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# **Project Report on Seed production**

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## **INTRODUCTION**

The products of the unit are polished and graded Pea, Onion, Palak, Muskmelon, Mustard, and Toria. The installed capacity of the unit is 1.5 tons per Hours of graded seeds.

The demand of the seeds would be increase every season because processed, packed seeds are being used for cultivation at farmer field. The promoter of the unit has already involved for seed production, processing and marketing of seeds throughout the region since long back through the farmer, retailer, and distributor of the area.

Considering the viability of the project and the benefit accruing from it, it is felt that it deserves encouragement and support from all concerned departments and financial institutions.

### **PRODUCT & ITS MARKET POTENTIAL**

The proposed seed business unit is a basically unit of seed industry. The products of the unit are to be produced at farmer field and raw produce by back at godown for processing, storage and relevant testing and packing before marketing to the farmers through dealer distributor network throughout the area. The following crops seasonally are to be taken as seeds of Pea, Onion, Palak, Muskmelon Torea, Mustard etc. that to be meat out the requirements of farmers and vegetable crop to be used commercial and domestic purpose. These items are also being supply seasonally in the market, mandies and retailers to meet out the customer needs as commercial and domestic purpose.

Further the proposed business unit products can be consider by the state Govt. time to time for fulfillment the demand of farmers at different location throughout the state as subsidiary schemes for crop rotation purpose at farmer field level.

The promoter of the unit has done market survey and observe the demand of related seeds then decide to supply the quality seeds in the market for the benefit of farmer, seed supplies are to be made in the state of Haryana, Punjab, Rajasthan, Madhya Pradesh and Uttar Pradesh. The findings of the market survey level that quality seeds supply to the farmers at timely and on affordable rates in comparison of market scenario.

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## **SALIENT FEATURES OF THE PROJECT**

### ***Land & Building***

The proposed unit will be established at Vill- Beerpura, Teh - Dadri, Dist- Gauram Buddha Nagar (U.P.), Pin-203207. The available total area of land and building will be sufficient for the unit.

### ***Plant & Machinery***

Selection of plant and machinery will be according to the capacity and size of the unit. The various plant and machinery required by the unit are Sealing Machine, Grading Fan, Weighing Machine, Clip Packing Machine, Color Coating Machine, Thread Cealing Machine Grader Weighing balance, electric motors of different HP and other accessories. The cost of different items of plant and machinery have been taken on the basis of quotation received from the some of the manufacturers and suppliers. Provision has also been made for taxes, insurance, freight charges, packaging charges and also electrification charges. The cost of the plant and machineries have been estimated at Rs. 3.00 lakh.

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### ***Working Capital***

The working capital has been worked out in Annexure F.I on the basis of requirement of raw materials, power, water, work in process, receivables, finished goods and working expenditures for single cycle. The total working capital requirement in the first year for single cycle is estimated at Rs.22.00 lakh and has been added to the cost of the project.

### ***Pre-operative & Contingencies Expenses***

A provision has been made to care of price escalation in machinery/equipments and building materials items, which can take place during the implementation period. Suitable provision for pre-operative expenses consisting of technical know how fees, expenses during mortgage deed, interest during civil construction/site development period, traveling expenses, consultancy fee, loan processing fee, MPSEB deposit for power connection of 5 HP load, Telephone deposit and other Govt. deposits have

been made. The total pre-operative & contingencies expenses has been estimated at Rs. 0.50 lakh.

**Raw Materials**

The main raw material required by the unit are raw Pea, Onion and Mustard and packaging material, which are easily available in the local market at reasonable rates in bulk quantity.

**Labour & Infrastructure**

Suitable skilled and unskilled labour is easily available in the proposed site. Other infrastructure facilities like power, water, approach road and transportation etc. exist in the site.

**MEANS OF FINANCE**

<b>PARTICULARS</b>	<b>EXISTING</b>	<b>PROPOSED</b>	<b>AMOUNT</b>
1. Own Capital	0.00	500,000.00	500,000.00
2. Current Liabilities	0.00	0.00	0.00
3. Term Loan	0.00	2,000,000.00	2,000,000.00
	<b>0.00</b>	<b>2,500,000.00</b>	<b>2,500,000.00</b>

The total project cost arrived at Rs. 25.00 lakh is proposed to be financed as per the following finance mix under the ACABC Scheme of Central Government:

<b>1</b>	<b>EQUITY</b>	<b>(Rs. in Lakhs)</b>
	<i>Promoter's Contribution for TL (20%)</i>	<i>5.00</i>
	<b>Total</b>	<b>5.00</b>
<b>2.</b>	<b>DEBT</b>	
	<i>Term Loan from Bank</i>	<i>20.00</i>
	<i>Subsidy Available @ 36 %</i>	<i>7.20</i>
	<b>GRAND TOTAL</b>	<b>25.00</b>

*The above finance mix is based on the following assumptions:*

- The entrepreneur shall bring 20 % of the project cost as his contribution for term loan, which comes out to be Rs. 5.00 lakhs, free subsidy from NABARD under ACABC scheme (Rs. 7.20 lakhs for term loan).

### COST PRICE OF ITEMS ANNUALLY

NAME OF ITEM	Qty in Qtls	Rate / kg	AMOUNT IN RS
1.Peas	200	55	1100000
2.Onion	10	620	620000
3.Palak	50	50	250000
4.Muskmelon	0.75	270	20250
5.Toria	30	45	135000
6.Mustard	140	60	840000
<b>Total</b>			<b>2965250</b>

\* Average Rate includes cost of transportation & packing.

### SALES REALIZATION ANNUALLY

NAME OF ITEM	Qty in Qtls	Rate / kg	AMOUNT IN RS
1.Peas	200	73.3	1466000
2.Onion	10	1200	1200000
3.Palak	50	70	350000
4.Muskmelon	0.75	500	37500
5.Toria	30	65	195000
6.Mustard	140	92.5	1295000
			<b>4543500</b>

S.No	Term loan Requirement	AMOUNT
1	Sealing Machine	3000.00
2	Grading Fan	2000.00
3	Weighing Machine	4000.00
4	Clip Packing Machine	600.00
5	Tape Packing Machine	600.00
6	Color Coating Machine	20000.00
7	Thread Ceiling Machine	1500.00
8	Wooden Crate	56000.00
9	Grader Machine	212300.00
	<b>Total</b>	<b>300000.00</b>
10	Working Capital	2200000.00
	<b>Total</b>	<b>2500000.00</b>

**SATFF SALARY**

	<b><u>NO</u></b>	<b><u>SALARY PER MONTH</u></b>	<b><u>AMOUNT</u></b>
1. Supervisor	1	12000	12,000.00
2. Labour	2	20000	40,000.00
3. Sale Man	1	12000	12,000.00
		Total	<b>52,000.00</b>

Salary per year

**624,000.00****Other Expenses (Per month)**

	<b><u>AMOUNT</u></b>
1. Loading & Unloading Expenses	<b>4,000.00</b>
2. Transportation Exp	<b>5,000.00</b>
3. Telephone	<b>3,000.00</b>
4. Conveyance Exp	<b>3,000.00</b>
5. Entertainment Exp	<b>2,000.00</b>
6. Miscellaneous Exp	<b>1,000.00</b>
	Total
	<b>18,000.00</b>

Expenses per year

**216,000.00****PROJECTED PROFITABILITY STATEMENT**

(Figures in Lakh")

<b><u>ITEM (A)</u></b>	<b><u>1Year</u></b>	<b><u>2 Year</u></b>	<b><u>3 Year</u></b>	<b><u>4 Year</u></b>	<b><u>5 Year</u></b>	<b><u>6 Year</u></b>
SALES	45.44	49.98	54.98	59.10	63.53	68.30
<b>Total</b>	<b>45.44</b>	<b>49.98</b>	<b>54.98</b>	<b>59.10</b>	<b>63.53</b>	<b>68.30</b>

**B. EXPENDITURE**

cost of Items	29.65	32.62	35.88	39.47	43.41	47.76
Staff Salary & Labour Exp.	6.24	6.24	6.86	7.55	8.31	9.14
Other Expenses	2.16	2.16	2.38	2.61	2.87	3.16
Interest on Term Loan	0.59	2.06	1.56	1.06	0.56	0.09
Depreciation	0.45	0.38	0.33	0.28	0.23	0.20
<b>Total</b>	<b>39.10</b>	<b>43.46</b>	<b>47.01</b>	<b>50.97</b>	<b>55.39</b>	<b>60.35</b>

Profit (A-B)	6.34	6.52	7.97	8.13	8.14	7.95
Income Tax	1.90	1.95	2.39	2.44	2.44	2.38
Profit after Tax	4.44	4.56	5.58	5.69	5.70	5.56

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## **PROJECTED BALANCE SHEET**

(Figures in Lakh")

<b>PARTICULARS</b>	<b>1Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>	<b>5 Year</b>	<b>6 Year</b>
<b><u>LIABILITIES</u></b>						
Capital	0.00	8.44	12.00	16.58	21.27	25.97
Add : Addition	5.00	0.00	0.00	0.00	0.00	0.00
Add : Profit after tax	4.44	4.56	5.58	5.69	5.70	5.56
	9.44	13.00	17.58	22.27	26.97	31.53
Less : Drawing	1.00	1.00	1.00	1.00	1.00	1.00
	<b>8.44</b>	<b>12.00</b>	<b>16.58</b>	<b>21.27</b>	<b>25.97</b>	<b>30.53</b>
<b><u>LOAN LIABILITIES</u></b>						
Term Loan	20.00	20.00	20.00	20.00	20.00	20.00
Creditor	5.00	5.50	6.05	6.66	7.32	8.05
	<b>33.44</b>	<b>37.50</b>	<b>42.63</b>	<b>47.92</b>	<b>53.29</b>	<b>58.58</b>
<b><u>ASSETS</u></b>						
Fixed Assets (Less Depreciation)	2.55	2.17	1.84	1.57	1.33	1.13
<b><u>CURRENT ASSETS</u></b>						
Stocks	6.00	6.60	9.00	9.63	10.30	11.03
Debtors	8.00	8.80	9.68	15.00	20.00	28.00
Cash & Bank Balance	16.89	19.93	22.10	21.73	21.65	18.43
	<b>33.44</b>	<b>37.50</b>	<b>42.63</b>	<b>47.92</b>	<b>53.29</b>	<b>58.58</b>

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**COMPUTATION OF DEPRECIATION ON W.D.V. METHOD.**

<b>YEARS</b>	<b>EQUIPMENTS</b>	<b>TOTAL</b>
	15%	
<b>1 Year</b>	3.00	3.00
Less : Dep	0.45	0.45
<b>2 Year</b>	2.55	2.55
Less : Dep	0.38	0.38
<b>3 Year</b>	2.17	2.17
Less : Dep	0.33	0.33
<b>4 Year</b>	1.84	1.84
Less : Dep	0.28	0.28
<b>5 Year</b>	1.57	1.57
Less : Dep	0.23	0.23
<b>6 Year</b>	1.33	1.33
Less : Dep	0.20	0.20
<b>7 Year</b>	1.13	1.13
Less : Dep	0.17	0.17

**PROJECTED FUND FLOW STATEMENT**

<b>PARTICULARS</b>	<b>Figures (Rs. in Lakh)</b>					
	<b>1Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>	<b>5 Year</b>	<b>6 Year</b>
<b><u>SOURCE OF FUND</u></b>						
Contribution	5.00	0.00	0.00	0.00	0.00	0.00
Net Profit	4.44	4.56	5.58	5.69	5.70	5.56
Term Loan	20.00	0.00	0.00	0.00	0.00	0.00
Depreciation	0.45	0.38	0.33	0.28	0.23	0.20
Creditor	5.00	0.50	0.55	0.61	0.67	0.73
	<b>34.89</b>	<b>5.44</b>	<b>6.45</b>	<b>6.57</b>	<b>6.60</b>	<b>6.50</b>
<b><u>APPLICATION OF FUNDS</u></b>						
Increase in fixed assets	3.00	0.00	0.00	0.00	0.00	0.00
Increase in Stocks	6.00	0.60	2.40	0.63	0.67	0.72
Debtors	8.00	0.80	0.88	5.32	5.00	8.00
Drawing	1.00	1.00	1.00	1.00	1.00	1.00
	<b>18.00</b>	<b>2.40</b>	<b>4.28</b>	<b>6.95</b>	<b>6.67</b>	<b>9.72</b>
Opening Balance	0.00	16.89	19.93	22.10	21.73	21.65
Cash Surplus/ Deficit	16.89	3.04	2.17	-0.38	-0.08	-3.22
	<b>16.89</b>	<b>19.93</b>	<b>22.10</b>	<b>21.73</b>	<b>21.65</b>	<b>18.43</b>
Closing Balance	16.89	19.93	22.10	21.73	21.65	18.43



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## **PROJECTED DEBT SERVICE COVERAGE RATIO STATEMENT**

(Figures in  
'lakh)

<b><u>PARTICULARS</u></b>	<b>1Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>	<b>5 Year</b>	<b>6 Year</b>
<b><u>SOURCES OF FUND</u></b>						
Net Profit	4.44	4.56	5.58	5.69	5.70	5.56
Depreciation	0.45	0.38	0.33	0.28	0.23	0.20
Interest on T/Loan	0.59	2.06	1.56	1.06	0.56	0.09
<b><u>TOTAL</u></b>	<b>5.48</b>	<b>7.01</b>	<b>7.47</b>	<b>7.03</b>	<b>6.50</b>	<b>5.86</b>
<b><u>DEBTS TO SERVICE</u></b>						
Repayment of Loan	1.00	4.00	4.00	4.00	4.00	3.00
Interest on Loan	0.59	2.06	1.56	1.06	0.56	0.09
<b><u>TOTAL</u></b>	<b>1.59</b>	<b>6.06</b>	<b>5.56</b>	<b>5.06</b>	<b>4.56</b>	<b>3.09</b>
<b>DSCR</b>	<b>3.44</b>	<b>1.16</b>	<b>1.34</b>	<b>1.39</b>	<b>1.42</b>	<b>1.89</b>
<b>Average DSCR</b>	<b>1.29</b>					

**PROJECTED INTEREST CALCULATION & REPAYMENT SCHEDULE**

<b><u>INTEREST ON TERM LOAN</u></b>							<b>(Rs. In 'Lakh')</b>	
<b><u>YEARS</u></b>	<b><u>QTRS.</u></b>	<b><u>OPENING</u></b>	<b><u>REPAYMENT</u></b>		<b><u>BALANCE</u></b>	<b><u>QUARTER</u></b>	<b><u>YEARLY INT.</u></b>	
						<b><u>INTEREST</u></b>	<b><u>@ 12.5%</u></b>	
<b>1</b>	1st	0.00	0.00		0.00	0.00		
	2nd	0.00	0.00		0.00	0.00		
	3rd	0.00	0.00		0.00	0.00		
	4th	20.00	1.00	1.00	19.00	0.59	0.59	
<b>2</b>	1st	19.00	1.00		18.00	0.56		
	2nd	18.00	1.00		17.00	0.53		
	3rd	17.00	1.00		16.00	0.50		
	4th	16.00	1.00	4.00	15.00	0.47	2.06	
<b>3</b>	1st	15.00	1.00		14.00	0.44		
	2nd	14.00	1.00		13.00	0.41		
	3rd	13.00	1.00		12.00	0.38		
	4th	12.00	1.00	4.00	11.00	0.34	1.56	
<b>4</b>	1st	11.00	1.00		10.00	0.31		
	2nd	10.00	1.00		9.00	0.28		
	3rd	9.00	1.00		8.00	0.25		
	4th	8.00	1.00	4.00	7.00	0.22	1.06	
<b>5</b>	1st	7.00	1.00		6.00	0.19		
	2nd	6.00	1.00		5.00	0.16		
	3rd	5.00	1.00		4.00	0.13		
	4th	4.00	1.00	4.00	3.00	0.09	0.56	
<b>6</b>	1st	3.00	1.00		2.00	0.06		
	2nd	2.00	1.00		1.00	0.03		
	3rd	1.00	1.00	3.00	0.00	0.00	0.09	