



MODEL PROJECT REPORT



PROJECT REPORT ON ROSE GULKAND

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Overview Of The Sector

1.1 Global Market Scenario

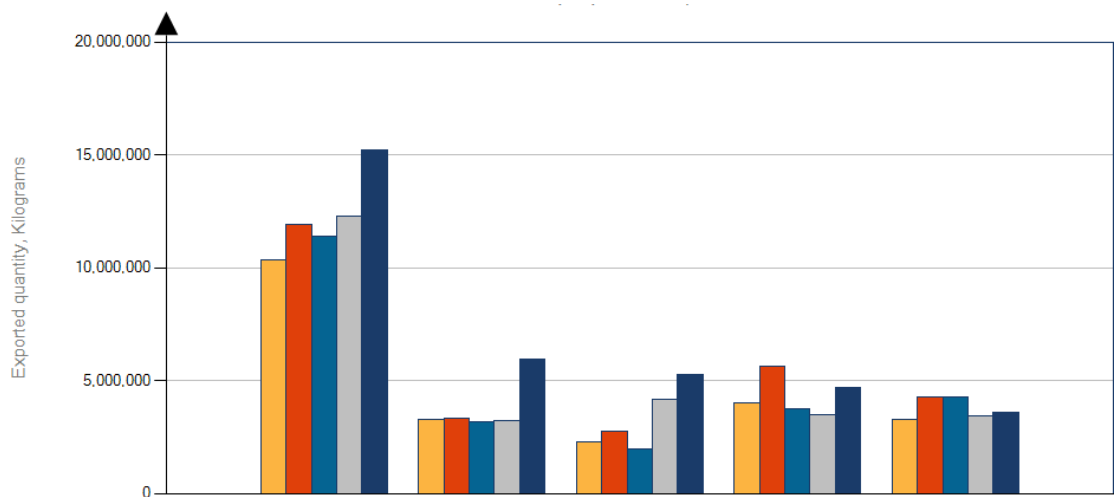
Global Revenue From Floriculture, Is Projected To Supersede The Valuation Of US\$ 43.2 Billion, Registering A Robust Annual Growth Rate Of 7.0 Percent, In 2019. Future Market Insights (FMI), In Its Newly Published Market Intelligence Outlook, Highlights Extensive Demand For Floriculture— An Important Activity In Agro-Business, Specifically In Asian And Southeast Asian Markets, Considering Favourable Climatic Conditions. Scope For Floriculture In Developing Economy Is Anticipated To Flourish As A Mainstream Occupation, Majorly Dominated By Small And Medium Sized Enterprises. Moreover, Low Cost Maintenance Including Low Labour Costs In Developing Countries, Is Also A Critical Factor Contributing To The Growth Of Floriculture Industry.

The Scope For Floriculture Is Expected To Remain Promising, Ranging From Seeds And Tissue Cultures To As Single Cut Flowers, Bouquets, Potted Flowers, Potted Plants—Use As Decorative And Ornamentals. Small And Medium Enterprises, Who Majorly Dominate The Floriculture Landscape, Have Significantly Benefitted From A Well-Developed Virtualized Freight And Logistics Network And A Well-Coordinated Supply Chain, Comprising Growers, Auctions, Traders, Logistics Service Providers And Gift Shop Outlets.

The Floriculture Market In Europe Is Another High Revenue Generating Region, Demonstrating Sustained Growth In Recent Years, Predominantly Attributed To Growing Demand For Cut Flowers In France And Germany, Amongst Other European Union Nations. Moreover, Netherlands Is Projected To Remain A Leading Exporter Of Bulbs And Cut Flowers.

Export Market

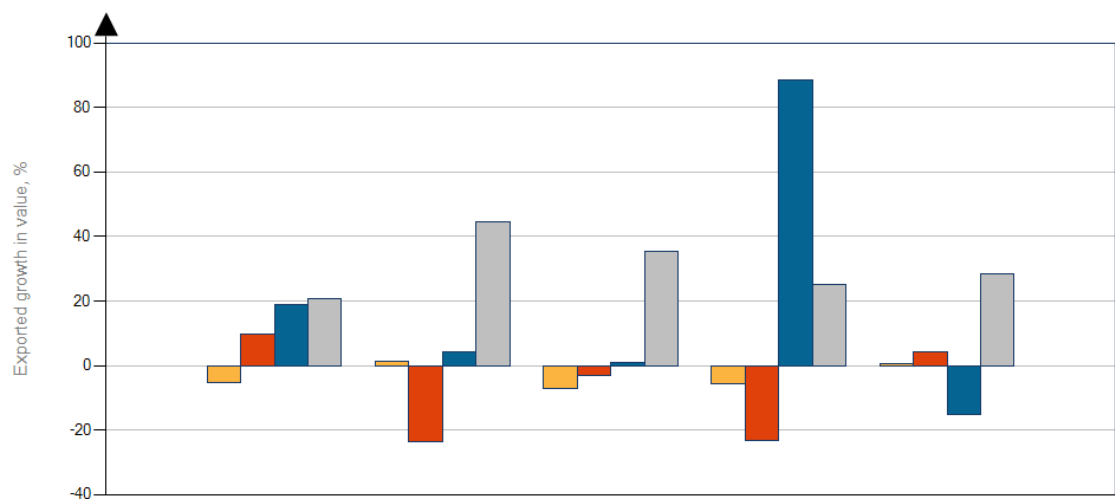
Figure 1: Top 5 Importing Market From India (HSN 21069099) Including Rose Gulkand



USA UAE NEPAL AUSTRALIA CANADA

Exported quantity in 2013, Kilograms Exported quantity in 2015, Kilograms Exported quantity in 2016, Kilograms Exported quantity in 2017, Kilograms
Exported quantity in 2014, Kilograms

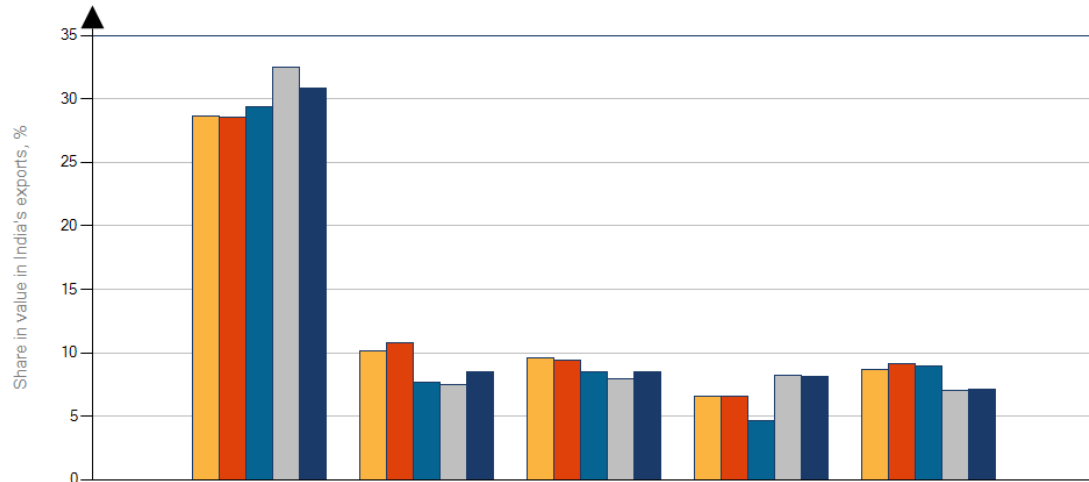
Figure 2: Export Growth In Value, % (HSN 21069099 Including Rose Gulkand From India)



USA UAE NEPAL AUSTRALIA CANADA

Exported growth in value between 2013 - 2014, % Exported growth in value between 2015 - 2016, % Exported growth in value between 2016 - 2017, %
 Exported growth in value between 2014 - 2015, %

Figure 3: Share In Value In India's Export % (HSN 21069099 Including Rose Gulkand)



USA AUSTRALIA UAE NEPAL CANADA

Share in value in India's exports in 2013, % Share in value in India's exports in 2015, % Share in value in India's exports in 2017, %
 Share in value in India's exports in 2014, % Share in value in India's exports in 2016, %

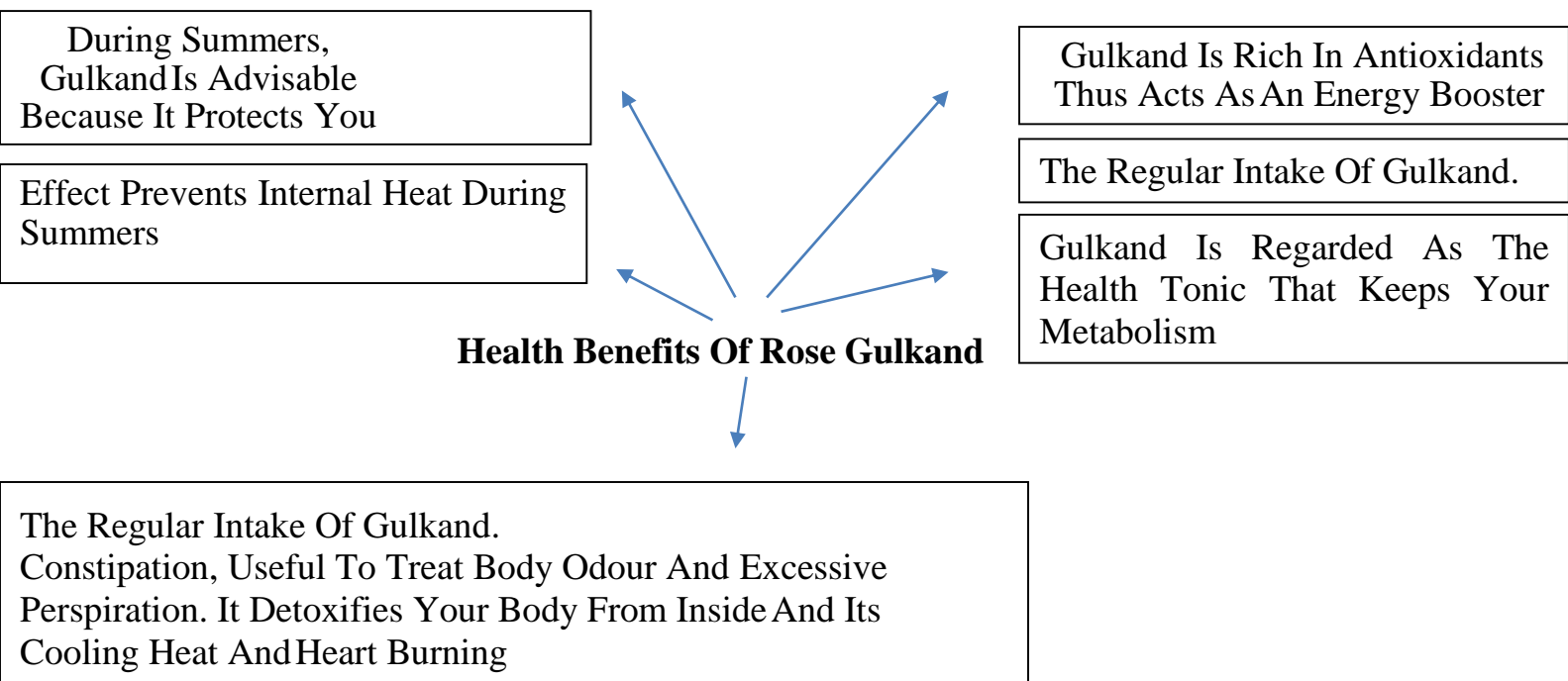
Key Segmentation Insights:

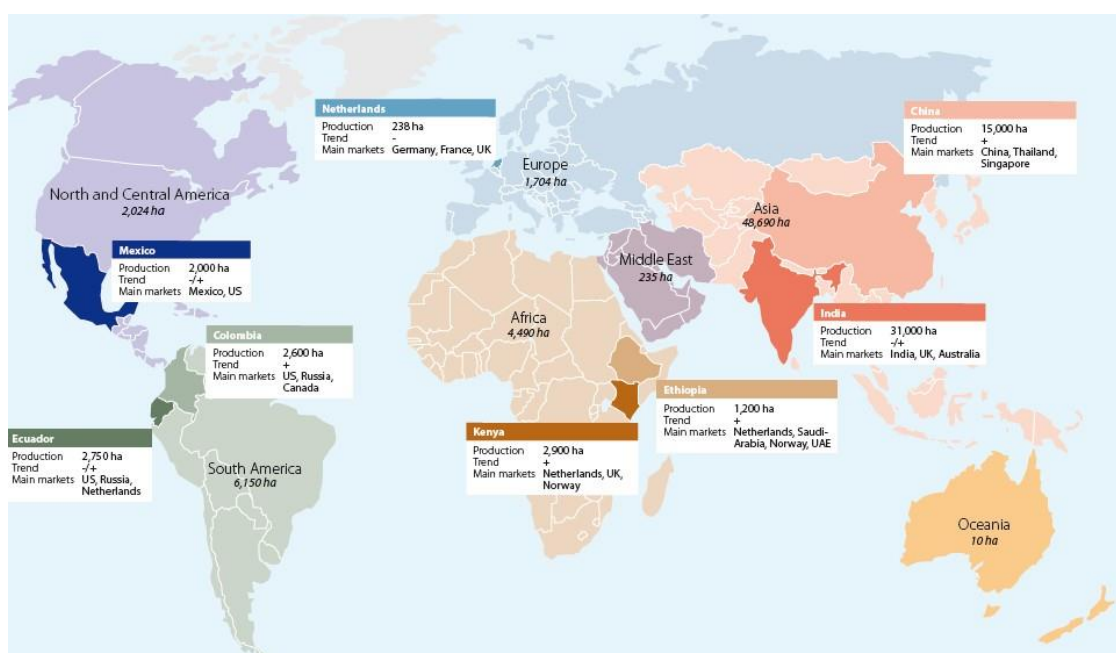
- In Terms Of Product Type, Cut Flowers Will Gain Significant Prominence, Representing A Market Share Of Approximately 79 Percent Through The Forecast Market.
- By Flower Type, Revenue From Rose Segment Is Estimated To Exceed US\$ 24 Billion In 2023, Taking A Significant Revenue Leap From Its Market Position In 2018.
- Sales Of Floriculture Products Through Direct Channels Will Push More Revenue In The Market. However, Emergence Of Online Retailers Considering Flourishing Virtual Supply Networks Will Also Pump Significant Revenue In Floriculture Market— The Segment

Representing A Colossal CAGR Of 14.3 Percent Through 2027. Europe Is Expected To Remain The Largest Revenue Contributor Under This Segment.

Rose Gulkand: The Literal Meaning Of Gulkand Is; Gul= Rose; Kand=Sweet. That Means Rose Sweet. This Is A Dessert Kind Of Item Which Is Used To Treat Several Ailments. As The Fruity Jam Is Enriched With Fruits Similarly This Is Enriched With Rose Petals. In Ayurveda Field, Roses Are Best Known For Its Therapeutic Use And Cooling Effect. You Must Have Seen That Rose Petals Are Used To Garnish Many Dessert Items Like Thandai, Puddings, Cakes And Many Others. Not Only This, Rose Water Is A Major Ingredient To Prepare Rose Flavour Shakes And Drinks. Gulkand Is Used In Many Ways Like It Is Used To Prepare Rose Milk, Garnishing, Rose Pie Etc. Gulkand Is Available At Many Confectionery Stores And Ayurvedic Markets.

Figure 4: Health Benefits Of Rose Gulkand





Source: Rabobank World Floriculture Map

Figure 5: Comparison Of Cut Rose Producing Regions & Nations (2015-16)

1.2 Indian Scenario

Origin: Central Asia

Major Producing States/Districts In India:

- 1) West Bengal (Medinipur East, Medinipur West, Nadia, 24 Paraganas North, Howrah Etc.)
- 2) Karnataka (Bangalore Rural, Kolar, Bengaluru Urban, Chikballapur, Ramanagara Etc.)
- 3) Gujarat (Bharuch, Vadodara, Kheda, Ahmadabad, Valsad Etc.)
- 4) Chhattisgarh (Korba, Bilaspur, Kondagaon, Raipur, Mungeli Etc.)
- 5) Maharashtra (Nashik, Sangli, Satara, Solapur,

Nagpur Etc.) Total Area In India: 29.41 Thousand

Ha. (2015-16)

Total Production In India: 301.95 Thousand MT (2015-16)

Cultivated Varieties Are Listed Below: Pusa Arun, Pusa Ajay, Pusa Komal, Pusa Mohit, Pusa Mansij, Pusa Gaurav, Pusa Manhar, Pusa Ranjana, Pusa Abhishek, Pusa Urmil, Pusa Muskan, Pusa Virangana, Pusa Priya, Pusa Barahmasi, Dr. Bharat Ram, Pusa Pitamber, Pusa

Bahadur, Pusa Shatabdi, Arka Ivory, Arka Pride, Arka Sukanya, Sugandha, Nurjahan, Rajhans, Kanakangi Etc. Due To The Above Developments And Also On Account Of Recent Economic Liberalization There Has Been An Upsurge Of Interest In Production Of Cut Roses In Plastic Green Houses In India Also.

1.3 Rajasthan Scenario

In The Area Around Pushkar In Ajmer, A Large Number Of Roses Are Cultivated And The Petals Are Used For Fragrance, Essence, Rose Water, And Other Edible Products. Known The World-Over For Khwaja Moinuddin Chisti's Dargah, Ajmer Has Also Fascinated The World With The Fragrance Of Its Roses. Process Able Flower Production Of Rose From Puskar In Ajmer And Haldi Ghati In Rajsamand Throws Open Tremendous Scope For Making Rose Scent, Rose Water, Gulkand And Dry Petals For Export. Besides, Some Other Valuable Flowers Like Marigold, Chrysanthemum, Tuberoses, Carnation, Gladiolus, Gerbera Are Also Being Grown Successfully. The Household Industries Include Traditional Handicrafts And Production Of Rose By-Products E.G. Gulkand, Rose Oil, Rose Water Etc.

1.4 Catchment Area & Districts

Ajmer Is One Of The Major Cities In The Indian State Of Rajasthan And One Of The District Headquarter. Ajmer District Has An Area Of 8,481 Km With Population Of 2,180,526 (2001 Census). Three Main Followed By People Are Hindu 18,69,044, Muslim 2,44,341, Jains 47,812. The District Is Situated At The Centre Of Rajasthan, And Is Bounded By Nagaur District To The North, Jaipur And Tonk Districts To The East, Bhilwara District To The South, And Pali District To The West.

The Eastern Portion Of The District Is Generally Flat, Broken Only By Gentle Undulations. The Western Parts, From North-West To South-West, Are Intersected By The Aravalli Range. Many Of The Valleys In The Region Are Sandy Deserts Also Part Of India's Thar Desert, With An Occasional Oasis Of Cultivation. Some Fertile Tracts Are Present; Among These Is The Plain On Which Lies The Town Of Ajmer. The Valley Has An Artificial Lake Which Is Protected By The Massive Walls Of The Nagpathar Range Or Serpent Rock, Which Forms A Barrier Against The Sand. The Only Hills In The District Are The Aravalli Range And Its Offshoots. Ajmer Is Almost Totally Devoid Of Rivers. The Banas River Touches The South-Eastern Boundary Of The District So As To Irrigate

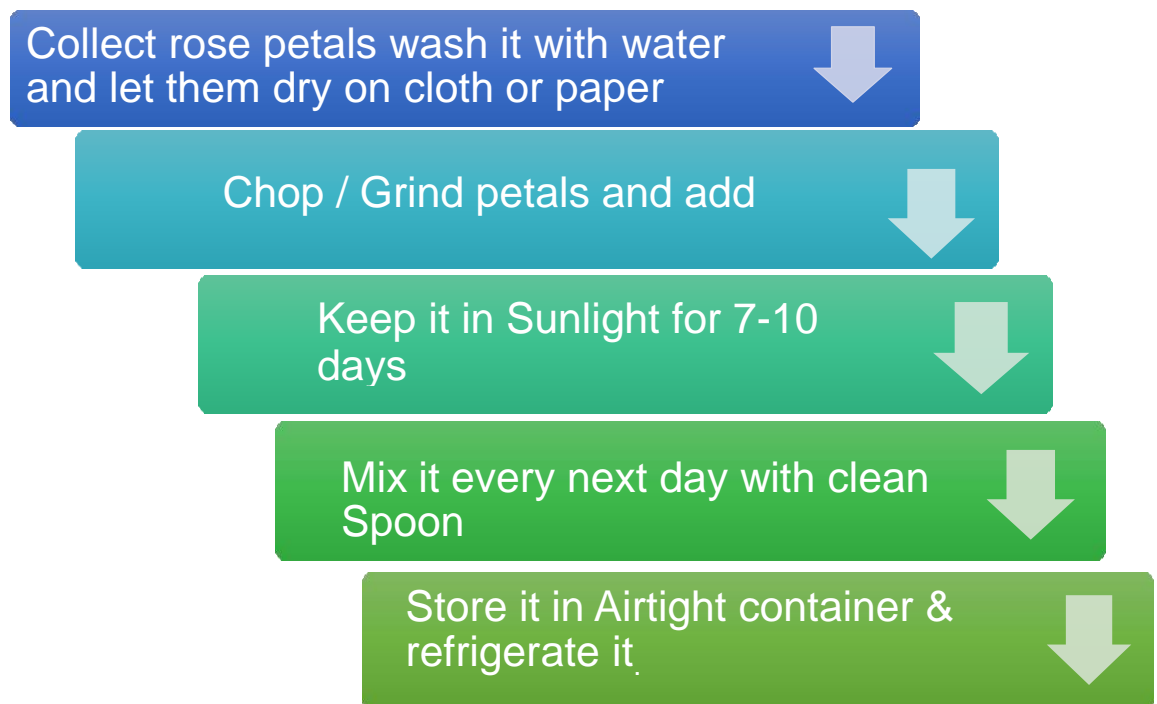
The Pargana Of Samur. Four Small Streams—The Sagarmati, Saraswati, Khari And Dai—Also Intersect The District.

The District Is Divided Into Four Sub-Divisions, Ajmer, Beawar, Kekri And Kishangarh, Which Are Further Subdivided Into Nine Tehsils, Ajmer, Beawar, Bhinai, Sarwar, Tantoti, Nasirabad, Masuda, Kekri, Kishangarh.

2. Process Flow

2.1 Process Flow

Figure 6: Rose Gulkand Process Flow Chart



Explanation Of Flow Chart

Gently Wash The Petals With Water And Let Them Dry On A Dry Cloth.

1. Chop The Petals Into Pieces.
2. Add Equal Amount Of Sugar By Weight In The Petals.
3. Spread A Layer Of Rose Petals In A Dry Glass Bottle With A Lid.

4. Now Spread A Layer Of Sugar Over The Rose Petals Evenly.
5. Then Again Spread A Layer Of Petals Over The Sugar Layer.
6. Repeat Till All The Petals Are Over.
7. Close The Glass Bottle With A Lid And Keep It In The Sunlight For 7 - 10 Days.
8. Mix The Gulkand Every Other Day Using A Clean Spoon.
9. Store In An Airtight Container And Refrigerate It.

3. Financials

3.1 Project Financials And Business Model Total Project Cost

Table 1 Total Project Cost

Sr. No.	Particular	Total Value (Rs.)
1	Land And Building	6,000,000
2	Machinery And Equipment	665,970
3	Furniture And Fixture	10,000
4	Working Capital	507,021
Total		7,182,991

Means Of Finance

Table 2 Means Of Finance

Sr. No.	Particular	Total Value
1	Own Contribution	1,795,748
2	Bank Finance - Long Term Loan	5,006,978
3	Bank Finance - Short Term Loan	380,265
Total		7,182,991

Expenditure Estimates

#	Particular	Number Of Unit	Unit Cost	Y1	Y2	Y3	Y4	Y5
A	Fixed							
1	Telephone	12	1,000	12,000	12,600	13,230	13,892	14,586
2	Internet	12	1,000	12,000	12,600	13,230	13,892	14,586
3	Office Maintenane	12	1,000	12,000	12,600	13,230	13,892	14,586
4	Electricity Charges	12	1,000	12,000	12,600	13,230	13,892	14,586
5	Printing & Stationery	12	500	6,000	6,300	6,615	6,946	7,293
6	Courier,	12	500	6,000	6,300	6,615	6,946	7,293

#	Particular	Number Of Unit	Unit Cost	Y1	Y2	Y3	Y4	Y5
	Postage Etc.							
7	Misc. Expenses	12	500	6,000	6,300	6,615	6,946	7,293
8	Audit Expense	1	20,000	20,000	21,000	22,050	23,153	24,310
9	Human Resource Expense							
	Helper	1	6,000	72,000	75,600	79,380	83,349	87,516
	Salesmen	1	5,000	60,000	63,000	66,150	69,458	72,930
	Sub-Total			218,000	228,900	240,345	252,362	264,980
B	Variable Cost							
1	Rose		130	14,625,000	16,380,000	17,199,000	18,058,950	18,961,898
2	Sugar		35	11,812,500	13,230,000	13,891,500	14,586075	15,315,379
3	Electricity Charges	7	121	158,760	177,811	186,702	196,037	205,839
4	Packing Material		2	641,250	718,200	754,110	791,816	831,406
5	Labor	4	400	300,000	336,000	352,800	370,440	388,962
	Sub-Total			27,537,510	30,842,011	32,384,112	34,003,317	35,703,483
	Total			27,755,510	31,070,911	32,624,457	34,255,680	35,968,464

Working Capital Requirements

Table 4 Working Capital Requirements

Sr. No.	Item	Duration	Total Value				
			Year-I	Year-II	Year-III	Year-IV	Year-V
1	Raw Material	1 Week	507,021	567,863	596,256	626,069	657,372
Total			507,021	567,863	596,256	626,069	657,372

Income Estimates

Table 5 Income Estimates

(Amount In Rs.)

S.No	Particulars	Rate / Kg	Y1	Y2	Y3	Y4	Y5
1	Gulkad	75	32,062,500	35,910,000	37,705,500	39,590,775	41,570,314
	Total		32,062,500	35,910,000	37,705,500	39,590,775	41,570,314

Computation Of Income Tax

Table 6 Computation Of Income Tax

Particulars	Y1	Y2	Y3	Y4	Y5
<u>Tax Details</u>					
EBT	3,238,416	3,876,561	4,239,408	4,631,278	5,055,145
Add Depreciation As Per Companies Act	367,597	367,597	367,597	367,597	367,597
Less Depreciation As Per IT Act	700,896	625,811	558,984	499,477	446,462
	2,905,118	3,618,347	4,048,021	4,499,398	4,976,280
Provision Of Taxes	897,681	1,118,069	1,250,838	1,390,314	1,537,671

Profit And Loss Statement

Table 7 Profit And Loss Statement

(Amount In Rs.)

Particulars	Y1		Y2	Y3	Y4	
Gulkand	32,062,500		35,910,000	37,705,500	39,590,775	41,570,314
Total Revenue	32,062,500		35,910,000	37,705,500	39,590,775	41,570,314
Fixed Cost	218,000		228,900	240,345	252,362	264,997
Variable Cost	27,537,510		30,842,011	32,384,112	34,003,317	35,703,483
Total Operational Expenses	27,755,510		31,070,911	32,624,457	34,255,680	35,968,480
Earnings Before Interest, Depreciation, Taxes And Amortization (EBITDA)	4,306,990		4,839,089	5,081,043	5,335,095	5,601,834
Depreciation	367,597		367,597	367,597	367,597	367,597
Amortization	-		-	-	-	-
Earnings Before Interest And Taxes (EBIT)	3,939,393		4,471,492	4,713,446	4,967,498	5,234,237
Interest Expense	758,017		680,110	563,476	430,130	277,000
Earnings Before Taxes (EBT)	3,181,376		3,791,382	4,149,970	4,537,368	4,957,237
Tax	880,056		1,091,749	1,223,202	1,361,296	1,511,000

Earnings After Taxes (EAT)	2,301,320	2,699,633	2,926,768	3,176,072	3,449,338
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Particulars	Y1	Y2	Y3	Y4	Y5
Profit (Loss) Carried To Balance Sheet	2,301,320	2,699,633	2,926,768	3,176,072	3,449,338

Particulars	Y1	Y2	Y3	Y4	Y5	Cumulative
Total FC	585,597	596,497	607,942	619,959	632,577	3,042,573
Revenue	32,062,500	35,910,000	37,705,500	39,590,775	41,570,314	186,839,089
Total VC	27,537,510	30,842,011	32,384,112	34,003,317	35,703,483	160,470,434
Contribution	4,524,990	5,067,989	5,321,388	5,587,458	5,866,831	26,368,655
Break Even	13%	12%	11%	11%	11%	12%

#	Particulars	Estimates	Inference	Acceptable Range Of The Indicators
1	Break Even Point(BEP At Operating Capacity Of 80%)	12%	Project Viable	<60%
2	Av. Return On Capital Employed Average ROCE	40.5%	Project Viable	> 20%
3	Internal Rate Of Return (IRR)	33%	Project Viable	>15%
4	Net Present Value (At A Discount Rate Of 10 Per Cent)	5,043,694	NPV Is High And Positive At A Conservative Project Life Of 10 Years	Positive
5	Payback Period	2 Years 5 Months	With Term Loan From Bank	< 5 Years