



DETAILED PROJECT REPORT

PASTA MAKING UNIT

UNDER PMFME SCHEME



National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

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1. PROJECT SUMMARY

1. Name of the proposed project	:	Pasta Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	117600 Kg/annum(70,75,80,85&90% capacity utilization in 1 st to 5 th Year respectively)
4. Raw materials	:	Wheat Flour, Semolina, Starch Powder, Salt, Vegetable Oil.
5. Major product outputs	:	Pasta
6. Total project cost	:	Rs. 16.27 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 11.38 Lakh
• Miscellaneous Fixed Assets	:	Rs. 1.00 Lakh
• Working capital	:	Rs. 3.89 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 4.33 Lakh
• Promoter's contribution (min10%)	:	Rs. 1.63 Lakh
• Term loan	:	Rs. 6.81 Lakh
• Working Capital Requirement	:	Rs. 3.50 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.20 Lakh
• 2 nd year	:	Rs. 2.16 Lakh
• 3 rd year	:	Rs. 3.31 Lakh
• 4 th year	:	Rs. 4.59 Lakh
• 5 th year	:	Rs. 5.71 Lakh
11. Average DSCR	:	Rs. 2.96
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Pasta refers to the traditional Italian cuisine's staple food that is made using dough, water, eggs, vegetables, and oil. The dough is kneaded into different kinds, some of which are known as penne, spaghetti, farfalle, barbina, fettuccine, etc. The pasta type is determined by the size and shape of the holes in the die.

- The pasta dough is forced through holes between 0.8-0.5 mm in diameter to produce vermicelli and capellini. Then the cutting machine slices the pasta into 10 inch (250 mm) lengths and coils it into curls. Spaghetti varies in diameter from 1.5-2.5 mm and is left straight.
- On a separate unit, tortellini (filled pasta rings) are made. From a roll of dough, the computer cuts tiny circles. On the circle of dough, a bucket of ricotta cheese mixture drops a pre-measured volume of cheese. The dough is then folded over and a circle is formed by connecting the two ends.
- Pre-measured amounts of cheese filling are dropped on a sheet of pasta at pre-measured intervals to produce ravioli (filled pasta squares). As it passes along a conveyor belt, another sheet of pasta is put over this sheet. The two layers then move into pre-measured squares under a cutting machine that perforates the pasta.

In Penne Pasta, the high carbohydrate content provides the body with glucose that is the key fuel for the brain and muscles. It is low in cholesterol and sodium. The whole grain pasta offers a high nutritional value, which makes it more popular. In addition to this, the form of sauce added will undoubtedly impact the nutritional value of the meal. While pasta items were first

introduced in Italy in the 13th century, it has only been possible to manufacture efficient production equipment and high-quality ingredients since the 20th century. Today, most pasta is processed by continuous high-capacity extruders operating on the principle of auger extrusion, where kneading and extrusion are carried out in a single operation. Pasta processing types includes dry macaroni, noodles, and spaghetti.

2.2. MARKET POTENTIAL:

Indian Pasta Market: Industry Dynamics, Share, Scale, Growth, Potential and Forecast 2018-2023,' India's pasta market reached a sales value of US\$ 286.6 million in 2017, showing a CAGR of 17.1% in 2010-2017. In 2020, revenue in the pasta segment is forecast to hit 11,881 million US dollars. The market is expected to rise by 3.8 per cent annually (CAGR 2020-2025).

In 2020, the average per capita intake will stand at 6.5 kg. Rising urbanization, changing lifestyles and increasing demand for ready-to-eat items are the primary factors increasing the growth of the pasta market in India. In addition, a growing rate of jobs for women, combined with rising disposable incomes, is also affecting the sector. In addition, health-conscious customers are calling for food items with healthy ingredients, which has contributed to an increase in the market for whole wheat pasta. The market has been segmented into dry pasta, instant pasta and fresh pasta on the basis of its form. Currently, the Indian pasta industry dominates dry pasta, retaining much of the revenue from the market share.

2.3. RAW MATERIAL DESCRIPTION:

The main raw materials are wheat flour or Maida and starch. Additionally, one would need sugar, common salt, spices, garlic, ginger, Sodium Bicarbonate, etc. to make a complete dish with veggies. A combination of water and semolina flour makes pasta. Semolina is a coarse-ground

flour of durum wheat from the middle, or endosperm, amber-colored high protein hard wheat that is primarily grown for pasta production. Semolina flour is quickly digested with a lower starch content and a higher protein content than all-purpose flour. To produce some pasta, rougher granulations of other high-quality hard wheat, is also used. Before being delivered to pasta plants, the semolina and farina flour are fortified with B-vitamins and iron.

Eggs, for color or richness, are often applied to the mixture. It is stipulated by federal requirements that egg Pasta contain at least 5.5% egg solids. For color and taste, vegetable juices can also be added, such as spinach, beet, tomato, and carrot. The addition of herbs and spices, including garlic, basil, and thyme, has become popular in recent years.

Wheat Flour/Maida

Semolina and all types of flour are used to make Noodles or pasta, but soft white wheat flour is also preferred. The Pasta are elastic and chewy when cooked if solid, high-protein flour is used. Maida is a white flour made of wheat from the Indian subcontinent. Finely milled, polished and bleached without any bran, it closely resembles cake flour. Maida is commonly used to make fast foods- noodles, pasta, baked goods such as pastries, bread, sweets of different varieties, and traditional flatbreads.

Starch

Pastas are made from different legume starches such as large bean, pea, cowpea, bean, and various tuber or root starches such as potato, sweet potato, cassava, and a number of grain starches such as maize, wheat, sorghum, are made from coarse grain starches.

Salt

In pasta, sodium chloride is a significant component. In Asian pasta, the addition of sodium chloride at 2-3% level could improve noodle texture by strengthening and tightening the gluten network to increase viscoelasticity

Oil

Olive oil adds fat and taste, making it more supple and easier to roll out the dough. The texture of the pasta dough can be corrected with a little added water, rendering the dry dough smoother.

S.N.	Particulars	Rate (Approx.)
1	Wheat Flour	Rs 20-22/Kg
2	Semolina(Suji Flour)	Rs 18-20/Kg
3	Starch Powder	Rs 40-50/Kg
4	Salt	Rs 10-12/Kg
5	Vegetable Oil	Rs 70-80/Ltr

Average raw material cost per 1 kg packet of Pasta: Rs. 18-25

3. PROCESS FLOW CHART

Kneading and Mixing:

The first step is the process of wheat flour Semolina and water being mixed into the mixing machine. Here, the dough is kneaded with water and is then filled with tissue producing elastic properties of the flour at a temperature of 20 to 30 Celsius.

Extrusion

Once the wheat flour, semolina with water, has been uniformly mixed, a stiff dough has formed that pass through die under high pressure. A wide variety of pasta can be produced by adjusting the shape of the die. During extrusion, a constant movement of screws that causes pressure and friction against the wall of the chamber raises the temperature inside the extrusion chamber. They maintain the chamber temperature within 50°C the water of 20—the temperature is being circulated in water jackets around the extrusion cylinder and head just to prevent damage to the

gluten network, and to achieve good cooking in the finished product. Immediately after coming from die a blast of hot air is allowed to pass through to minimize strands sticking together before entering the pre-dryer.

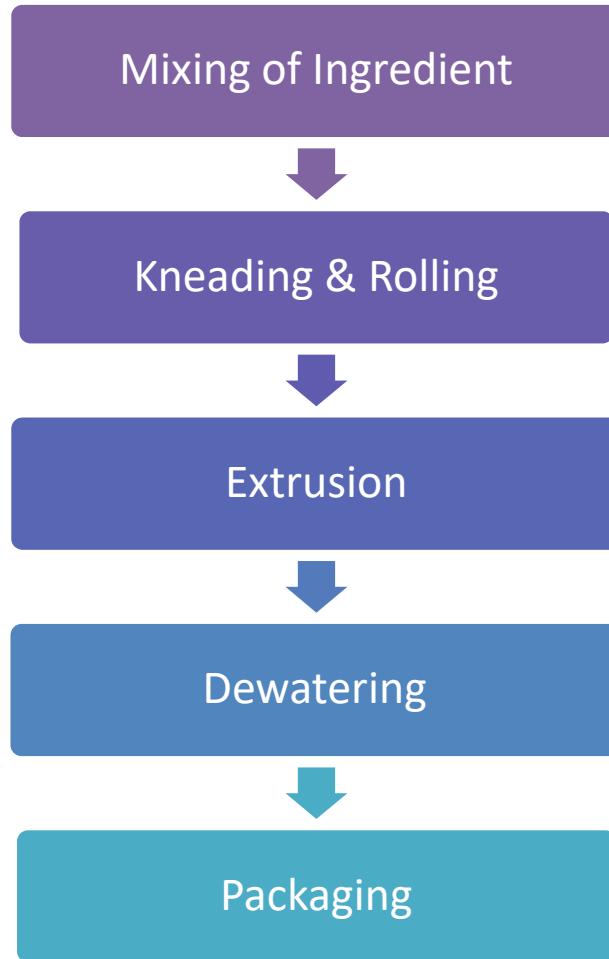
Drying

The drying time will be important because when the pasta is too dried, it will break down and the risk of spoilage will rise if it is dried too slowly. The amount of oxygen is often regulated in the tank and laboratory technicians also test salmonella and other bacteria.

During the drying process, it is also important to treat the pasta carefully. Spaghetti is one of the most delicate Pasta and hangs well above the ground.

Packaging

Fresh pasta is folded into transparent plastic containers in pre-measured quantities. As the containers pass along a transport belt, each container is covered by a plastic sheet and hot-pressed. At the same time, a tube sucks the container's air and replaces it for the shelf-life of the product with a combination of carbon dioxide and nitrogen. At the top of the containers are labels that list the type of Pasta, nutritional details, cooking instructions, and date of expiration.



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Pasta is 50 kg per hr. First year, Capacity has been taken @ 70%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 15 days and Finished goods Closing Stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 15 days.

5. Credit period by the Sundry Creditors has been provided for 7 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 8 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.

4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

<u>COMPUTATION OF PRODUCTION OF PASTA</u>		
Items to be Manufactured		
Pasta		
Machine capacity Per hour	50	Kg
Total working Hours	8	
Machine capacity Per Day	400	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	2%	
Raw material requirement	120000	Kg
Final Output per annum after wastage	117600	Kg
Final Product to be packed in 1 kg packet		
Number of packets per annum	117600	1 Kg Packet

Production of Pasta		
Production	Capacity	KG
1st year	70%	82,320
2nd year	75%	88,200
3rd year	80%	94,080
4th year	85%	99,960
5th year	90%	1,05,840







Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	70%	18.00	15.12
2nd year	75%	19.00	17.10
3rd year	80%	20.00	19.20
4th year	85%	21.00	21.42
5th year	90%	22.00	23.76

COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	4,116	4,410	4,704	4,998
Production	82,320	88,200	94,080	99,960	1,05,840
Less : Closing Stock	4,116	4,410	4,704	4,998	5,292
Net Sale	78,204	87,906	93,786	99,666	1,05,546
Sale price per packet	50.00	53.00	56.00	59.00	62.00
Sales (in Lacs)	39.10	46.59	52.52	58.80	65.44

4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete factory setup is 2000-2500 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

4.4. MACHINERY & EQUIPMENTS

Machine Name	Description	Machine Image.
Vertical type powder mixer	This machine is used for mixing the ingredients required to make Pasta.	
Dough mixer blade type	With a rotating bowl in a Spiral mixer the spinning motion imitates hand kneading and rolling motions and gently mixes Pasta dough.	
Extruder	An extruder for pasta is a machine to make various types of pasta by squeezing pasta dough through dies. By modifying the pasta die, various pasta types are obtained.	
Dryer machine	The Dryer machine is used for remove the excels water from the steamed Pasta.	
Pasta packaging machine	Used for packaging the Pasta for marketing in various packages. It is also a type of Flow Wrap Machine that packs the raw Pasta inside the pouch.	
Material handling Equipments	These Equipments are used for material handling.	

Machine	Unit	Rate	Price
Vertical type powder mixer	1	25000	25000
Dough mixer blade type (50 Kg/hr)	1	33000	33000
Extruder	1	450000	450000
Dryer machine	1	300000	300000
Pasta Packaging machine	1	180000	180000
Material handling equipments	-	150000	150000

Note: Approx. Total Machinery cost shall be Rs 11.38 lakh including equipment's but excluding GST and Transportation Cost.

4.5. MISCELLANEOUS FIXED ASSETS

- Water Supply Arrangements
- Furniture & Fixtures
- Computers & Printers

4.6. TOTAL COST OF PROJECT

COST OF PROJECT	
	(in Lacs)
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	11.38
Miscellaneous Assets	1.00
Working capital	3.89
Total	16.27

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	1.63
Subsidy @35%(Max. Rs 10 Lac)	4.33
Term Loan @ 55%	6.81
Working Capital (Bank Finance)	3.50
Total	16.27

4.8. TERM LOAN: Term loan of Rs. 6.81 Lakh is required for project cost of Rs. 16.27 Lakh

4.9. TERM LOAN REPAYMENT & INTEREST SCHEDULE

REPAYMENT SCHEDULE OF TERM LOAN								
							Interest	11.00%
Year	Particulars	Amount	Addition	Total	Interest	Repayment	Closing Balance	
1st	Opening Balance							
	1st month	-	6.81	6.81	-	-	6.81	
	2nd month	6.81	-	6.81	0.06	-	6.81	
	3rd month	6.81	-	6.81	0.06	-	6.81	
	4th month	6.81	-	6.81	0.06	-	6.81	
	5th month	6.81	-	6.81	0.06	-	6.81	

PM FME- Detailed Project Report of Pasta Making Unit

6th month	6.81	-	6.81	0.06		6.81
7th month	6.81	-	6.81	0.06	0.13	6.68
8th month	6.68	-	6.68	0.06	0.13	6.56
9th month	6.56	-	6.56	0.06	0.13	6.43
10th month	6.43	-	6.43	0.06	0.13	6.30
11th month	6.30	-	6.30	0.06	0.13	6.18
12th month	6.18	-	6.18	0.06	0.13	6.05
				0.67	0.76	
2nd	Opening Balance					
1st month	6.05	-	6.05	0.06	0.13	5.93
2nd month	5.93	-	5.93	0.05	0.13	5.80
3rd month	5.80	-	5.80	0.05	0.13	5.67
4th month	5.67	-	5.67	0.05	0.13	5.55
5th month	5.55	-	5.55	0.05	0.13	5.42
6th month	5.42	-	5.42	0.05	0.13	5.30
7th month	5.30	-	5.30	0.05	0.13	5.17
8th month	5.17	-	5.17	0.05	0.13	5.04
9th month	5.04	-	5.04	0.05	0.13	4.92
10th month	4.92	-	4.92	0.05	0.13	4.79
11th month	4.79	-	4.79	0.04	0.13	4.67
12th month	4.67	-	4.67	0.04	0.13	4.54
				0.59	1.51	
3rd	Opening Balance					
1st month	4.54	-	4.54	0.04	0.13	4.41
2nd month	4.41	-		0.04	0.13	4.29

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				4.41			
3rd month	4.29	-	4.29	0.04	0.13	4.16	
4th month	4.16	-	4.16	0.04	0.13	4.03	
5th month	4.03	-	4.03	0.04	0.13	3.91	
6th month	3.91	-	3.91	0.04	0.13	3.78	
7th month	3.78	-	3.78	0.03	0.13	3.66	
8th month	3.66	-	3.66	0.03	0.13	3.53	
9th month	3.53	-	3.53	0.03	0.13	3.40	
10th month	3.40	-	3.40	0.03	0.13	3.28	
11th month	3.28	-	3.28	0.03	0.13	3.15	
12th month	3.15	-	3.15	0.03	0.13	3.03	
				0.42	1.51		
4th	Opening Balance						
1st month	3.03	-	3.03	0.03	0.13	2.90	
2nd month	2.90	-	2.90	0.03	0.13	2.77	
3rd month	2.77	-	2.77	0.03	0.13	2.65	
4th month	2.65	-	2.65	0.02	0.13	2.52	
5th month	2.52	-	2.52	0.02	0.13	2.40	
6th month	2.40	-	2.40	0.02	0.13	2.27	
7th month	2.27	-	2.27	0.02	0.13	2.14	
8th month	2.14	-	2.14	0.02	0.13	2.02	
9th month	2.02	-	2.02	0.02	0.13	1.89	
10th month	1.89	-	1.89	0.02	0.13	1.77	
11th month	1.77	-	1.77	0.02	0.13	1.64	
12th month	1.64	-		0.02	0.13	1.51	

				1.64			
				0.26		1.51	
5th	Opening Balance						
	1st month	1.51	-	1.51	0.01	0.13	1.39
	2nd month	1.39	-	1.39	0.01	0.13	1.26
	3rd month	1.26	-	1.26	0.01	0.13	1.13
	4th month	1.13	-	1.13	0.01	0.13	1.01
	5th month	1.01	-	1.01	0.01	0.13	0.88
	6th month	0.88	-	0.88	0.01	0.13	0.76
	7th month	0.76	-	0.76	0.01	0.13	0.63
	8th month	0.63	-	0.63	0.01	0.13	0.50
	9th month	0.50	-	0.50	0.00	0.13	0.38
	10th month	0.38	-	0.38	0.00	0.13	0.25
	11th month	0.25	-	0.25	0.00	0.13	0.13
	12th month	0.13	-	0.13	0.00	0.13	-
				0.09		1.51	
	DOOR TO DOOR MORATORIUM PERIOD	60	MONTHS				
	REPAYMENT PERIOD	6	MONTHS				
		54	MONTHS				

4.10. WORKING CAPITAL CALCULATIONS

COMPUTATION OF CLOSING STOCK & WORKING CAPITAL					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Finished Goods</u>					
	1.53	1.72	1.90	2.10	2.31
<u>Raw Material</u>					
	0.76	0.86	0.96	1.07	1.19
Closing Stock	2.28	2.57	2.86	3.17	3.50

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	2.28				
Less : Creditors	0.35				
Paid stock	1.93	10%	0.19	90%	1.74
Sundry Debtors	1.96	10%	0.20	90%	1.76
	3.88		0.39		3.50
MPBF					3.50
WORKING CAPITAL LIMIT DEMAND (from Bank)					3.50
Working Capital Margin					0.39

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages Rs. per Month	No of Employees	Total Salary
Machine Operator	15,000	1	15,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	8,500	2	17,000
Total salary per month			76,000
Total annual labour charges	(in lacs)		9.12

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Administrative Staff	6,000	2	12,000
Manager	15,000	1	15,000
Accountant	12,000	1	12,000
Total salary per month			39,000
Total annual Staff charges	(in lacs)		4.68

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	8 KWH	
consumption per day	64 units	
Consumption per month	1,600 units	
Rate per Unit	10 Rs.	
power Bill per month	16,000 Rs.	

4.13. DEPRECIATION CALCULATION

COMPUTATION OF DEPRECIATION			(in Lacs)
Description	Plant & Machinery	Miss. Assets	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	11.38	1.00	12.38
Total	11.38	1.00	12.38
Less : Depreciation	1.71	0.10	1.81
WDV at end of Year	9.67	0.90	10.57
Additions During The Year	-	-	-
Total	9.67	0.90	10.57
Less : Depreciation	1.45	0.09	1.54
WDV at end of Year	8.22	0.81	9.03
Additions During The Year	-	-	-
Total	8.22	0.81	9.03
Less : Depreciation	1.23	0.08	1.31
WDV at end of Year	6.99	0.73	7.72
Additions During The Year	-	-	-
Total	6.99	0.73	7.72
Less : Depreciation	1.05	0.07	1.12
WDV at end of Year	5.94	0.66	6.60
Additions During The Year	-	-	-
Total	5.94	0.66	6.60
Less : Depreciation	0.89	0.07	0.96
WDV at end of Year	5.05	0.59	5.64

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 3.0% of Gross Sale.

4.15. PROJECTIONS OF PROFITABILITY ANALYSIS

<u>PROJECTED PROFITABILITY STATEMENT</u>						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
Capacity Utilisation %	70%	75%	80%	85%	90%	
<u>SALES</u>						
Gross Sale						
Pasta	39.10	46.59	52.52	58.80	65.44	
Total	39.10	46.59	52.52	58.80	65.44	
<u>COST OF SALES</u>						
Raw Material Consumed	15.12	17.10	19.20	21.42	23.76	
Electricity Expenses	1.92	2.21	2.54	2.92	3.21	
Depreciation	1.81	1.54	1.31	1.12	0.96	
Wages & labour	9.12	10.49	11.54	12.69	13.96	
Repair & maintenance	1.17	1.40	1.58	1.76	1.96	
Packaging	1.37	1.63	1.84	2.06	2.29	
Cost of Production	30.51	34.37	38.00	41.97	46.14	
Add: Opening Stock /WIP	-	1.53	1.72	1.90	2.10	
Less: Closing Stock /WIP	1.53	1.72	1.90	2.10	2.31	
Cost of Sales	28.98	34.17	37.82	41.78	45.93	
GROSS PROFIT	10.12	12.42	14.70	17.03	19.51	
	25.88%	26.65%	27.99%	28.96%	29.81%	
Salary to Staff	4.68	5.62	6.63	7.42	8.16	
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09	
Interest on working Capital	0.39	0.39	0.39	0.39	0.39	
Rent	2.40	2.64	2.90	3.19	3.51	
selling & adm exp	0.78	1.02	1.05	1.18	1.31	
TOTAL	8.92	10.26	11.39	12.43	13.46	
NET PROFIT	1.20	2.16	3.31	4.59	6.04	
	3.08%	4.64%	6.30%	7.81%	9.23%	
Taxation	-	-	-	-	0.33	
PROFIT (After Tax)	1.20	2.16	3.31	4.59	5.71	

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	39.10	46.59	52.52	58.80	65.44
Less : Op. WIP Goods	-	1.53	1.72	1.90	2.10
Add : Cl. WIP Goods	1.53	1.72	1.90	2.10	2.31
Total Sales	40.63	46.78	52.70	59.00	65.65
Variable & Semi Variable Exp.					
Raw Material Consumed	15.12	17.10	19.20	21.42	23.76
Electricity Exp/Coal Consumption at 85%	1.63	1.88	2.16	2.48	2.73
Wages & Salary at 60%	8.28	9.66	10.90	12.07	13.27
Selling & administrative Expenses 80%	0.63	0.82	0.84	0.94	1.05
Interest on working Capital	0.385	0.385	0.385	0.385	0.385
Repair & maintenance	1.17	1.40	1.58	1.76	1.96
Packaging	1.37	1.63	1.84	2.06	2.29
Total Variable & Semi Variable Exp	28.58	32.87	36.90	41.12	45.45
Contribution	12.04	13.91	15.81	17.88	20.20
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.29	0.33	0.38	0.44	0.48
Wages & Salary at 40%	5.52	6.44	7.27	8.05	8.85
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
Depreciation	1.81	1.54	1.31	1.12	0.96
Selling & administrative Expenses 20%	0.16	0.20	0.21	0.24	0.26
Rent	2.40	2.64	2.90	3.19	3.51
Total Fixed Expenses	10.84	11.75	12.50	13.29	14.15
Capacity Utilization	70%	75%	80%	85%	90%
OPERATING PROFIT	1.20	2.16	3.31	4.59	6.04
BREAK EVEN POINT	63%	63%	63%	63%	63%
BREAK EVEN SALES	36.57	39.51	41.67	43.85	46.00

4.17. PROJECTED BALANCE SHEET

<u>PROJECTED BALANCE SHEET</u>						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>Liabilities</u>						
Capital						
opening balance		5.76	6.32	7.13	8.23	
Add:- Own Capital	1.63					
Add:- Retained Profit	1.20	2.16	3.31	4.59	5.71	
Less:- Drawings	1.40	1.60	2.50	3.50	4.50	
Subsidy/grant	4.33					
Closing Balance	5.76	6.32	7.13	8.23	9.44	
Term Loan	6.05	4.54	3.03	1.51	-	
Working Capital Limit	3.50	3.50	3.50	3.50	3.50	
Sundry Creditors	0.35	0.40	0.45	0.50	0.55	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
TOTAL :	16.07	15.26	14.71	14.46	14.35	
<u>Assets</u>						
Fixed Assets (Gross)	12.38	12.38	12.38	12.38	12.38	
Gross Dep.	1.81	3.35	4.66	5.78	6.74	
Net Fixed Assets	10.57	9.03	7.72	6.60	5.64	
Current Assets						
Sundry Debtors	1.96	2.33	2.63	2.94	3.27	
Stock in Hand	2.28	2.57	2.86	3.17	3.50	
Cash and Bank	1.26	1.33	1.50	1.75	1.95	
TOTAL :	16.07	15.26	14.71	14.46	14.35	

4.18. CASH FLOW STATEMENT

PROJECTED CASH FLOW STATEMENT						(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year	
<u>SOURCES OF FUND</u>						
Own Margin	1.63					
Net Profit	1.20	2.16	3.31	4.59	6.04	
Depriciation & Exp. W/off	1.81	1.54	1.31	1.12	0.96	
Increase in Cash Credit	3.50	-	-	-	-	
Increase In Term Loan	6.81	-	-	-	-	
Increase in Creditors	0.35	0.05	0.05	0.05	0.05	
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14	
Sunsidy/grant	4.33					
TOTAL :	20.03	3.85	4.77	5.89	7.20	
<u>APPLICATION OF FUND</u>						
Increase in Fixed Assets	12.38					
Increase in Stock	2.28	0.29	0.29	0.31	0.33	
Increase in Debtors	1.96	0.37	0.30	0.31	0.33	
Repayment of Term Loan	0.76	1.51	1.51	1.51	1.51	
Drawings	1.40	1.60	2.50	3.50	4.50	
Taxation	-	-	-	-	0.33	
TOTAL :	18.77	3.78	4.60	5.64	7.00	
Opening Cash & Bank Balance	-	1.26	1.33	1.50	1.75	
Add : Surplus	1.26	0.07	0.18	0.25	0.19	
Closing Cash & Bank Balance	1.26	1.33	1.50	1.75	1.95	

4.19. DEBT SERVICE COVERAGE RATIO

<u>CALCULATION OF D.S.C.R</u>					
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
CASH ACCRUALS	3.01	3.70	4.62	5.71	6.67
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
Total	3.68	4.29	5.05	5.97	6.76
<u>REPAYMENT</u>					
Instalment of Term Loan	0.76	1.51	1.51	1.51	1.51
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
Total	1.43	2.10	1.94	1.77	1.60
DEBT SERVICE COVERAGE RATIO	2.58	2.04	2.61	3.37	4.21
AVERAGE D.S.C.R.	2.96				