



DETAILED PROJECT REPORT

CUMIN BISCUITS

UNDER PMFME SCHEME



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1. PROJECT SUMMARY

1. Name of the proposed project	:	Cumin Biscuits Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	228000 Kg/annum(55,60,65,70,&75% capacity utilization in 1 st to 5 th Year respectively)
4. Raw materials	:	Maida, Cumin, Salt, Butter, Baking Soda, Spices
5. Major product outputs	:	Cumin Biscuits
6. Total project cost	:	Rs.24.34 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs.19.95 Lakh
• Miscellaneous Fixed Assets	:	Rs.0.50 Lakh
• Working capital	:	Rs.3.89 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs.7.16 Lakh
• Promoter's contribution (min10%)	:	Rs.2.42 Lakh
• Term loan	:	Rs.11.25 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.3.18 Lakh
• 3 rd year	:	Rs.5.68 Lakh
• 4 th year	:	Rs.7.82 Lakh
• 5th year	:	Rs.10.24 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:

It's a fast and quick recipe for cookies or biscuits made with wheat flour and cumin seeds. The special characteristic of these cookies is that, as opposed to other cookie recipes, they do not contain plain flour, sugar or even jaggery. It is an excellent snack or coffee snack for munching and is enjoyed by all age groups, including children and adults.

Cookies or biscuits are typically a recipe adapted to or inspired by Indian cuisine. It is usually made with plain flour and flavored to be eaten as a snack with other ingredients. Lately, the famous cookie variety has some Indian variants and jeera biscuits recipes are one such basic and easy recipe. One of the healthiest cookie recipes is this recipe for Jeera biscuits. As an alternative to plain flour, the recipe is made with wheat flour and contains no sugar or jaggery for sweetness. The recipe is, in truth, a savoury cookie and only salt is used to taste it. This makes it an ideal snack for your children in a tiffin jar. Having said that, your child may not particularly like it because it does not contain the sweetness and therefore you can add small amount of jaggery in your biscuits in addition to it to have the sweet and salty taste, you may especially like it when it is dipped and consumed with coffee or tea, as it adds the extra sweet taste and flavor of beverage to it.

When made with plain flour, the recipes taste fantastic, but may not be liked because maida is not like everyone, so the use of plain flour or wheat flour is totally dependent on your preference. Secondly, tutti-frutti, cherry and even mixed nuts such as cashews, almonds, and walnuts can be added on top of jeera. Lastly, these cumin cookies have a longer shelf life and hence it is recommended to preserve in an airtight container.

2.2 MARKET POTENTIAL:

Research study on the biscuit market identifies the increasing demand for healthier snacks as one of the key reasons for market growth due to the changing taste and preference of consumers. With customers increasingly opting to substitute snacks for their daily meals and raising consciousness of consuming nutritious foods with high-quality ingredients, the market for healthy snack foods has increased considerably in recent years. Because they have safe ingredients, this boosts the market for snack biscuits. Furthermore, manufacturers also concentrate on selling biscuits in various flavors. For example, in four different flavors, Way Better Snacks recently released biscuits such as Rosemary Me and Olive Oil, Back in Black Bean and Salsa, Beyond the Sea Salt and Cracked Pepper, and Mustard and Cheddar Way Better.

This further fuels demand for healthier biscuits, which will then drive the growth prospects of the industry in the coming years. The market research analysts at Technavio expect that by 2021, this market will expand at a CAGR of more than 10 percent. During the projected years, the Americas will be the highest contributing revenue to the biscuits market and this is mainly due to the rising preference of consumers in this area for healthy snacks. The primary demand for biscuits in this area is experienced by the US, with Argentina, Bolivia, Brazil and Chile being the key consumers of biscuits in South America. The involvement of a considerable number of players characterizes the business. Due to the specialized nature of manufacturing, high operating and exit costs increase the degree of rivalry among market players. Some of the main factors that suppliers concentrate on to raise their market shares are product portfolio, brand image, pricing, and marketing and communication. In order to preserve competitiveness and raise their share of sales, market vendors need to distinguish their goods by means of simple value propositions.

Market research and analysis reports that the highest biscuit sales during 2016 is accounted for by supermarkets and hypermarkets. Such shops have a wide variety of items from various brands. Some of the major factors driving the growth of the whole grain biscuits market in this segment are the growth of the organized retail segment in the developed and developing nations and the expansion of the retail industry. As biscuits made of nutritious ingredients, biscuits are sold. Biscuits are considered by most consumers to be healthier snacks, since they have less calories than others. Many manufacturers have introduced numerous nutritious biscuits, in addition to conventional saltine biscuits, to meet the demands of health-conscious customers.

In every household, the demand for biscuits is growing. The market for traditional saltine biscuits is also strong alongside healthier biscuits. From conventional to health-focused, customers are searching for a wide variety of choices. Therefore, when customers continue to try to actively search for new flavors and goods, the changing taste tastes in biscuits increase.

Omni-channel retailing is a sales model for cross-channels. To maximize customer interaction, this form of retailing uses a mix of different distribution channels. Biscuits are readily available on almost all distribution outlets. With the rise in demand for biscuits, the numerous biscuit markets around the globe have seen development. Not only in retail (brick and mortar) stores, but also on numerous e-commerce websites, biscuits are available.

2.3 RAW MATERIAL DESCRIPTION:

The cumin biscuit is a type of biscuit made using cumin as a main ingredient. The materials are made into a dough, and then the individual biscuits are prepared. Fermented dough is used to cook some cumin biscuits. Usually, cumin biscuits are fried. Placing cumin on top of warm biscuits is another way of cooking cumin biscuits. Cumin biscuits are classified as a "high-calorie snack" because of their higher fat content compared to other forms of biscuits. Cumin biscuit crumbs are often used as an ingredient in recipes, in addition to being a snack food, and crumbs or whole

biscuits are often used as a garnish on different foods. Cumin biscuits are also often served to complement meals as a side dish.

Key ingredients for this product are:

- Maida (All Purpose Flour)
- Cumin
- Salt
- Butter
- Baking soda
- Spices

- Maida (Flour All Purpose): 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.
- Cumin: Cumin is a flowering plant native to an area that includes the Middle East and spreads east to India in the Apiaceae family. Its seeds, each found inside a dried fruit, are used both in whole and ground form in the cuisines of many cultures. While cumin is known to have uses in traditional medicine, there is no high-quality evidence as a therapeutic agent that it is safe or reliable.
- In general, salt is important for survival, and saltiness is one of the essential human tastes. Salt is one of the oldest and most ubiquitous food seasonings, and an important food preservation technique is salting.
- Spices: A spice is a seed, fruit, root, bark, or other material of a plant used primarily for food flavoring or coloring. Spices are distinct from herbs, which are the plants' leaves, flowers, or stems used for flavoring or as a garnish. In medicine, religious ceremonies, cosmetics or the development of perfume, spices are also used.
- Butter: Butter is a dairy product made from the milk or cream components of fat and protein. At room temperature, it is a semi-solid emulsion which consists of about 80 percent butterfat. It is used as a spread, melted as a condiment at room temperature, and used as an ingredient in baking, sauce making, pan frying, and other cooking processes.

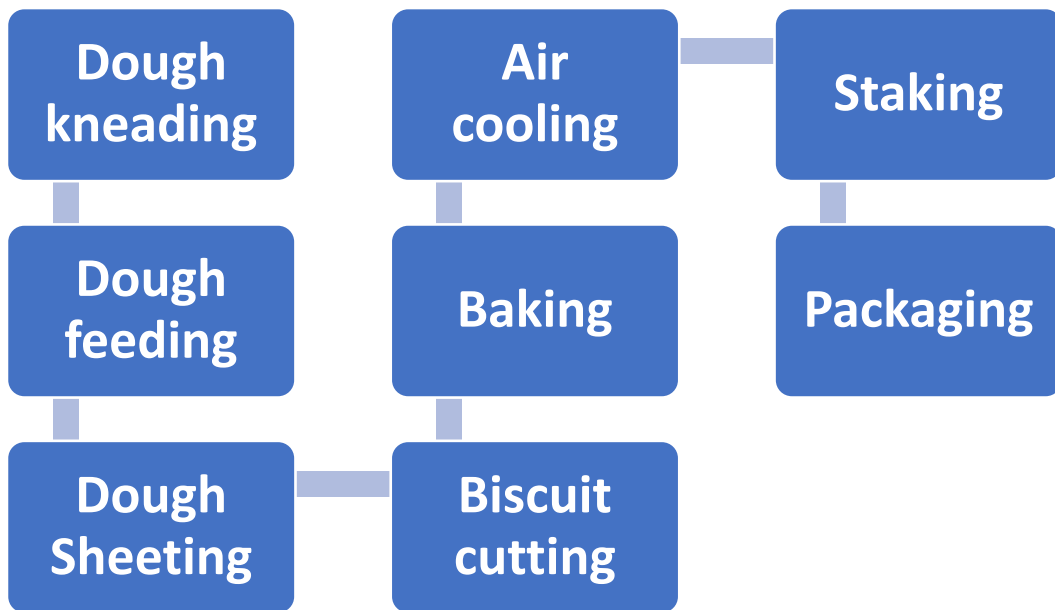
- Powder for Baking: A dry chemical leavening agent, a mixture of carbonate or bicarbonate and a weak acid, is the baking powder. By the addition of a buffer such as cornstarch, the base and acid are prevented from responding prematurely. To raise the volume and lighten the texture of baked goods, baking powder is used. It operates by releasing carbon dioxide gas via an acid-base reaction into a batter or dough, allowing bubbles to expand in the wet mixture and thereby leavening the mixture

3. PROCESS FLOW CHART

- The raw materials are procured from vendors as per production requirements and stored in the raw material warehouse.
- All types of raw material are brought from the raw material warehouses and fed to their respective holding tanks via appropriate material handling equipment.
- The raw materials for cumin biscuits dough are mixed in a dough mixer which simply mixes the various raw materials with flour to form dough.
- This dough is then fed to a dough sheeter via a dough feeder.
- Multiple dough sheeters are used to reduce the thickness of dough to the required thickness sheet in multiple passes sequentially through multiple sheeters.
- These dough sheets reduced to the required thickness are fed to a biscuit cutter which simply cuts the cumin biscuits out of the dough sheet. The cumin biscuit-shaped dough sheet cuts are carried on a conveyor to the tunnel oven, while the excess dough is returned to the dough feeder.
- The oven simply bakes these cumin biscuit-shaped dough into actual cumin biscuits, which are then passed through an oil spraying machine, which simply sprays a layer of oil over the cumin biscuits. These cumin biscuits are then passed via sprinkler which simply sprinkles salt over the cumin biscuits.

- A large portion of the conveyor acts as an open-air drier section, over which natural drying and cooling take place, followed by which cumin biscuits are fed to the stacker which simply stacks them for packaging.
- These stacked cumin biscuits are fed to the packaging machine which simply packs them in appropriate packaging for dispatch and sale.

FLOW CHART



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Cumin Biscuits taken is 800 Kgs per day. First year, Capacity has been taken @ 55%.
2. Working shift of 08 hours per day has been considered.
3. Raw Material stock is for 05 days and finished goods Closing Stock has been taken for 05 days.
4. Credit period to Sundry Debtors has been given for 5 days.
5. Credit period by the Sundry Creditors has been provided for 5 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 25 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 CUMIN BISCUITS

Items to be Manufactured

Cumin Biscuits

Machine capacity Per hour	100	Kg
Total working Hours	8	
Machine capacity Per Day	800	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	240000	Kg
Final Output per annum after wastage	228000	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	228000	Kg




Production of Cumin Biscuits






Production	Capacity	KG
1st year	55%	1,25,400
2nd year	60%	1,36,800
3rd year	65%	1,48,200
4th year	70%	1,59,600
5th year	75%	1,71,000

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

Steps	Machine	Uses	Picture
Dough kneading	Dough Mixer	This machine simplify mixes the raw material ingredients i.e. Flour with other raw materials to produce the required dough.	
Dough feeding	Dough Feeder	As the name suggest it's a simple feed mechanism, used to feed dough from mixer to sheeter efficiently	
Dough Sheeting	Dough Sheeter	Sheeters are general class of machine used to press given raw material within specified range to required thickness sheets. A dough sheeter similarly forms the given dough into required thickness dough sheet.	

Biscuit cutting	Rotary Biscuit Cutter	The cutter are a class of equipment which are used to cut the given product in this case the dough sheet, this types of cutter use cutting tools mounted on periphery of a roller for continuous cutting.	
Baking	Tunnel Oven	It's an oven with integrated conveyor in which food is cooked as it moves through the oven over conveyor belt.	
Air cooling	Conveyer	Its material handling equipment which used to transport given material from one place to another place.	
Staking	Biscuit Stacker	As the name suggests the machine simply stacks the biscuits one over the other for packaging.	
Packaging	Packaging Machine	This machine simply packs the given product into appropriate food grade packaging for sale and distribution, which in this case are biscuits	

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Machine	Unit	Rate	Price
Dough Mixer (50 kg in 10 minutes)	1	45,000	45,000
Dough Feeder	1	45,000	45,000
Dough Sheeter	1	1,85,000	1,85,000
Rotary Biscuit Cutter (500 kg)	1	5,50,000	5,50,000
Tunnel Oven (Capacity - 100 Kg)	1	2,00,000	2,00,000
Conveyer (50 kg per ft)	1	1,20,000	1,20,000
Biscuit Stacker (80 KG/hr)	1	5,50,000	5,50,000
Packaging Machine (40 pouches per minute)	1	3,00,000	3,00,000

Note: Cost of the machinery is approx. Rs.19.95 Lakhs excluding GST and other transportation cost.

4.5. MISCELLANEOUS FIXED ASSETS

- Electricity connection
- Other equipment's & fixture

4.6. TOTAL COST OF PROJECT

COST OF PROJECT	
	(in Lacs)
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	19.95
Miscellaneous Assets	0.50
Working capital	3.89
Total	24.34

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.42
Subsidy @35%(Max. Rs 10 Lac)	7.16
Term Loan @ 55%	11.25
Working Capital (Bank Finance)	3.50
Total	24.34

4.8. TERM LOAN: Term loan of Rs.11.25 Lakh is required for project cost of Rs.24.34 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	-	11.25	11.25	-	-	11.25
	2nd month	11.25	-	11.25	0.10	-	11.25
	3rd month	11.25	-	11.25	0.10	-	11.25
	4th month	11.25	-	11.25	0.10	-	11.25
	5th month	11.25	-	11.25	0.10	-	11.25
	6th month	11.25	-	11.25	0.10	-	11.25
	7th month	11.25	-	11.25	0.10	0.21	11.04
	8th month	11.04	-	11.04	0.10	0.21	10.83
	9th month	10.83	-	10.83	0.10	0.21	10.62
	10th month	10.62	-	10.62	0.10	0.21	10.41
	11th month	10.41	-	10.41	0.10	0.21	10.21
	12th month	10.21	-	10.21	0.09	0.21	10.00
					1.11	1.25	
2nd	Opening Balance						
	1st month	10.00	-	10.00	0.09	0.21	9.79
	2nd month	9.79	-	9.79	0.09	0.21	9.58

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3rd month	9.58	-	9.58	0.09	0.21	9.37
4th month	9.37	-	9.37	0.09	0.21	9.16
5th month	9.16	-	9.16	0.08	0.21	8.96
6th month	8.96	-	8.96	0.08	0.21	8.75
7th month	8.75	-	8.75	0.08	0.21	8.54
8th month	8.54	-	8.54	0.08	0.21	8.33
9th month	8.33	-	8.33	0.08	0.21	8.12
10th month	8.12	-	8.12	0.07	0.21	7.91
11th month	7.91	-	7.91	0.07	0.21	7.71
12th month	7.71	-	7.71	0.07	0.21	7.50
				0.97	2.50	
3rd	Opening Balance					
1st month	7.50	-	7.50	0.07	0.21	7.29
2nd month	7.29	-	7.29	0.07	0.21	7.08
3rd month	7.08	-	7.08	0.06	0.21	6.87
4th month	6.87	-	6.87	0.06	0.21	6.67
5th month	6.67	-	6.67	0.06	0.21	6.46
6th month	6.46	-	6.46	0.06	0.21	6.25
7th month	6.25	-	6.25	0.06	0.21	6.04
8th month	6.04	-	6.04	0.06	0.21	5.83
9th month	5.83	-	5.83	0.05	0.21	5.62
10th month	5.62	-	5.62	0.05	0.21	5.42
11th month	5.42	-	5.42	0.05	0.21	5.21
12th month	5.21	-	5.21	0.05	0.21	5.00
				0.70	2.50	

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4th	Opening Balance						
	1st month	5.00	-	5.00	0.05	0.21	4.79
	2nd month	4.79	-	4.79	0.04	0.21	4.58
	3rd month	4.58	-	4.58	0.04	0.21	4.37
	4th month	4.37	-	4.37	0.04	0.21	4.17
	5th month	4.17	-	4.17	0.04	0.21	3.96
	6th month	3.96	-	3.96	0.04	0.21	3.75
	7th month	3.75	-	3.75	0.03	0.21	3.54
	8th month	3.54	-	3.54	0.03	0.21	3.33
	9th month	3.33	-	3.33	0.03	0.21	3.12
	10th month	3.12	-	3.12	0.03	0.21	2.92
	11th month	2.92	-	2.92	0.03	0.21	2.71
	12th month	2.71	-	2.71	0.02	0.21	2.50
					0.42	2.50	
5th	Opening Balance						
	1st month	2.50	-	2.50	0.02	0.21	2.29
	2nd month	2.29	-	2.29	0.02	0.21	2.08
	3rd month	2.08	-	2.08	0.02	0.21	1.87
	4th month	1.87	-	1.87	0.02	0.21	1.67
	5th month	1.67	-	1.67	0.02	0.21	1.46
	6th month	1.46	-	1.46	0.01	0.21	1.25
	7th month	1.25	-	1.25	0.01	0.21	1.04
	8th month	1.04	-	1.04	0.01	0.21	0.83
	9th month	0.83	-	0.83	0.01	0.21	0.62
	10th month	0.62	-	0.62	0.01	0.21	0.42

11th month	0.42	-	0.42	0.00	0.21	0.21
12th month	0.21	-	0.21	0.00	0.21	-
				0.15	2.50	
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
Finished Goods					
	1.86	2.11	2.37	2.68	2.97
Raw Material					
	1.28	1.46	1.66	1.88	2.10
Closing Stock	3.14	3.57	4.03	4.56	5.07

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD				(in Lacs)	
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	3.14				
Less : Creditors	1.28				
Paid stock	1.86	10%	0.19	90%	1.67
Sundry Debtors	2.06	10%	0.21	90%	1.85
	3.92		0.39		3.52
MPBF					3.52
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
Supervisor	15,000	1	15,000
Plant Operator	18,000	1	18,000
Skilled (in thousand rupees)	12,000	4	48,000
Unskilled (in thousand rupees)	8,500	4	34,000
Total salary per month			1,15,000
Total annual labour charges	(in lacs)		13.80

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Administrative Staff	12,000	1	12,000
Manger	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	25	KWH
consumption per day	200	units
Consumption per month	5,000	units
Rate per Unit	10	Rs.
power Bill per month	50,000	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	19.95	0.50	20.45
Total	19.95	0.50	20.45
Less : Depreciation	2.99	0.05	3.04
WDV at end of Year	16.96	0.45	17.41
Additions During The Year	-	-	-
Total	16.96	0.45	17.41
Less : Depreciation	2.54	0.05	2.59
WDV at end of Year	14.41	0.41	14.82
Additions During The Year	-	-	-
Total	14.41	0.41	14.82
Less : Depreciation	2.16	0.04	2.20
WDV at end of Year	12.25	0.36	12.62
Additions During The Year	-	-	-
Total	12.25	0.36	12.62
Less : Depreciation	1.84	0.04	1.87
WDV at end of Year	10.41	0.33	10.74
Additions During The Year	-	-	-
Total	10.41	0.33	10.74
Less : Depreciation	1.56	0.03	1.59
WDV at end of Year	8.85	0.30	9.15

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 2.5% 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 %	55%	60%	65%	70%	75%	
<u>SALES</u>						
Gross Sale						
Cumin Biscuits	123.31	143.44	162.81	184.92	208.39	
Total	123.31	143.44	162.81	184.92	208.39	
<u>COST OF SALES</u>						
Raw Material Consumed	76.56	87.84	99.84	112.56	126.00	
Electricity Expenses	6.00	6.90	7.94	9.13	10.04	
Depreciation	3.04	2.59	2.20	1.87	1.59	
Wages & labour	13.80	15.18	17.61	22.01	25.31	
Repair & maintenance	3.08	3.59	4.07	4.62	5.21	
Packaging	9.12	10.47	10.58	10.73	9.79	
Cost of Production	111.61	126.57	142.24	160.92	177.95	
Add: Opening Stock /WIP	-	1.86	2.11	2.37	2.68	
Less: Closing Stock /WIP	1.86	2.11	2.37	2.68	2.97	
Cost of Sales	109.75	126.32	141.98	160.61	177.67	
GROSS PROFIT	13.56	17.12	20.83	24.31	30.72	
	11.00%	11.94%	12.80%	13.15%	14.74%	
Salary to Staff	4.68	5.43	6.62	7.62	8.38	
Interest on Term Loan	1.11	0.97	0.70	0.42	0.15	
Interest on working Capital	0.39	0.39	0.39	0.39	0.39	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	2.59	3.16	2.77	2.40	4.58	
TOTAL	12.36	13.90	14.83	15.62	18.77	
NET PROFIT	1.20	3.22	6.00	8.69	11.96	
	0.97%	2.25%	3.69%	4.70%	5.74%	
Taxation	-	0.04	0.33	0.86	1.71	
PROFIT (After Tax)	1.20	3.18	5.68	7.82	10.24	

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	123.31	143.44	162.81	184.92	208.39
Less : Op. WIP Goods	-	1.86	2.11	2.37	2.68
Add : Cl. WIP Goods	1.86	2.11	2.37	2.68	2.97
Total Sales	125.17	143.69	163.07	185.23	208.67
Variable & Semi Variable Exp.					
Raw Material Consumed	76.56	87.84	99.84	112.56	126.00
Electricity Exp/Coal Consumption at 85%	5.10	5.87	6.74	7.76	8.53
Wages & Salary at 60%	11.09	12.37	14.54	17.78	20.21
Selling & administrative Expenses 80%	2.07	2.52	2.21	1.92	3.67
Interest on working Capital	0.385	0.385	0.385	0.385	0.385
Repair & maintenance	3.08	3.59	4.07	4.62	5.21
Packaging	9.12	10.47	10.58	10.73	9.79
Total Variable & Semi Variable Exp	107.41	123.04	138.38	155.75	173.80
Contribution	17.76	20.65	24.70	29.48	34.87
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.90	1.04	1.19	1.37	1.51
Wages & Salary at 40%	7.39	8.24	9.69	11.85	13.48
Interest on Term Loan	1.11	0.97	0.70	0.42	0.15
Depreciation	3.04	2.59	2.20	1.87	1.59
Selling & administrative Expenses 20%	0.52	0.63	0.55	0.48	0.92
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	16.56	17.43	18.69	20.79	22.91
Capacity Utilization	55%	60%	65%	70%	75%
OPERATING PROFIT	1.20	3.22	6.00	8.69	11.96
BREAK EVEN POINT	51%	51%	49%	49%	49%
BREAK EVEN SALES	116.71	121.28	123.44	130.64	137.13

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		10.28	10.97	12.14	13.47	
Add:- Own Capital	2.42					
Add:- Retained Profit	1.20	3.18	5.68	7.82	10.24	
Less:- Drawings	0.50	2.50	4.50	6.50	8.50	
Subsidy/grant	7.16					
Closing Balance	10.28	10.97	12.14	13.47	15.21	
Term Loan	10.00	7.50	5.00	2.50	-	
Working Capital Limit	3.50	3.50	3.50	3.50	3.50	
Sundry Creditors	1.28	1.46	1.66	1.88	2.10	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
TOTAL :	25.46	23.93	22.91	22.06	21.68	
<u>Assets</u>						
Fixed Assets (Gross)	20.45	20.45	20.45	20.45	20.45	
Gross Dep.	3.04	5.63	7.83	9.71	11.30	
Net Fixed Assets	17.41	14.82	12.62	10.74	9.15	
Current Assets						
Sundry Debtors	2.06	2.39	2.71	3.08	3.47	
Stock in Hand	3.14	3.57	4.03	4.56	5.07	
Cash and Bank	2.86	3.15	3.54	3.68	3.99	
TOTAL :	25.46	23.93	22.91	22.06	21.68	

4.18. CASH FLOW STATEMENT

<u>PROJECTED CASH FLOW STATEMENT</u>					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.42				
Net Profit	1.20	3.22	6.00	8.69	11.96
Depriciation & Exp. W/off	3.04	2.59	2.20	1.87	1.59
Increase in Cash Credit	3.50	-	-	-	-
Increase In Term Loan	11.25	-	-	-	-
Increase in Creditors	1.28	0.19	0.20	0.21	0.22
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	7.16				
TOTAL :	30.25	6.10	8.50	10.89	13.92
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	20.45				
Increase in Stock	3.14	0.44	0.46	0.52	0.51
Increase in Debtors	2.06	0.34	0.32	0.37	0.39
Repayment of Term Loan	1.25	2.50	2.50	2.50	2.50
Drawings	0.50	2.50	4.50	6.50	8.50
Taxation	-	0.04	0.33	0.86	1.71
TOTAL :	27.39	5.81	8.11	10.75	13.61
Opening Cash & Bank Balance	-	2.86	3.15	3.54	3.68
Add : Surplus	2.86	0.29	0.40	0.14	0.31
Closing Cash & Bank Balance	2.86	3.15	3.54	3.68	3.99

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	4.24	5.77	7.88	9.70	11.84
Interest on Term Loan	1.11	0.97	0.70	0.42	0.15
Total	5.35	6.75	8.58	10.12	11.99
<u>REPAYMENT</u>					
Instalment of Term Loan	1.25	2.50	2.50	2.50	2.50
Interest on Term Loan	1.11	0.97	0.70	0.42	0.15
Total	2.36	3.47	3.20	2.92	2.65
DEBT SERVICE COVERAGE RATIO	2.27	1.94	2.68	3.46	4.53
AVERAGE D.S.C.R.	2.98				