,77,01,745	1,77,01,745	1,77,01,745
Reserves and Surplus							
Add: Opening Balance (P/L Account)	0	15,76,466	44,99,264	85,14,545	1,36,21,509	1,99,73,685	2,77,00,076
Profit & Loss) During the Year	15,76,466	29,22,798	40,15,281	51,06,964	63,52,176	77,26,391	89,89,487
Appropriation - Dividend							
Total Reserves	15,76,466	44,99,264	85,14,545	1,36,21,509	1,99,73,685	2,77,00,076	3,66,89,563
TOTAL EQUITY	2,61,78,107	2,91,00,905	3,31,16,186	3,82,23,149	4,45,75,326	5,23,01,717	6,12,91,204
TOTAL LIABILITIES & EQUITY	3,00,29,478	2,91,00,905	3,31,16,186	3,82,23,149	4,45,75,326	5,23,01,717	6,12,91,204
CONTROL TICKER							
(=Liability - Asset)	0	0	0	0	0	0	0

A projected balance sheet, also referred to as pro forma balance sheet, lists specific account balances on a business' assets, liabilities and equity for a specified future time. Using a pro balance sheet, financial personnel can present lenders and investors with detailed financial information about planned future asset expansion, making it easier to persuade capital pro supply the required financing.

8.1 Cash Flow Statement for the Project

Sr. Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
1 Operating Profit							
Total Revenue	4,78,79,438	6,22,20,734	7,62,77,715	9,15,37,475	10,80,85,081	12,49,75,323	14,32,98,999
2 Equity - Share capital							
Reinvestment	68,99,895						
3 Smart Grant -in-Aid							
1,77,01,345							
4 Long Term Loan							
56,20,582							
5 Short Term Loan							
21,57,940		36,76,706	45,07,558	54,09,402	63,87,257	73,83,037	84,63,322
Sub Total (A)	8,02,59,600	6,58,97,440	8,07,85,272	9,69,46,877	11,44,72,338	13,23,58,360	15,17,62,322
Cash Outflow (Rs.)							
1 Capital Expenditure							
a Land and Building	1,46,77,000						
b Machinery and Equipment	1,34,25,909						
c Furniture & Fixture	-						
d It Infrastructure	-						
e Vehicle	-						
f Preliminary Expenses	14,00,000						
2 Operational Expenditure							
a Variable Cost	4,02,01,377	5,21,99,102	6,41,63,306	7,71,58,268	9,12,57,102	10,57,68,722	12,15,14,216
b Fixed Cost	38,20,000	39,77,520	41,42,246	43,14,526	44,94,723	46,83,220	48,80,416
3 Loan Repayment							
LTL - Principal	17,69,210	38,51,371	-	-	-	-	-
LTL - Interest	5,93,931	2,39,786	-	-	-	-	-
STL - Principal	21,57,940	36,76,706	45,07,558	54,09,402	63,87,257	73,83,037	84,63,322
STL - Interest	2,58,953	4,41,205	5,40,907	6,49,128	7,66,471	8,85,964	10,15,599
4 Tax	(1,66,410)	4,51,085	9,91,625	15,02,341	20,39,964	26,12,980	31,56,832
5 Dividend							
		3,94,116	8,29,229	12,11,127	15,79,523	19,82,925	24,27,329
Sub Total (B)	7,81,37,911	6,52,30,892	7,51,74,870	9,02,44,793	10,65,25,041	12,33,16,848	14,14,57,714
Net Cash Flow (A-B)	21,21,690	6,66,548	56,10,402	67,02,084	79,47,297	90,41,512	1,03,04,608
Opening Cash and Bank		21,21,690	27,88,238	83,98,640	1,51,00,724	2,30,48,021	3,20,89,534
Cumulative Cash Balance	21,21,690	27,88,238	83,98,640	1,51,00,724	2,30,48,021	3,20,89,534	4,23,94,142

A projected cash flow statement is used to evaluate cash inflows and outflows to determine when, how much, and for how long cash deficits or surpluses will exist for a farm business during an upcoming time period.

9.1 Internal Rate of Return

Particular	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Profit after Tax & Dividend		15,76,466	29,22,798	40,15,281	51,06,964	63,52,176	77,26,391	89,89,487
Add: Depreciation		13,15,121	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121	13,15,121
Add: Preliminary expense written off		2,80,000	2,80,000	2,80,000	2,80,000	2,80,000	0	0
Net Cash Accrual (A)		31,71,587	45,17,919	56,10,402	67,02,084	79,47,297	90,41,512	1,03,04,608
Initial Investment Net Cash Accrual	(5,02,22,222)	31,71,587	45,17,919	56,10,402	67,02,084	79,47,297	90,41,512	1,03,04,608
IRR	10.43%							
Present Value Equivalent		0.91	0.82	0.74	0.67	0.61	0.55	0.50
Present Value of Future Inflows		28,72,081.34	37,04,918.64	41,66,336.36	45,07,029.18	48,39,717.92	49,86,109.18	51,46,029.86
Operating Net Cash Inflow					3,02,22,222.50			
Present Capital Outflow								3,02,22,222.50

The internal rate of return (IRR) is a ratio used in financial analysis to estimate the profitability of potential investments. IRR is a discount rate that makes the net present value (NPV) of all cash flows equal to zero in a discounted cash flow analysis.

9.2 Break even Point

Particulars	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Gross Receipts							
Facility 1 - Cleaning & Grading	3,56,49,653	4,87,60,281	6,15,41,385	7,54,78,699	9,06,55,891	10,71,62,105	12,50,92,300
Facility 2 - Processing Unit-Dal Mill							
Facility 3 - Warehouses							
Facility 4 - Custom Hiring	9,72,000	10,20,600	10,71,630	11,25,212	11,81,472	12,40,256	13,02,573
Facility 5 - Agri Input Centre							
Facility 6 - Processing Unit - Horti Comf	1,12,57,785	1,24,39,852	1,36,64,699	1,49,33,564	1,62,47,718	1,65,72,672	1,69,04,126
Total Receipts	4,78,79,438	6,22,20,734	7,62,77,715	9,15,37,475	10,80,85,081	12,49,75,323	14,32,98,999
Total Variable Exp	4,02,01,377	5,21,99,102	6,41,63,306	7,71,58,268	9,12,57,102	10,57,68,722	12,15,14,216
Contribution	76,78,061	1,00,21,631	1,21,14,409	1,43,79,207	1,68,27,978	1,92,06,601	2,17,84,784
Total Fixed exp	54,15,121	55,72,641	57,37,367	59,09,647	60,89,844	59,98,340	61,95,537
BEP	71%	56%	47%	41%	36%	31%	28%
Average BEP	44.35%						

Break-even point (BEP) is a term in accounting that refers to the situation where a company's revenues and expenses were equal within a specific period. It means that there were no net profits or net losses for the company. The main purpose of break-even analysis is to determine the minimum output that must be exceeded for a business to profit.