



## **DETAILED PROJECT REPORT**

### **NAMKEEN BUSINESS**

### **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	:	Namkeen Business
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	159600 Kg/annum(55,60,65,70,&75% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw materials	:	Besan, Oil, Spices, Dal, Peanuts, Potato
5. Major product outputs	:	Namkeen
6. Total project cost	:	Rs.17.90 Lakh
<ul style="list-style-type: none"> <li>• Land development, building &amp; Civil Construction</li> </ul>	:	Nil
<ul style="list-style-type: none"> <li>• Machinery and equipment's</li> </ul>	:	Rs.9.99 Lakh
<ul style="list-style-type: none"> <li>• Miscellaneous Fixed Assets</li> </ul>	:	Rs.1.80 Lakh
<ul style="list-style-type: none"> <li>• Working capital</li> </ul>	:	Rs.6.11 Lakh
8. Means of Finance		
<ul style="list-style-type: none"> <li>• Subsidy (max 10lakhs)</li> </ul>	:	Rs.4.13 Lakh
<ul style="list-style-type: none"> <li>• Promoter's contribution (min10%)</li> </ul>	:	Rs.1.78 Lakh
<ul style="list-style-type: none"> <li>• Term loan</li> </ul>	:	Rs.6.48 Lakh
<ul style="list-style-type: none"> <li>• Working Capital Requirement</li> </ul>	:	Rs.5.50 Lakh
9. Profit after Depreciation, Interest & Tax		
<ul style="list-style-type: none"> <li>• 1<sup>st</sup>year</li> </ul>	:	Rs.1.06 Lakh
<ul style="list-style-type: none"> <li>• 2<sup>nd</sup>year</li> </ul>	:	Rs.1.92 Lakh
<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> year</li> </ul>	:	Rs.3.14 Lakh
<ul style="list-style-type: none"> <li>• 4<sup>th</sup> year</li> </ul>	:	Rs.4.34 Lakh
<ul style="list-style-type: none"> <li>• 5th year</li> </ul>	:	Rs.5.96 Lakh
11. Average DSCR	:	2.98
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

### **2.1. PRODUCT INTRODUCTION:**

Namkeen is the Hindi word used to describe a savory flavor. The word namkeen is derived from the word Namak (meaning salt). Namkeen is also used as a generic term to describe savory snack foods. Both black and regular white salt are used in Indian cooking, which gives it the salty flavor many people like. Other namkeen snacks common in Indian cuisine include khaara, farsan, chivda, sav, chips and bhujiya. Namkeen of Indore and Ratlam are two snacks that are very well known for their tastes.

Namkeen foods are typically designed to be portable, quick, and satisfying. Processed snack foods, as one form of convenience food, are designed to be less perishable, more durable, and more portable than prepared foods. They often contain substantial amounts of sweeteners, preservatives, and appealing ingredients such as chocolate, peanuts, and specially-designed flavors.

### **2.2 MARKET POTENTIAL:**

India traditional snacks market has shown tremendous growth in the past couple of years. The market is forecasted to grow with a CAGR of more than 7% in near future. Increasing consumer's awareness towards healthy and packaged traditional snacks has created a huge demand for Namkeen in past couple of years.

Namkeen is the dominant segment, followed by the Extruded Snacks. The market is also segmented into organized and unorganized sector of which unorganized is the dominant market.

The India Snacks Market will be more than INR 1 Billion by the end of 2024. At present Unorganized market is dominating the India snacks market. But this scenario is expected to change during the forecast period of 2020-2024. India Snacks Market is growing due to following factors Lifestyle Changes, Rising Urbanization, Growing Middle Class Population, Local Availability and Availability of Snacks in Small Package Size, Low Price and Company's Strategies to focus on regional taste

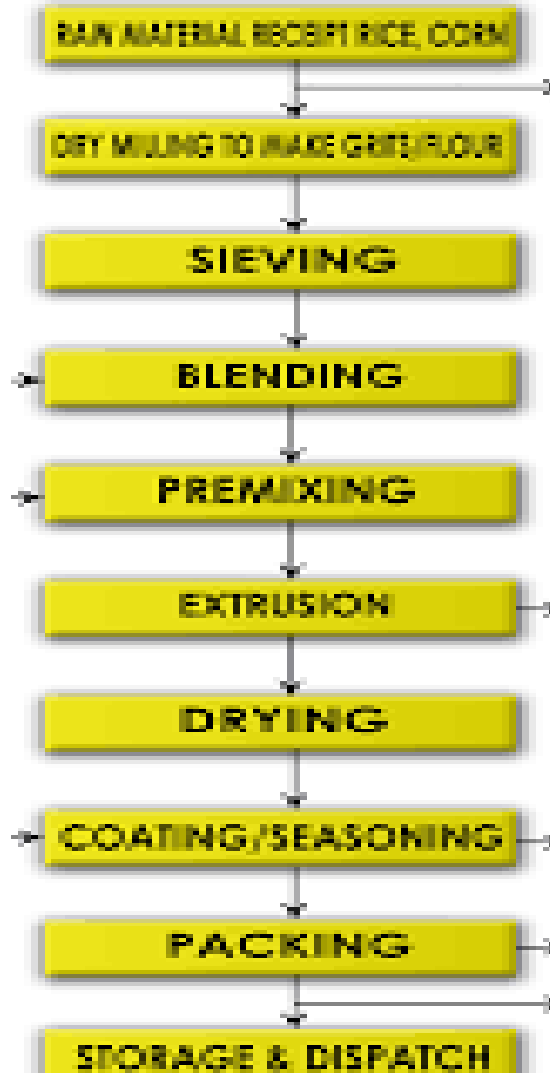
### **2.3 RAW MATERIAL DESCRIPTION:**

Key ingredients for this product are:

- Besan
- Oil
- Spices
- Dal
- Peanut
- Potato

### **3. PROCESS FLOW CHART**

- Procurement of raw material.
- Preparation of dough with the help of dough mixer.
- Then with the help of Bhujia machine extruder convert the dough into the shape of required namkeen.
- After that take it into the frying section.
- Drying of namkeen
- After frying, mix all the other ingredients like: peanut, spices etc. as per the different taste of the namkeen.
- Seasoning of namkeen with the help of seasoning machine.
- Packaging of goods.
- Transportation



## **4. ECONOMICS OF THE PROJECT**

### **4.1. BASIS & PRESUMPTIONS**

1. Production Capacity taken of Namkeen is 560 Kgs per day. First year, Capacity has been taken @ 55%.
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 10 days.
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 8 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 10 KW.
10. Selling Prices & Raw material costing has been increased by 5% & 5% respectively in the subsequent years.



## 4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

### COMPUTATION OF PRODUCTION OF NAMKEEN

#### Items to be Manufactured

Namkeen

Machine capacity Per hour	70	Kg
Total working Hours	8	
Machine capacity Per Day	560	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	168000	Kg
Final Output per annum after wastage	159600	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	159600	Kg

Production of Namkeen		
Production	Capacity	KG
1st year	55%	87,780
2nd year	60%	95,760
3rd year	65%	1,03,740
4th year	70%	1,11,720
5th year	75%	1,19,700

<b>Raw Material Cost</b>			
<b>Year</b>	<b>Capacity Utilisation</b>	<b>Rate (per Kg)</b>	<b>Amount (Rs. in lacs)</b>
1st year	55%	62.00	57.29
2nd year	60%	65.00	65.52
3rd year	65%	68.00	74.26
4th year	70%	71.00	83.50
5th year	75%	75.00	94.50





<b><u>COMPUTATION OF SALE</u></b>					
<b>Particulars</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Op Stock	-	2,926	3,192	3,458	3,724
Production	87,780	95,760	1,03,740	1,11,720	1,19,700
Less: Closing Stock	2,926	3,192	3,458	3,724	3,990
<b>Net Sale</b>	<b>84,854</b>	<b>95,494</b>	<b>1,03,474</b>	<b>1,11,454</b>	<b>1,19,434</b>
sale price per packet	95.00	100.00	105.00	110.00	116.00
<b>Sales (in Lacs)</b>	<b>80.61</b>	<b>95.49</b>	<b>108.65</b>	<b>122.60</b>	<b>138.54</b>

### 4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete factory setup is 1200-1500 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

### 4.4. MACHINERY & EQUIPMENTS

Machine	Description	Image
Dough Mixer	Used for quickly mixing batches of dough or batter.	

<p>Bhujia extruder Machine</p>	<p>This machine is useful for extruding sev, papdi, ganthia etc. The machine is fitted over frying pan.</p>	
<p>Rectangular batch tilting fryer with diesel Burner</p>	<p>Used for processing various types of namkeen</p>	
<p>Seasoning drum</p>	<p>Seasoning machine can be used to season and mix all kinds of Namkeen. It can mix and season food evenly and then discharge them automatically.</p>	
<p>Packaging Machine</p>	<p>For packaging of namkeen into different size and types of packets.</p>	

<b>Machine</b>	<b>Unit</b>	<b>Rate</b>	<b>Price</b>
Dough Mixer (35 Kg)	2	14,500	29,000
Bhujia extruder Machine (300 kg/hr)	1	80,000	80,000
Rectangular batch tilting fryer with diesel Burner (300 kg/hr)	1	3,80,000	3,80,000
Seasoning drum (200-250 kg/hr)	1	2,50,000	2,50,000
Packaging Machine (30 pouches per minute)	1	2,60,000	2,60,000

Note: Cost of the machinery is approx. Rs.9.99 Lakhs excluding GST and other transportation cost.

#### **4.5. MISCELLANEOUS FIXED ASSETS**

- Electricity connection
- Other equipment's & fixture
- Storage Tank, Collection Tank, etc.

**4.6. TOTAL COST OF PROJECT**

<b>COST OF PROJECT</b>	
	(in Lacs)
<b>PARTICULARS</b>	<b>Amount</b>
Land & Building	Owned/Rented
Plant & Machinery	9.99
Miscellaneous Assets	1.80
Working capital	6.11
<b>Total</b>	<b>17.90</b>

**4.7. MEANS OF FINANCE**

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	1.78
Subsidy @35%(Max. Rs 10 Lac)	4.13
Term Loan @ 55%	6.48
Working Capital (Bank Finance)	5.50
<b>Total</b>	<b>17.90</b>

**4.8. TERM LOAN:** Term loan of Rs.6.48 Lakh is required for project cost of Rs.17.90 Lakh.

**4.9. TERM LOAN REPAYMENT & INTEREST SCHEDULE**

<b>REPAYMENT SCHEDULE OF TERM LOAN</b>								
							Interest	11.00%
<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>Closing Balance</b>	
<b>1st</b>	Opening Balance							
	1st month	-	6.48	6.48	-	-	6.48	
	2nd month	6.48	-	6.48	0.06	-	6.48	
	3rd month	6.48	-	6.48	0.06	-	6.48	
	4th month	6.48	-	6.48	0.06	-	6.48	
	5th month	6.48	-	6.48	0.06	-	6.48	
	6th month	6.48	-	6.48	0.06	-	6.48	
	7th month	6.48	-	6.48	0.06	0.12	6.36	
	8th month	6.36	-	6.36	0.06	0.12	6.24	
	9th month	6.24	-	6.24	0.06	0.12	6.12	
	10th month	6.12	-	6.12	0.06	0.12	6.00	
	11th month	6.00	-	6.00	0.06	0.12	5.88	
	12th month	5.88	-	5.88	0.05	0.12	5.76	
					0.64	0.72		
<b>2nd</b>	Opening Balance							
	1st month	5.76	-	5.76	0.05	0.12	5.64	
	2nd month	5.64	-	5.64	0.05	0.12	5.52	
	3rd month	5.52	-	5.52	0.05	0.12	5.40	
	4th month	5.40	-	5.40	0.05	0.12	5.28	
	5th month	5.28	-	5.28	0.05	0.12	5.16	

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6th month	5.16	-	5.16	0.05	0.12	5.04
7th month	5.04	-	5.04	0.05	0.12	4.92
8th month	4.92	-	4.92	0.05	0.12	4.80
9th month	4.80	-	4.80	0.04	0.12	4.68
10th month	4.68	-	4.68	0.04	0.12	4.56
11th month	4.56	-	4.56	0.04	0.12	4.44
12th month	4.44	-	4.44	0.04	0.12	4.32
				<b>0.56</b>	<b>1.44</b>	
<b>3rd</b>	Opening Balance					
1st month	4.32	-	4.32	0.04	0.12	4.20
2nd month	4.20	-	4.20	0.04	0.12	4.08
3rd month	4.08	-	4.08	0.04	0.12	3.96
4th month	3.96	-	3.96	0.04	0.12	3.84
5th month	3.84	-	3.84	0.04	0.12	3.72
6th month	3.72	-	3.72	0.03	0.12	3.60
7th month	3.60	-	3.60	0.03	0.12	3.48
8th month	3.48	-	3.48	0.03	0.12	3.36
9th month	3.36	-	3.36	0.03	0.12	3.24
10th month	3.24	-	3.24	0.03	0.12	3.12
11th month	3.12	-	3.12	0.03	0.12	3.00
12th month	3.00	-	3.00	0.03	0.12	2.88
				<b>0.40</b>	<b>1.44</b>	
<b>4th</b>	Opening Balance					
1st month	2.88	-	2.88	0.03	0.12	2.76
2nd month	2.76	-	2.76	0.03	0.12	2.64



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3rd month	2.64	-	2.64	0.02	0.12	2.52
4th month	2.52	-	2.52	0.02	0.12	2.40
5th month	2.40	-	2.40	0.02	0.12	2.28
6th month	2.28	-	2.28	0.02	0.12	2.16
7th month	2.16	-	2.16	0.02	0.12	2.04
8th month	2.04	-	2.04	0.02	0.12	1.92
9th month	1.92	-	1.92	0.02	0.12	1.80
10th month	1.80	-	1.80	0.02	0.12	1.68
11th month	1.68	-	1.68	0.02	0.12	1.56
12th month	1.56	-	1.56	0.01	0.12	1.44
				<b>0.24</b>	<b>1.44</b>	
<b>5th</b>	<b>Opening Balance</b>					
1st month	1.44	-	1.44	0.01	0.12	1.32
2nd month	1.32	-	1.32	0.01	0.12	1.20
3rd month	1.20	-	1.20	0.01	0.12	1.08
4th month	1.08	-	1.08	0.01	0.12	0.96
5th month	0.96	-	0.96	0.01	0.12	0.84
6th month	0.84	-	0.84	0.01	0.12	0.72
7th month	0.72	-	0.72	0.01	0.12	0.60
8th month	0.60	-	0.60	0.01	0.12	0.48
9th month	0.48	-	0.48	0.00	0.12	0.36
10th month	0.36	-	0.36	0.00	0.12	0.24
11th month	0.24	-	0.24	0.00	0.12	0.12
12th month	0.12	-	0.12	0.00	0.12	-
				<b>0.09</b>	<b>1.44</b>	

DOOR TO DOOR MORATORIUM PERIOD	60	MONTHS
REPAYMENT PERIOD	6	MONTHS
	54	MONTHS

#### 4.10. WORKING CAPITAL CALCULATIONS

<b>COMPUTATION OF CLOSING STOCK &amp; WORKING CAPITAL</b>					(in Lacs)
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b>Finished Goods</b>					
	2.42	2.77	3.14	3.52	3.91
<b>Raw Material</b>					
	2.86	3.28	3.71	4.17	4.73
<b>Closing Stock</b>	<b>5.28</b>	<b>6.05</b>	<b>6.86</b>	<b>7.69</b>	<b>8.64</b>

<b>COMPUTATION OF WORKING CAPITAL REQUIREMENT</b>					
<b>TRADITIONAL METHOD</b>				(in Lacs)	
<b>Particulars</b>	<b>Amount</b>	<b>Own Margin</b>		<b>Bank Finance</b>	
Finished Goods & Raw Material	5.28				
Less : Creditors	1.53				
<b>Paid stock</b>	<b>3.75</b>	<b>10%</b>	<b>0.38</b>	<b>90%</b>	<b>3.38</b>
<b>Sundry Debtors</b>	<b>2.69</b>	<b>10%</b>	<b>0.27</b>	<b>90%</b>	<b>2.42</b>
	<b>6.44</b>		<b>0.64</b>		<b>5.80</b>
<b>MPBF</b>					<b>5.80</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>5.50</b>
<b>Working Capital Margin</b>					<b>0.61</b>

**4.11. SALARY & WAGES**

<b><u>BREAK UP OF LABOUR CHARGES</u></b>			
<b>Particulars</b>	<b>Wages Rs. per Month</b>	<b>No of Employees</b>	<b>Total Salary</b>
Skilled (in thousand rupees)	14,000	2	28,000
Unskilled (in thousand rupees)	8,500	1	8,500
<b>Total salary per month</b>			<b>36,500</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>4.38</b>

<b><u>BREAK UP OF STAFF SALARY CHARGES</u></b>			
<b>Particulars</b>	<b>Salary Rs. per Month</b>	<b>No of Employees</b>	<b>Total Salary</b>
Helper	7,000	1	7,000
Accountant	18,000	1	18,000
<b>Total salary per month</b>			<b>25,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>3.00</b>

**4.12 POWER REQUIREMENT**

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required	10	KWH
consumption per day	80	units
Consumption per month	2,000	units
Rate per Unit	10	Rs.
power Bill per month	20,000	Rs.

**4.13. DEPRECIATION CALCULATION**

<b>COMPUTATION OF DEPRECIATION</b>			(in Lacs)
<b>Description</b>	<b>Plant &amp; Machinery</b>	<b>Miss. Assets</b>	<b>TOTAL</b>
Rate of Depreciation	<b>15.00%</b>	<b>10.00%</b>	
<b>Opening Balance</b>	-	-	-
Addition	9.99	1.80	11.79
Total	9.99	1.80	11.79
Less : Depreciation	1.50	0.18	1.68
<b>WDV at end of Year</b>	<b>8.49</b>	<b>1.62</b>	<b>10.11</b>
Additions During The Year	-	-	-
Total	8.49	1.62	10.11
Less : Depreciation	1.27	0.16	1.44
<b>WDV at end of Year</b>	<b>7.22</b>	<b>1.46</b>	<b>8.68</b>
Additions During The Year	-	-	-
Total	7.22	1.46	8.68
Less : Depreciation	1.08	0.15	1.23
<b>WDV at end of Year</b>	<b>6.14</b>	<b>1.31</b>	<b>7.45</b>
Additions During The Year	-	-	-
Total	6.14	1.31	7.45
Less : Depreciation	0.92	0.13	1.05
<b>WDV at end of Year</b>	<b>5.21</b>	<b>1.18</b>	<b>6.40</b>
Additions During The Year	-	-	-
Total	5.21	1.18	6.40
Less : Depreciation	0.78	0.12	0.90
<b>WDV at end of Year</b>	<b>4.43</b>	<b>1.06</b>	<b>5.50</b>

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 2.5% of Gross Sale.

**4.15. PROJECTIONS OF PROFITABILITY ANALYSIS**

<b><u>PROJECTED PROFITABILITY STATEMENT</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Capacity Utilisation %	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Namkeen	80.61	95.49	108.65	122.60	138.54
<b>Total</b>	<b>80.61</b>	<b>95.49</b>	<b>108.65</b>	<b>122.60</b>	<b>138.54</b>
<b><u>COST OF SALES</u></b>					
Raw Material Consumed	57.29	65.52	74.26	83.50	94.50
Electricity Expenses	2.40	2.76	3.17	3.65	4.02
Depreciation	1.68	1.44	1.23	1.05	0.90
Wages & labour	4.38	4.82	5.30	5.72	6.18
Repair & maintenance	2.02	2.39	2.72	3.06	3.46
Packaging	4.76	6.21	7.61	8.58	8.31
<b>Cost of Production</b>	<b>72.52</b>	<b>83.13</b>	<b>94.28</b>	<b>105.57</b>	<b>117.37</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>2.42</b>	<b>2.77</b>	<b>3.14</b>	<b>3.52</b>
<b>Less: Closing Stock /WIP</b>	<b>2.42</b>	<b>2.77</b>	<b>3.14</b>	<b>3.52</b>	<b>3.91</b>
Cost of Sales	70.10	82.77	93.91	105.19	116.98
<b>GROSS PROFIT</b>	<b>10.51</b>	<b>12.72</b>	<b>14.74</b>	<b>17.41</b>	<b>21.56</b>
	<b>13.04%</b>	<b>13.32%</b>	<b>13.57%</b>	<b>14.20%</b>	<b>15.56%</b>
Salary to Staff	3.00	3.48	4.25	4.88	5.37
Interest on Term Loan	0.64	0.56	0.40	0.24	0.09
Interest on working Capital	0.61	0.61	0.61	0.61	0.61
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.61	2.20	1.96	2.45	3.88
<b>TOTAL</b>	<b>9.45</b>	<b>10.80</b>	<b>11.57</b>	<b>12.98</b>	<b>15.21</b>
<b>NET PROFIT</b>	<b>1.06</b>	<b>1.92</b>	<b>3.17</b>	<b>4.43</b>	<b>6.35</b>
	<b>1.31%</b>	<b>2.01%</b>	<b>2.92%</b>	<b>3.62%</b>	<b>4.58%</b>
Taxation	-	-	0.03	0.10	0.40
<b>PROFIT (After Tax)</b>	<b>1.06</b>	<b>1.92</b>	<b>3.14</b>	<b>4.34</b>	<b>5.96</b>

**4.16. BREAK EVEN POINT ANALYSIS**

<b>BREAK EVEN POINT ANALYSIS</b>					
<b>Year</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>
<b>Net Sales &amp; Other Income</b>	80.61	95.49	108.65	122.60	138.54
Less : Op. WIP Goods	-	2.42	2.77	3.14	3.52
Add : Cl. WIP Goods	2.42	2.77	3.14	3.52	3.91
<b>Total Sales</b>	<b>83.03</b>	<b>95.85</b>	<b>109.02</b>	<b>122.98</b>	<b>138.94</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	57.29	65.52	74.26	83.50	94.50
Electricity Exp/Coal Consumption at 85%	2.04	2.35	2.70	3.10	3.41
Wages & Salary at 60%	4.43	4.98	5.73	6.36	6.93
Selling & administrative Expenses 80%	1.29	1.76	1.56	1.96	3.10
Interest on working Capital	0.605	0.605	0.605	0.605	0.605
Repair & maintenance	2.02	2.39	2.72	3.06	3.46
Packaging	4.76	6.21	7.61	8.58	8.31
<b>Total Variable &amp; Semi Variable Exp</b>	<b>72.42</b>	<b>83.80</b>	<b>95.17</b>	<b>107.18</b>	<b>120.33</b>
<b>Contribution</b>	<b>10.61</b>	<b>12.05</b>	<b>13.85</b>	<b>15.80</b>	<b>18.61</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.36	0.41	0.48	0.55	0.60
Wages & Salary at 40%	2.95	3.32	3.82	4.24	4.62
Interest on Term Loan	0.64	0.56	0.40	0.24	0.09
Depreciation	1.68	1.44	1.23	1.05	0.90
Selling & administrative Expenses 20%	0.32	0.44	0.39	0.49	0.78
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>9.55</b>	<b>10.13</b>	<b>10.67</b>	<b>11.37</b>	<b>12.26</b>
<b>Capacity Utilization</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b>OPERATING PROFIT</b>	<b>1.06</b>	<b>1.92</b>	<b>3.17</b>	<b>4.43</b>	<b>6.35</b>
<b>BREAK EVEN POINT</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>49%</b>
<b>BREAK EVEN SALES</b>	<b>74.76</b>	<b>80.60</b>	<b>84.03</b>	<b>88.48</b>	<b>91.51</b>

**4.17. PROJECTED BALANCE SHEET**

<b><u>PROJECTED BALANCE SHEET</u></b>						<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>	
<b><u>Liabilities</u></b>						
Capital						
opening balance		6.96	8.38	10.02	12.36	
Add:- Own Capital	1.78					
Add:- Retained Profit	1.06	1.92	3.14	4.34	5.96	
Less:- Drawings	-	0.50	1.50	2.00	3.50	
Subsidy/grant	4.13					
Closing Balance	6.96	8.38	10.02	12.36	14.81	
Term Loan	5.76	4.32	2.88	1.44	-	
Working Capital Limit	5.50	5.50	5.50	5.50	5.50	
Sundry Creditors	1.53	1.75	1.98	2.23	2.52	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>20.15</b>	<b>20.45</b>	<b>20.98</b>	<b>22.24</b>	<b>23.70</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	11.79	11.79	11.79	11.79	11.79	
Gross Dep.	1.68	3.11	4.34	5.39	6.29	
<b>Net Fixed Assets</b>	<b>10.11</b>	<b>8.68</b>	<b>7.45</b>	<b>6.40</b>	<b>5.50</b>	
<b>Current Assets</b>						
Sundry Debtors	2.69	3.18	3.62	4.09	4.62	
Stock in Hand	5.28	6.05	6.86	7.69	8.64	
Cash and Bank	2.07	2.54	3.06	4.07	4.95	
<b>TOTAL :</b>	<b>20.15</b>	<b>20.45</b>	<b>20.98</b>	<b>22.24</b>	<b>23.70</b>	

**4.18. CASH FLOW STATEMENT**

<b><u>PROJECTED CASH FLOW STATEMENT</u></b>					<b>(in Lacs)</b>
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
<b><u>SOURCES OF FUND</u></b>					
Own Margin	1.78				
Net Profit	1.06	1.92	3.17	4.43	6.35
Depreciation & Exp. W/off	1.68	1.44	1.23	1.05	0.90
Increase in Cash Credit	5.50	-	-	-	-
Increase In Term Loan	6.48	-	-	-	-
Increase in Creditors	1.53	0.22	0.23	0.25	0.29
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	4.13				
<b>TOTAL :</b>	<b>22.55</b>	<b>3.67</b>	<b>4.74</b>	<b>5.85</b>	<b>7.69</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	11.79				
Increase in Stock	5.28	0.77	0.81	0.84	0.94
Increase in Debtors	2.69	0.50	0.44	0.47	0.53
Repayment of Term Loan	0.72	1.44	1.44	1.44	1.44
Drawings	-	0.50	1.50	2.00	3.50
Taxation	-	-	0.03	0.10	0.40
<b>TOTAL :</b>	<b>20.48</b>	<b>3.20</b>	<b>4.22</b>	<b>4.84</b>	<b>6.81</b>
Opening Cash & Bank Balance	-	2.07	2.54	3.06	4.07
Add : Surplus	2.07	0.47	0.51	1.01	0.88
Closing Cash & Bank Balance	<b>2.07</b>	<b>2.54</b>	<b>3.06</b>	<b>4.07</b>	<b>4.95</b>



**4.19. DEBT SERVICE COVERAGE RATIO**

<b><u>CALCULATION OF D.S.C.R</u></b>					
<b>PARTICULARS</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
CASH ACCRUALS	2.73	3.35	4.37	5.39	6.86
Interest on Term Loan	0.64	0.56	0.40	0.24	0.09
<b>Total</b>	<b>3.37</b>	<b>3.91</b>	<b>4.77</b>	<b>5.63</b>	<b>6.94</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	0.72	1.44	1.44	1.44	1.44
Interest on Term Loan	0.64	0.56	0.40	0.24	0.09
<b>Total</b>	<b>1.36</b>	<b>2.00</b>	<b>1.84</b>	<b>1.69</b>	<b>1.53</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.48</b>	<b>1.95</b>	<b>2.59</b>	<b>3.34</b>	<b>4.55</b>
<b>AVERAGE D.S.C.R.</b>	<b>2.98</b>				