



Model Detailed Project Report

HONEY PACKAGING UNIT

Prepared by

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1. INTRODUCTION

HONEY PACKAGING UNIT



Honey is a sweet, viscous food substance made by bees and some related insects. Bees produce honey from the sugary secretions of plants (floral nectar) or from secretions of other insects (such as honeydew), by regurgitation, enzymatic activity, and water evaporation. Bees store honey in wax structures called a honeycomb. The variety of honey produced by honey bees is the best-known, due to its worldwide commercial production and human consumption. Honey is collected from wild bee colonies, or from hives of domesticated bees, a practice known as beekeeping or apiculture.

Honey gets its sweetness from the monosaccharide's fructose and glucose, and has about the same relative sweetness as sucrose (granulated sugar). It has attractive chemical properties for baking and a distinctive flavour when used as a sweetener. Most microorganisms do not grow in honey, so sealed honey does not spoil, even after thousands of year.

2. MARKET POTENTIAL:

The India honey market reached a value of about INR 17.29 billion in 2020. The market is further expected to grow at a CAGR of about 10% between 2021 and 2026 to reach a value of nearly INR 30.6 billion by 2026.

Honey is available in different flavors depending upon the flowers used by the bees to produce it. As a result, there is a diverse range of honey products currently available in India which find applications in the food and beverage, cosmetic and pharmaceutical industries.

The Government has been supporting the production of honey in India by granting help in developing business through commercialization, R&D activities, innovation and exporting. These initiatives support the producers by advisory and mentoring services, organizing workshops and seminars, general and industry-specific training and providing subsidized products, such as business planning tools.

3. PRODUCT DESCRIPTION

3.1 PRODUCT BENEFITS

The main uses of honey are in cooking, baking, as a spread on breads, and as an addition to various beverages such as tea and as a sweetener in some commercial beverages. Honey can be used as instant energizer as it contains sugars which are quickly absorbed by our Digestive system and converted into energy.

In Ayurveda honey is called as "Yogavahi", substance which has the quality of penetrating the deepest tissue. When honey is used with other herbal preparations it enhances the medicinal Qualities of those preparations and also helps them to reach the deeper tissues. Honey is also used as a medicine because of its antioxidant and antibacterial properties.

3.2 Raw Material sources

Following raw materials are required for the honey packaging unit:

1. Processed honey
2. Glass or plastic bottles
3. Bottle Caps
4. Labels
5. Sticker
6. Cartoon box for final packaging and transportation of goods.

3.3 PACKAGING PROCESS

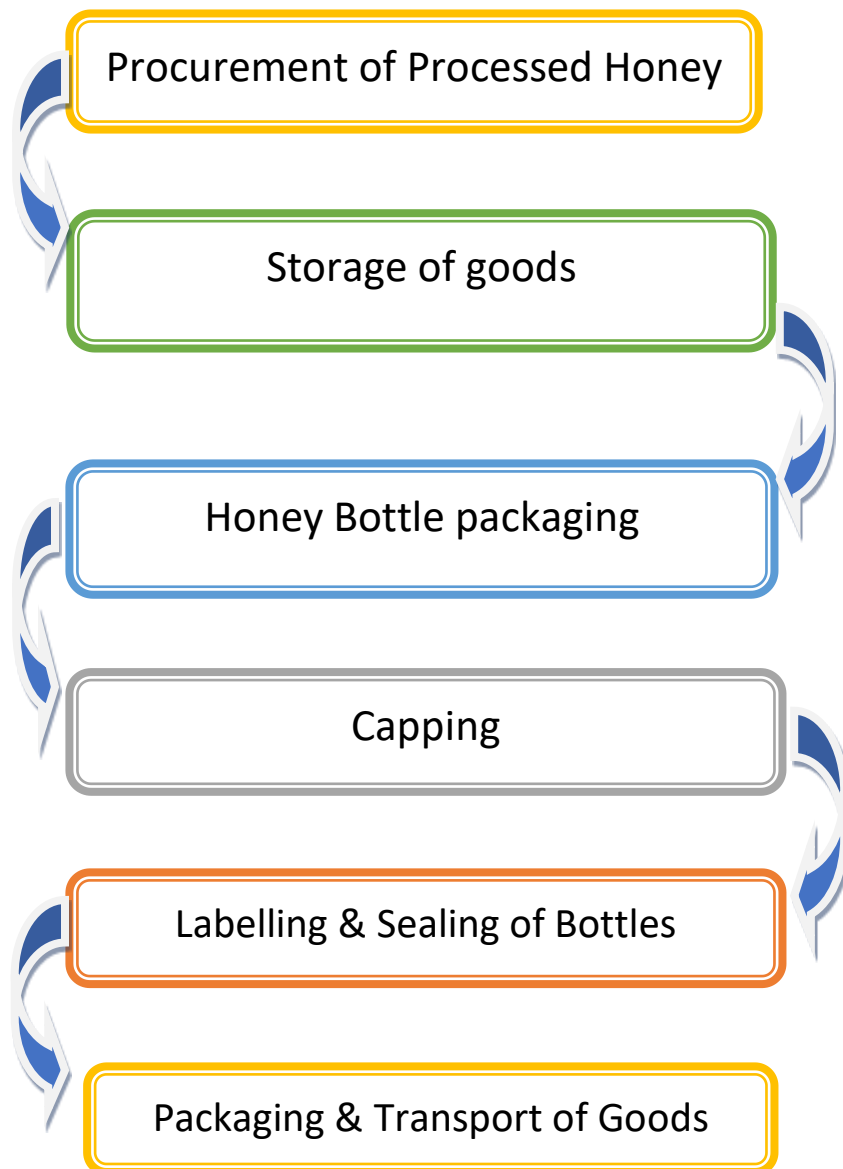
Depending on the intended market, honey may be bottled directly into small containers for retail sale or into large drums for storage or export. In an effort to appeal to a wide range of consumers, honey is packaged in containers of many different sizes and styles. These include glass jars, plastic tubs and squeezable jugs.

Like most aspects of honey processing, bottling can involve automation in large operations, or manual labour such as a hand valve on a plastic pail in smaller operations.

The label on a honey container should include the word "Honey" or, possibly, an indication of a floral source, such as "Alfalfa Honey." It also needs to state

the grade, the net weight, the name and address of the honey dealer and the registration number of the packer, as well as the nutrition facts table. The label should also identify the country of origin and indicate whether the honey is creamed, liquid or pasteurized & Packaged honey needs to be of a minimum type size and located in specific areas of the label where it's easily found and read by consumers.

Technical Process Flow Chart



4. PROJECT COMPONENTS



4.1 Land

Land required 2000-2500 square feet approx.

Approximate rent for the same is Rs.40000-45000 per month.

4.2 Plant & Machinery

Packaging section

S.N.	Machine Name	Image
1	Automatic Filling Machine	 A photograph showing a row of automatic filling nozzles positioned over a conveyor belt. The nozzles are dispensing a yellowish liquid into small glass bottles. The machine is made of stainless steel and has blue hoses connected to the nozzles.
2	Automatic Screw Capping Machine	 A photograph of a stainless steel automatic screw capping machine. It has a hopper at the top for screws, a conveyor belt for bottles, and a mechanism for applying the screws. The brand name 'BIOBHIVANAK' is visible on the front panel.

3	Automatic Round Bottle Sticker Labelling Machine	
4	Storage tank, collection box, transfer pump etc.	

Note: cost of the Automatic machinery is approx. Rs.24,50,000 excluding GST and other transportation cost.

4.3 Misc. Asset,s

S.N.	Item Description	Rate
1	Electricity connection and fittings	1,00,000
2	Furniture and equipment's	50,000

4.4 Power Requirement

The borrower shall require power load of 30 KW which shall be applied with Power Corporation. However, for standby power arrangement the borrower shall also purchase DG Set.

4.5 Manpower Requirement

7-8 Manpower are required for the Honey packaging unit.

Includes:

2 Skilled Labour

3 Unskilled Labour

2 Helper

1 Accountant

5. FINANCIALS

5.1 Cost of Project

COST OF PROJECT			
(in Lacs)			
PARTICULARS	AMOUNT	Own Contribution	Bank Finance
		25.00%	75.00%
Land & Building		Owned /rented	
Plant & Machinery	24.50	6.13	18.38
Furniture & Fixtures and Other Assets	1.50	0.38	1.13
Working capital	12.00	3.00	9.00
Total	38.00	9.50	28.50

5.2 Means of Finance

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution	9.50
Bank Loan	19.50
Working capital Limit	9.00
Total	38.00

5.3 Projected Balance Sheet

PROJECTED BALANCE SHEET (in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		9.97	12.84	17.27	22.14
Add:- Own Capital	9.50				
Add:- Retained Profit	2.47	5.37	7.94	11.87	15.52
Less:- Drawings	2.00	2.50	3.50	7.00	10.00
Closing Balance	9.97	12.84	17.27	22.14	27.66
Term Loan	17.33	13.00	8.67	4.33	-
Working Capital Limit	9.00	9.00	9.00	9.00	9.00
Sundry Creditors	1.60	1.89	2.21	2.55	2.93
Provisions & Other Liab	0.60	0.75	0.90	1.08	1.30
TOTAL :	38.50	37.48	38.05	39.11	40.88
<u>Assets</u>					
Fixed Assets (Gross)	26.00	26.00	26.00	26.00	26.00
Gross Dep.	3.83	7.08	9.86	12.23	14.24
Net Fixed Assets	22.18	18.92	16.14	13.77	11.76
Current Assets					
Sundry Debtors	5.32	6.62	7.76	8.98	10.28
Stock in Hand	8.89	10.49	12.24	14.11	16.13
Cash and Bank	2.11	1.45	1.92	2.24	2.72
TOTAL :	38.50	37.48	38.05	39.11	40.88

5.4 Projected Cash Flow

PROJECTED CASH FLOW STATEMENT					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	9.50				
Net Profit	3.12	6.78	10.02	14.98	19.59
Depreciation & Exp. W/off	3.83	3.26	2.78	2.37	2.02
Increase in Cash Credit	9.00	-	-	-	-
Increase In Term Loan	19.50	-	-	-	-
Increase in Creditors	1.60	0.29	0.32	0.34	0.38
Increase in Provisions & Oth lib	0.60	0.15	0.15	0.18	0.22
TOTAL :	47.14	10.48	13.27	17.87	22.20
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	26.00				
Increase in Stock	8.89	1.60	1.74	1.88	2.02
Increase in Debtors	5.32	1.30	1.14	1.22	1.30
Repayment of Term Loan	2.17	4.33	4.33	4.33	4.33
Drawings	2.00	2.50	3.50	7.00	10.00
Taxation	0.65	1.41	2.08	3.12	4.08
TOTAL :	45.03	11.15	12.80	17.55	21.73
Opening Cash & Bank Balance	-	2.11	1.45	1.92	2.24
Add : Surplus	2.11	(0.67)	0.47	0.33	0.47
Closing Cash & Bank Balance	2.11	1.45	1.92	2.24	2.72

5.5 Projected Profitability

PROJECTED PROFITABILITY STATEMENT					
(in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilization %	40%	45%	50%	55%	60%
<u>SALES</u>					
Gross Sale					
50 Grams Honey Bottles	159.60	198.69	232.83	269.37	308.31
Total	159.60	198.69	232.83	269.37	308.31
<u>COST OF SALES</u>					
Raw Material Consumed	48.00	56.70	66.30	76.56	87.84
Electricity Expenses	7.20	8.28	9.52	10.95	12.05
Depreciation	3.83	3.26	2.78	2.37	2.02
Wages & labour	6.84	7.52	8.28	9.10	10.01
Repair & maintenance	7.98	9.93	11.64	13.47	15.42
Bottle packaging cost	72.00	86.40	102.00	118.80	136.80
Cost of Production	145.85	172.10	200.52	231.25	264.13
Add: Opening Stock /WIP	-	7.29	8.60	10.03	11.56
Less: Closing Stock /WIP	7.29	8.60	10.03	11.56	13.21
Cost of Sales	138.55	170.78	199.10	229.71	262.49
GROSS PROFIT	21.05	27.91	33.73	39.66	45.82
Salary to Staff	3.84	4.22	4.65	5.11	5.62
Interest on Term Loan	1.92	1.69	1.21	0.73	0.26
Interest on working Capital	0.99	0.99	0.99	0.99	0.99

Rent	4.80	5.28	5.81	6.39	7.03
selling & adm exp	6.38	8.94	11.06	11.45	12.33
TOTAL	17.93	21.12	23.72	24.67	26.23
NET PROFIT	3.12	6.78	10.02	14.98	19.59
Taxation	0.65	1.41	2.08	3.12	4.08
PROFIT (After Tax)	2.47	5.37	7.94	11.87	15.52

5.6 Production and Yield

<u>COMPUTATION OF PACKAGING OF HONEY</u>		
Items to be Packaged		
Honey		
Machine Packaging capacity per Hour (taken)	500	Bottles
Working hours in a day	8	
Production Per Day	4,000	Bottles
No of Working Days in Month	25	
No of Working Days in a Year	300	
machine capacity per annum	1,200,000	Bottles
Raw Material		
Bottles Size (Taken in project)	50	Gram
Raw Material Required per day	200	KG
Raw Material Required per Annum	60,000	KG

Packaging of Honey		
Production	Capacity	Bottles
1st year	40%	480,000
2nd year	45%	540,000
3rd year	50%	600,000
4th year	55%	660,000
5th year	60%	720,000

Raw Material Cost (Processed Honey)			
Year	Capacity Utilisation	Rate (per KG)	Amount (Rs. in lacs)
1st year	40%	200.00	48.00
2nd year	45%	210.00	56.70
3rd year	50%	221.00	66.30
4th year	55%	232.00	76.56
5th year	60%	244.00	87.84

Bottle, cap and label sticker Cost			
Year	Capacity Utilisation	Rate (Per Bottles)	Amount (Rs. in lacs)
1st year	40%	15.00	72.00
2nd year	45%	16.00	86.40
3rd year	50%	17.00	102.00
4th year	55%	18.00	118.80
5th year	60%	19.00	136.80

5.7 Sales Revenue

<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	24,000	27,000	30,000	33,000
Production	480,000	540,000	600,000	660,000	720,000
Less : Closing Stock	24,000	27,000	30,000	33,000	36,000
Net Sale	456,000	537,000	597,000	657,000	717,000
sale price per Bottles	35.00	37.00	39.00	41.00	43.00
Sales (in Lacs)	159.60	198.69	232.83	269.37	308.31

5.8 Working Capital Assessment

<u>COMPUTATION OF CLOSING STOCK & WORKING CAPITAL</u> (in Lacs)					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	7.29	8.60	10.03	11.56	13.21
<u>Raw Material</u>					
	1.60	1.89	2.21	2.55	2.93
Closing Stock	8.89	10.49	12.24	14.11	16.13

<u>COMPUTATION OF WORKING CAPITAL REQUIREMENT</u>					
TRADITIONAL METHOD			(in Lacs)		
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	8.89				
Less : Creditors	1.60				
Paid stock	7.29	25%	1.82	75%	5.47
Sundry Debtors	5.32	25%	1.33	75%	3.99
	12.61		3.15		9.46
WORKING CAPITAL LIMIT DEMAND (from Bank)				9.00	

5.9 Power, Salary & Wages Calculation

Utility Charges (per month)		
Particulars	value	Description
Power connection required	30	KWH
consumption per day	240	units
Consumption per month	6,000	units
Rate per Unit	10	Rs.
power Bill per month	60,000	Rs.

BREAK UP OF LABOUR CHARGES

Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Skilled (in thousand rupees)	15,000	2	30,000
Unskilled (in thousand rupees)	9,000	3	27,000
Total salary per month			57,000
Total annual labour charges	(in lacs)		6.84

BREAK UP OF Staff Salary CHARGES

Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
helper	7,000	2	14,000
Accountant	18,000	1	18,000
Total salary per month			32,000
Total annual Staff charges	(in lacs)		3.84

5.10 Depreciation

COMPUTATION OF DEPRECIATION (in Lacs)			
Description	Plant & Machinery	Furniture	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	24.50	1.50	26.00
Total	24.50	1.50	26.00
Less : Depreciation	3.68	0.15	3.83
WDV at end of Year	20.83	1.35	22.18
Additions During The Year	-	-	-
Total	20.83	1.35	22.18
Less : Depreciation	3.12	0.14	3.26
WDV at end of Year	17.70	1.22	18.92
Additions During The Year	-	-	-
Total	17.70	1.22	18.92
Less : Depreciation	2.66	0.12	2.78
WDV at end of Year	15.05	1.09	16.14
Additions During The Year	-	-	-
Total	15.05	1.09	16.14
Less : Depreciation	2.26	0.11	2.37
WDV at end of Year	12.79	0.98	13.77
Additions During The Year	-	-	-
Total	12.79	0.98	13.77
Less : Depreciation	1.92	0.10	2.02
WDV at end of Year	10.87	0.89	11.76

5.11 Repayment schedule

REPAYMENT SCHEDULE OF TERM LOAN							
						Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance
1st	Opening Balance						
	1st month	-	19.50	19.50	-	-	19.50
	2nd month	19.50	-	19.50	0.18	-	19.50
	3rd month	19.50	-	19.50	0.18	-	19.50
	4th month	19.50	-	19.50	0.18		19.50
	5th month	19.50	-	19.50	0.18		19.50
	6th month	19.50	-	19.50	0.18		19.50
	7th month	19.50	-	19.50	0.18	0.36	19.14
	8th month	19.14	-	19.14	0.18	0.36	18.78
	9th month	18.78	-	18.78	0.17	0.36	18.42
	10th month	18.42	-	18.42	0.17	0.36	18.06
	11th month	18.06	-	18.06	0.17	0.36	17.69
	12th month	17.69	-	17.69	0.16	0.36	17.33
					1.92	2.17	
2nd	Opening Balance						
	1st month	17.33	-	17.33	0.16	0.36	16.97
	2nd month	16.97	-	16.97	0.16	0.36	16.61
	3rd month	16.61	-	16.61	0.15	0.36	16.25
	4th month	16.25	-	16.25	0.15	0.36	15.89
	5th month	15.89	-	15.89	0.15	0.36	15.53
	6th month	15.53	-	15.53	0.14	0.36	15.17
	7th month	15.17	-	15.17	0.14	0.36	14.81
	8th month	14.81	-	14.81	0.14	0.36	14.44
	9th month	14.44	-	14.44	0.13	0.36	14.08
	10th month	14.08	-	14.08	0.13	0.36	13.72
	11th month	13.72	-	13.72	0.13	0.36	13.36
	12th month	13.36	-	13.36	0.12	0.36	13.00
					1.69	4.33	
3rd	Opening Balance						
	1st month	13.00	-	13.00	0.12	0.36	12.64
	2nd month	12.64	-	12.64	0.12	0.36	12.28
	3rd month	12.28	-	12.28	0.11	0.36	11.92
	4th month	11.92	-	11.92	0.11	0.36	11.56
	5th month	11.56	-	11.56	0.11	0.36	11.19
	6th month	11.19	-	11.19	0.10	0.36	10.83
	7th month	10.83	-	10.83	0.10	0.36	10.47
	8th month	10.47	-	10.47	0.10	0.36	10.11

9th month	10.11	-	10.11	0.09	0.36	9.75
10th month	9.75	-	9.75	0.09	0.36	9.39
11th month	9.39	-	9.39	0.09	0.36	9.03
12th month	9.03	-	9.03	0.08	0.36	8.67
				1.21	4.33	
4th	Opening Balance					
1st month	8.67	-	8.67	0.08	0.36	8.31
2nd month	8.31	-	8.31	0.08	0.36	7.94
3rd month	7.94	-	7.94	0.07	0.36	7.58
4th month	7.58	-	7.58	0.07	0.36	7.22
5th month	7.22	-	7.22	0.07	0.36	6.86
6th month	6.86	-	6.86	0.06	0.36	6.50
7th month	6.50	-	6.50	0.06	0.36	6.14
8th month	6.14	-	6.14	0.06	0.36	5.78
9th month	5.78	-	5.78	0.05	0.36	5.42
10th month	5.42	-	5.42	0.05	0.36	5.06
11th month	5.06	-	5.06	0.05	0.36	4.69
12th month	4.69	-	4.69	0.04	0.36	4.33
				0.73	4.33	
5th	Opening Balance					
1st month	4.33	-	4.33	0.04	0.36	3.97
2nd month	3.97	-	3.97	0.04	0.36	3.61
3rd month	3.61	-	3.61	0.03	0.36	3.25
4th month	3.25	-	3.25	0.03	0.36	2.89
5th month	2.89	-	2.89	0.03	0.36	2.53
6th month	2.53	-	2.53	0.02	0.36	2.17
7th month	2.17	-	2.17	0.02	0.36	1.81
8th month	1.81	-	1.81	0.02	0.36	1.44
9th month	1.44	-	1.44	0.01	0.36	1.08
10th month	1.08	-	1.08	0.01	0.36	0.72
11th month	0.72	-	0.72	0.01	0.36	0.36
12th month	0.36	-	0.36	0.00	0.36	-
				0.26	4.33	
DOOR TO DOOR	60	MONTHS				
MORATORIUM PERIOD	6	MONTHS				
REPAYMENT PERIOD	54	MONTHS				

5.12 Financial Indicators

FINANCIAL INDICATORS					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
TURNOVER	159.60	198.69	232.83	269.37	308.31
GROSS PROFIT	21.05	27.91	33.73	39.66	45.82
G.P. RATIO	13.19%	14.04%	14.49%	14.72%	14.86%
NET PROFIT	3.12	6.78	10.02	14.98	19.59
N.P. RATIO	1.95%	3.41%	4.30%	5.56%	6.35%
CURRENT ASSETS	16.33	18.56	21.91	25.33	29.13
CURRENT LIABILITIES	11.20	11.64	12.11	12.63	13.22
CURRENT RATIO	1.46	1.59	1.81	2.01	2.20
TERM LOAN	17.33	13.00	8.67	4.33	-
TOTAL NET WORTH	9.97	12.84	17.27	22.14	27.66
DEBT/EQUITY	1.74	1.01	0.50	0.20	-
TOTAL NET WORTH	9.97	12.84	17.27	22.14	27.66
TOTAL OUTSIDE LIABILITIES	28.53	24.64	20.78	16.97	13.22
TOL/TNW	2.86	1.92	1.20	0.77	0.48
PBDIT	9.85	12.72	15.00	19.08	22.86
INTEREST	2.91	2.68	2.20	1.72	1.25
INTEREST COVERAGE RATIO	3.39	4.75	6.81	11.06	18.31
WDV	22.18	18.92	16.14	13.77	11.76
TERM LOAN	17.33	13.00	8.67	4.33	-
FACR	1.28	1.46	1.86	3.18	-

5.13 DSCR

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	6.29	8.63	10.71	14.23	17.53
Interest on Term Loan	1.92	1.69	1.21	0.73	0.26
Total	8.21	10.32	11.92	14.97	17.79
<u>REPAYMENT</u>					
Instalment of Term Loan	2.17	4.33	4.33	4.33	4.33
Interest on Term Loan	1.92	1.69	1.21	0.73	0.26
Total	4.08	6.02	5.54	5.07	4.59
DEBT SERVICE COVERAGE RATIO	2.01	1.71	2.15	2.95	3.87
AVERAGE D.S.C.R.	2.54				

5.14 Break Even Point Analysis

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	159.60	198.69	232.83	269.37	308.31
Less : Op. WIP Goods	-	7.29	8.60	10.03	11.56
Add : Cl. WIP Goods	7.29	8.60	10.03	11.56	13.21
Total Sales	166.89	200.00	234.25	270.91	309.95
Variable & Semi Variable Exp.					
Raw Material Consumed	48.00	56.70	66.30	76.56	87.84
Electricity Exp/Coal Consumption at 85%	6.12	7.04	8.09	9.31	10.24
Wages & Salary at 60%	6.41	7.05	7.75	8.53	9.38
Selling & administrative Expenses 80%	5.11	7.15	8.85	9.16	9.87
Interest on working Capital	0.99	0.99	0.99	0.99	0.99
Repair & maintenance	7.98	9.93	11.64	13.47	15.42
Bottle packaging cost	72.00	86.40	102.00	118.80	136.80
Total Variable & Semi Variable Exp	146.61	175.26	205.63	236.81	270.53
Contribution	20.29	24.74	28.62	34.09	39.42
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	1.08	1.24	1.43	1.64	1.81
Wages & Salary at 40%	4.27	4.70	5.17	5.69	6.25
Interest on Term Loan	1.92	1.69	1.21	0.73	0.26
Depreciation	3.83	3.26	2.78	2.37	2.02
Selling & administrative Expenses 20%	1.28	1.79	2.21	2.29	2.47

Rent	4.80	5.28	5.81	6.39	7.03
Total Fixed Expenses	17.17	17.96	18.61	19.11	19.83
Capacity Utilization	40%	45%	50%	55%	60%
OPERATING PROFIT	3.12	6.78	10.02	14.98	19.59
BREAK EVEN POINT	34%	33%	32%	31%	30%
BREAK EVEN SALES	141.25	145.17	152.26	151.84	155.92

6. LICENSE & APPROVALS

- Obtain the GST registration.
- Additionally, obtain the Udyog Aadhar registration Number.
- FSSAI License.
- Fire/pollution license as required.
- Factory License
- Choice of a Brand Name of the product and secure the name with Trademark if required.

Implementation Schedule

S.N.	Activity	Time Required (in Months)
1	Acquisition Of premises	1-2
2	Procurement & installation of Plant & Machinery	1-2
3	Arrangement of Finance	1-2
4	Requirement of required Manpower	1
	Total time Required (some activities shall run concurrently)	5-6 Months

7. ASSUMPTIONS

1. Packaging Capacity of Honey is 8000 Bottles per day. First year, Capacity has been taken @ 40%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 10 days and finished goods Closing Stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 10 days.
6. Depreciation and Income tax has been taken as per the Income tax Act, 1961.
7. Interest on working Capital Loan and Term loan has been taken at 11%.
8. Salary and wages rates are taken as per the Current Market Scenario.
9. Power Consumption has been taken at 30 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.

Limitations of the Model DPR and Guidelines for Entrepreneurs

Limitations of the Model DPR

- i. This model DPR has provided only the basic standard components and methodology to be adopted by an entrepreneur while submitting a proposal under the Formalization of Micro Food Processing Enterprises Scheme of MoFPI.
- ii. This is a model DPR made to provide general methodological structure not for specific entrepreneur/crops/location. Therefore, information on the entrepreneur, forms and structure (proprietorship/partnership/cooperative/ FPC/joint stock company) of his business, details of proposed DPR, project location, raw material base/contract sourcing, entrepreneurs own SWOT analysis, detailed market research, rationale of the project for specific location, community advantage/benefit from the project, employment generation and many more detailed aspects not included.
- iii. The present DPR is based on certain assumptions on cost, prices, interest, capacity utilization, output recovery rate and so on. However, these assumptions in reality may vary across places, markets and situations; thus the resultant calculations will also change accordingly.