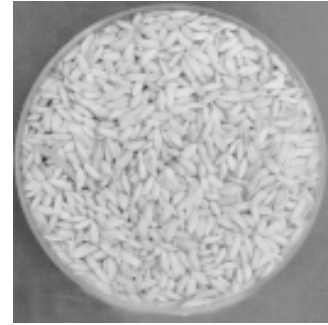


QUICK AGING OF NEW PADDY

QUALITY AND STANDARDS : As per AGMARK specifications

PRODUCTION CAPACITY : 750 tpa



1.0 PRODUCT AND ITS APPLICATIONS

Rice tops the food grains cultivated in India, with annual production of more than 90 million tonnes. Rice is the staple food for majority of Indian population. It is, however, a common experience that rice from freshly harvested paddy cooks to a pasty mass. It has also poor swelling capacity during cooking and is reported to cause digestive disorders. That is the reason the new rice is aged or cured for atleast 4 months to overcome these problems and to develop desirable cooking characteristics. The ageing becomes faster as the temperature during storage increases. With the new technology, it has become possible to age or cure the new paddy within a short duration.

2.0 MARKET POTENTIAL

Aged rice commands a higher price as compared to new rice. There is, an incentive to cure the paddy in a short time and speed up the realisation.

3.0 BASIS AND PRESUMPTION

- a) The unit proposes to work atleast 120 days per annum on single shift basis. However, the production activity will be available only for 100 days.
- b) The unit can achieve its full capacity utilization during the 3rd year of operation.
- c) The wages for workers is taken as per prevailing rates in this type of industry.
- d) Interest rate for total capital investment is calculated @ 12% per annum.
- e) The entrepreneur is expected to raise 20-25% of the capital as margin money.
- f) The unit proposes to construct own building while the cost of construction is based inputs.
- g) Costs of machinery and equipment are based on average price

4.0 IMPLEMENTATION SCHEDULE

Project implementation will take a period of 8 months. Break-up of the activities and relative time for each activity is shown below:

❖ Scheme preparation and approval	:	01 month
❖ SSI provisional registration	:	1-2 months
❖ Sanction of financial supports etc.	:	2-5 months
❖ Installation of machinery and power connection	:	6-8 months
❖ Trial run and production	:	01 month

5.0 TECHNICAL ASPECTS

5.1 Process of Manufacture

The freshly harvested paddy is steamed for a specified period of time depending on the initial moisture content of the paddy. It is then heaped, dried and used for rice milling. Production technology is available from CFTRI, Mysore.

5.2 Quality Control and Standards: As per AGMARK specifications

6.0 POLLUTION CONTROL

There is no major pollution problem associated with this industry except for disposal of waste which should be managed appropriately. The entrepreneurs are advised to take "No Objection Certificate" from the State Pollution Control Board.

7.0 ENERGY CONSERVATION

The fuel for the steam generation in the boiler is coal or LDO depending upon the type of boiler. Proper care should be taken while utilising the fuel for the steam production. There should be no leakage of steam in the pipe lines and adequate insulation should be provided.

8.0 PRODUCTION CAPACITY

Quantity	:	750 tpa
Value	:	Rs. 67.50 lakh
Installed capacity	:	8 tpa
Working days	:	100/annum
Manpower	:	15
Utilities		
Motive Power	:	18 kWH
Water	:	5 kL/day
Coal/LD oil	:	250 kg/60 L/day

9.0 FINANCIAL ASPECTS

9.1 Fixed Capital

		Amount (Rs. lakh)
9.1.1 Land & Building		
Land 1000 sq.mtr	:	1.25
Built up Area 150 sq. mtr.	:	3.00

Total cost of Land and Building : 4.25

9.1.2 Machinery and Equipment

Description	Amount (Rs. lakh)
Boiler, parboiling tank, mechanical drier/drying yard. Auxiliary equipment: weighing scales, trolleys etc.	2.65
Erection & electrification @10% cost of machinery & equipment	0.27
Office furniture & fixtures	0.38
Total :	----- 3.30

9.1.3 Pre-operative Expenses

Consultancy fee, project report, deposits with electricity department etc. : 0.50

9.1.4 Total Fixed Capital : 8.05

(9.1.1+9.1.2+9.1.3)

9.2 Recurring expenses per annum

9.2.1 Personnel

Designation	No.	Salary Per month	Amount (Rs.lakh)
Factory Manager	1	8,000	0.96
Supervisor	2	6,000	1.44
Office Assistant	2	5,000	1.20
Technician	2	4,500	1.08
Skilled workers	1	3,000	0.36
Unskilled workers	4	2,500	1.20
			6.24
Perquisites @ 15%			0.94
	----		-----
Total :	12		7.18

9.2.2 Raw Material including packaging materials

Particulars	Qty.(MT)	Rate/kg	Amount (Rs. lakh)
Salt, chemicals			0.75
Packaging material			3.30
Paddy			11.70

	Total:	15.75
9.2.3	Utilities	Amount (Rs. lakh)
	Power	0.50
	Water	0.05
	Fuel	0.15

	Total:	0.70
9.2.4	Other Contingent Expenses	Amount (Rs. lakh)
	Repairs and maintenance @10%	0.85
	Consumables & spares	0.35
	Transport & Travel	0.12
	Postage & stationery	0.08
	Telephone	0.07
	Insurance	0.08

	Total:	1.55
9.2.5	Total Recurring Expenditure	Amount (Rs. lakh)
	(9.2.1+9.2.2+9.2.3+9.2.4)	25.18
9.3	Working Capital	
	Recurring Expenditure for 2 months	4.20
9.4	Total Capital Investment	Amount (Rs. lakh)
	Fixed capital (Refer 9.1.4)	8.05
	Working capital (Refer 9.3)	4.20

	Total:	12.25
10.0	FINANCIAL ANALYSIS	
10.1	Cost of Production (per annum)	Amount (Rs. lakh)
	Recurring expenses (Refer 9.2.5)	25.18
	Depreciation on building @5%	00.21
	Depreciation on machinery @10%	00.33
	Depreciation on furniture @20%	00.08
	Interest on Capital Investment @12%	01.47

	Total:	27.27

10.2 Sale Proceeds / Annual turnover

Item	Qty. (MT)	Rate per kg	Amount (Rs.lakh)
Paddy	150	24	36.00

10.3 Net Profit per year

= Sales - Cost of production

= 36.00 - 27.27

= Rs. 8.73 lakh

10.4 Net Profit Ratio

= $\frac{\text{Net profit} \times 100}{\text{Sales}}$

= $\frac{8.73 \times 100}{36}$

= 24.25%

10.5 Rate of Return on Investment

= $\frac{\text{Net profit} \times 100}{\text{Capital Investment}}$

= $\frac{8.73 \times 100}{12.25}$

= 71.27%

10.6 Annual Fixed Cost

Amount (Rs. Lakh)

All depreciation 0.62

Interest 1.47

40% of salary, wages, utility, contingency 3.77

Insurance 0.08

Total: 5.94

10.7 Break even Point

= $\frac{\text{Annual Fixed Cost} \times 100}{\text{Annual Fixed Cost} + \text{Profit}}$

= $\frac{5.94 \times 100}{5.94 + 8.73}$

= 40.49%