DETAILED PROJECT REPORT

OATS 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	:	Oats Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	432000 Kg/annum(40,45,50,55&60% capacity utilization in 1st to 5th Year respectively)
4. Raw material	:	Oat Grains
5. Major product outputs	:	Oats
6. Total project cost	:	Rs. 39.29 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 22.85 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.00 Lakh
• Working capital	:	Rs. 14.44 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 8.70 Lakh
• Promoter's contribution (min10%)	:	Rs. 3.93 Lakh
• Term loan	:	Rs. 13.67 Lakh
• Working Capital Requirement	:	Rs. 13.00 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1st year	:	Rs. 2.49 Lakh
• 2nd year	:	Rs. 5.27 Lakh
• 3rd year	:	Rs. 8.54 Lakh
• 4th year	:	Rs. 11.51 Lakh
• 5th year	:	Rs. 15.92 Lakh
11. Average DSCR	:	Rs. 3.52
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Oats (*Avena sativa*) are grown in most of the temperate regions of the world, especially in the United States, Canada, and northern Europe. Most of the oats produced are used in animal feed, although they may also be processed for human consumption. Whether it's a bowl of overnight steel-cut, batch of oatmeal raisin muffins, or slice of comforting oatmeal pie, versatile oatmeal comes in many forms. (Avena Sativa) grow in fields like wheat and barley year round. Crops sown in spring and harvested in August are called 'spring '. Crops sown in September and harvested in spring are called 'winter '. They are easy to spot when you know to look for their tell-tale husks dangling off the main stalk, or the oat flowers which are a familiar sight all year round in Scotland. The groat or oat is inside, protected by the husk. The grain is grown in cool summer temperatures and plentiful rain to ripen slowly and plump up, so it's no surprise that the Scottish climate is perfect.

Oat (Avena sativa L.) is generally grown in India for fodder purposes. But of late, its importance as grain has been felt and efforts are now being made to develop oat varieties which could give high fodder yield as well as grain yield from the same crop. Oats area and production in the World are about 27m ha and 40m tones, respectively. Countries cultivating oats widely are Russian federation, USA, Canada, Poland, China, France and Australia. In India, Punjab, Haryana, UP and limited areas in MP, Orissa, Bihar, West Bengal are the Oats growing states.

2.2. MARKET POTENTIAL:

The high nutritive content of oats is the major driver of the market. Additionally, an increase in preference for healthy meals and demand for convenience food is also driving the global oats market. Also, its added functional properties enhance its usage by the consumers; it is witnessed to be consumed majorly as a breakfast food. Moreover, the fast-paced lifestyle led by the working population has catalyzed the demand for ready-to-eat oats products. Also, the rising cultivation of oats has led to increased availability of the product globally. The organized breakfast cereal market in India is estimated at Rs 1,400 crore, with oats being the fastest-growing category, with around 30% value share. It has grown at a rate in excess of 10% over the last five years. Mirroring the trend, companies were quick to introduce oats variants, with new launches growing by almost 74% over a five-year period.

2.3. RAW MATERIAL DESCRIPTION:

Oat grain is the only ingredient in oatmeal. The seeds of the Avena grasses are harvested in the fall. The thinner-skinned grains are preferable as they have high protein content without being overly starchy.

3. PROCESS FLOW CHART

Oats are a staple of the American diet found in oatmeal, bread, cereal, granola, and many other foods, but there is complex process behind getting the oats from the soil to the table. There are a variety of steps to transform oats to oatmeal.

- Cleaning: Cleaning eliminates all unwanted materials from the oats. Pass under magnetic separators and through a rotating screen which removes scraps, sticks, stones, corn, etc. Finally, oats go through aspiration and a de-stoner extracting hulls, lighter, low grade, pebbles, and other grains.

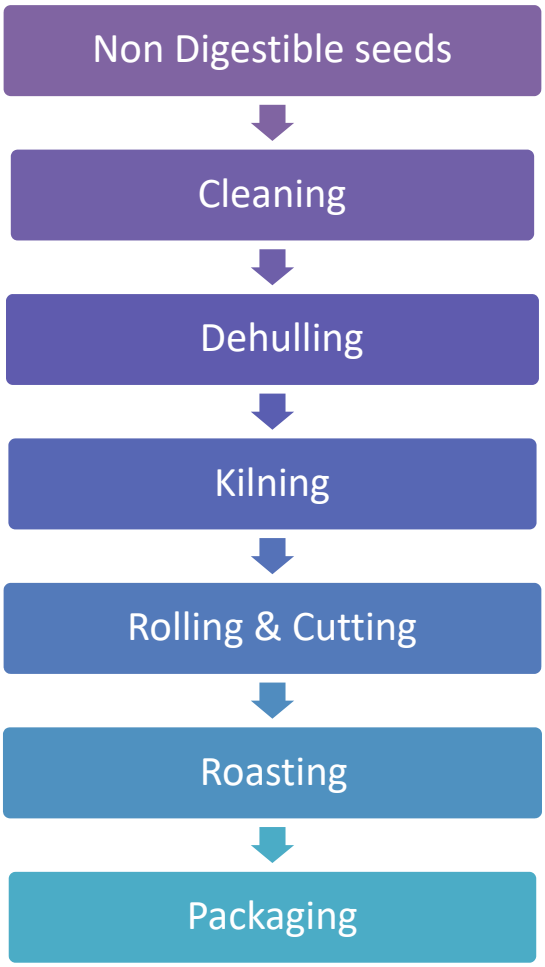
- Hulling: After cleaning, oats must be de-hulled, as the hulls of oats are indigestible. To remove the hull, rotating discs fling oats into rings that cause the hull to fall off without damaging the rest of the oat. This remaining oat is known as a groat.

- Kilning: The next stage of the process is drying or kilning. Due to the fat content in , must be dried to achieve browning and desired tastes. The oats are sent to long vertical cylinders where air and steam is injected to increase temperature and moisture. While the moisture helps increase the enzyme content, it's bad for shelf stability and can ruin the product. Radiant heating is used to remove this excess moisture. This step is important for developing the oat's nutty flavor, and it also kills any inactive yeast or bacteria.

- Rolling or cutting: Standard oats are those that have been steel-cut. The oats are run through a machine with razor-sharp knife blades. Quickcooking oats are rolled between cylinders to produce a flatter, lighter flake. These processes are usually repeated several times to produce the type of oat flake that is desired. In both processes, the hull is separated from the grain. The hulls are sifted out and used for other purposes.

- Roasting: The hulled oats are then placed into a roaster where they are toasted at a preset temperature for a pre-determined amount of time.

- Packaging: Pre-printed containers are filled with pre-measured amounts of oatmeal. A lid is vacuum-packed onto the top of the container. The containers are then loaded into cartons for shipment.



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Oats is 240 kg per hr. First year, Capacity has been taken @ 40%.

2. Working shift of 8 hours per day has been considered.

3. Raw Material stock is for 10 days and Finished goods Closing Stock has been taken for 10 days.

4. Credit period to Sundry Debtors has been given for 7 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 15 KW.

10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.

4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

COMPUTATION OF PRODUCTION OF OATS		
Items to be Manufactured		
Oats		
Machine capacity Per hour	240	Kg
Total working Hours	8	
Machine capacity Per Day	1,920	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	25%	
Raw material requirement	576000	Kg
Final Output per annum after wastage	432000	Kg
Final Product to be packed in 1 kg packet		
Number of packets per annum	432000	1 Kg Packet

Production of Oats		
Production	**Capacity**	**KG**
1st year	40%	1,72,800
2nd year	45%	1,94,400
3rd year	50%	2,16,000
4th year	55%	2,37,600
5th year	60%	2,59,200

Raw Material Cost Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	40%	75.00	172.80
2nd year	45%	79.00	204.77
3rd year	50%	83.00	239.04
4th year	55%	87.00	275.62
5th year	60%	91.00	314.50

COMPUTATION OF SALE

Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	5,760	6,480	7,200	7,920
Production	1,72,800	1,94,400	2,16,000	2,37,600	2,59,200
Less : Closing Stock	5,760	6,480	7,200	7,920	8,640
Net Sale	**1,67,040**	**1,93,680**	**2,15,280**	**2,36,880**	**2,58,480**
Sale price per packet	140.00	147.00	154.00	162.00	170.00
Sales (in Lacs)	233.86	284.71	331.53	383.75	439.42

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.
Dry stoner	This machine is used for the separation of stones in a continuous process. Due to its mode of operation, the dry stoner separates specifically heavier components from the lighter accepted product.	
De-hulling	Before oats can be industrially processed they have to be hulled, de-awned or polished.	
Vibro Separator	A vibro separator then separates the grain from any un-hulled oats that may have snuck through.	
Rolling/Cutting Machine	The oats are run through a machine with razor-sharp knife blades. Quick-cooking oats are rolled between cylinders to produce a flatter, lighter flake.	

Roasting Machine	The oats roasting machine are full of cutting-edge technologies and innovations that make industrial processes easy to execute.	
Packaging Machine	It's a packing class machine, used to pack given efficiently. It's especially designed to handle with minimum wastage	
Bucket Elevator with Gear Motor	Bucket elevators are designed to move flowing powders or bulk solids vertically.	
Material handling and other Equipments	These Equipments are used for material handling.	

Machine	**Unit**	**Rate**	**Price**
Dry Stoner (200 kg/hr)	1	2,80,000	2,80,000
De-hulling	1	2,60,000	2,60,000
Vibro Separator (300 kg/hr)	1	1,75,000	1,75,000
Rolling/Cutting machine	1	5,40,000	5,40,000
Roasting Machine	1	2,50,000	2,50,000
Packaging Machine (8-10 packets per minute)	1	2,70,000	2,70,000

Bucket elevator with gear motor (300 kg/hr)	1	1,10,000	1,10,000
Material handling and other equipments	-	4,00,000	4,00,000

Note: Approx. Total Machinery cost shall be Rs 22.85 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	22.85
Miscellaneous Assets	2.00
Working capital	14.44
Total	**39.29**

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	**AMOUNT**
Own Contribution (min 10%)	3.93
Subsidy @35%(Max. Rs 10 Lac)	8.70
Term Loan @ 55%	13.67
Working Capital (Bank Finance)	13.00
Total	**39.29**

4.8. TERM LOAN: Term loan of Rs. 13.67 Lakh is required for project cost of Rs. 39.29 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	-	13.67	13.67	-	-	13.67
	2nd month	13.67	-	13.67	0.13	-	13.67
	3rd month	13.67	-	13.67	0.13	-	13.67
	4th month	13.67	-	13.67	0.13		13.67
	5th month	13.67	-		0.13		13.67

				13.67			
	6th month	13.67	-	13.67	0.13		13.67
	7th month	13.67	-	13.67	0.13	0.25	13.41
	8th month	13.41	-	13.41	0.12	0.25	13.16
	9th month	13.16	-	13.16	0.12	0.25	12.91
	10th month	12.91	-	12.91	0.12	0.25	12.66
	11th month	12.66	-	12.66	0.12	0.25	12.40
	12th month	12.40	-	12.40	0.11	0.25	12.15
					1.34	1.52	
2nd	Opening Balance						
	1st month	12.15	-	12.15	0.11	0.25	11.90
	2nd month	11.90	-	11.90	0.11	0.25	11.64
	3rd month	11.64	-	11.64	0.11	0.25	11.39
	4th month	11.39	-	11.39	0.10	0.25	11.14
	5th month	11.14	-	11.14	0.10	0.25	10.88
	6th month	10.88	-	10.88	0.10	0.25	10.63
	7th month	10.63	-	10.63	0.10	0.25	10.38
	8th month	10.38	-	10.38	0.10	0.25	10.12
	9th month	10.12	-	10.12	0.09	0.25	9.87
	10th month	9.87	-	9.87	0.09	0.25	9.62
	11th month	9.62	-	9.62	0.09	0.25	9.36
	12th month	9.36	-	9.36	0.09	0.25	9.11
					1.18	**3.04**	
3rd	Opening Balance						
	1st month	9.11	-	9.11	0.08	0.25	8.86

	2nd month	8.86	-	8.86	0.08	0.25	8.61
	3rd month	8.61	-	8.61	0.08	0.25	8.35
	4th month	8.35	-	8.35	0.08	0.25	8.10
	5th month	8.10	-	8.10	0.07	0.25	7.85
	6th month	7.85	-	7.85	0.07	0.25	7.59
	7th month	7.59	-	7.59	0.07	0.25	7.34
	8th month	7.34	-	7.34	0.07	0.25	7.09
	9th month	7.09	-	7.09	0.06	0.25	6.83
	10th month	6.83	-	6.83	0.06	0.25	6.58
	11th month	6.58	-	6.58	0.06	0.25	6.33
	12th month	6.33	-	6.33	0.06	0.25	6.07
					0.85	**3.04**	
4th	Opening Balance						
	1st month	6.07	-	6.07	0.06	0.25	5.82
	2nd month	5.82	-	5.82	0.05	0.25	5.57
	3rd month	5.57	-	5.57	0.05	0.25	5.32
	4th month	5.32	-	5.32	0.05	0.25	5.06
	5th month	5.06	-	5.06	0.05	0.25	4.81
	6th month	4.81	-	4.81	0.04	0.25	4.56
	7th month	4.56	-	4.56	0.04	0.25	4.30
	8th month	4.30	-	4.30	0.04	0.25	4.05
	9th month	4.05	-	4.05	0.04	0.25	3.80
	10th month	3.80	-	3.80	0.03	0.25	3.54
	11th month	3.54	-	3.54	0.03	0.25	3.29

	12th month	3.29	-	3.29	0.03	0.25	3.04
					0.52	**3.04**	
5th	Opening Balance						
	1st month	3.04	-	3.04	0.03	0.25	2.78
	2nd month	2.78	-	2.78	0.03	0.25	2.53
	3rd month	2.53	-	2.53	0.02	0.25	2.28
	4th month	2.28	-	2.28	0.02	0.25	2.02
	5th month	2.02	-	2.02	0.02	0.25	1.77
	6th month	1.77	-	1.77	0.02	0.25	1.52
	7th month	1.52	-	1.52	0.01	0.25	1.27
	8th month	1.27	-	1.27	0.01	0.25	1.01
	9th month	1.01	-	1.01	0.01	0.25	0.76
	10th month	0.76	-	0.76	0.01	0.25	0.51
	11th month	0.51	-	0.51	0.00	0.25	0.25
	12th month	0.25	-	0.25	0.00	0.25	-
					0.18	**3.04**	

DOOR TO DOOR	60	MONTHS
MORATORIUM PERIOD	6	MONTHS
REPAYMENT PERIOD	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					
	7.38	8.72	10.03	11.52	13.06
Raw Material					
	5.76	6.83	7.97	9.19	10.48
Closing Stock	**13.14**	**15.54**	**18.00**	**20.71**	**23.54**

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	**Amount**	**Own Margin**		**Bank Finance**	
Finished Goods & Raw Material	13.14				
Less : Creditors	4.03				
Paid stock	**9.11**	**10%**	**0.91**	**90%**	**8.20**
Sundry Debtors	**5.46**	**10%**	**0.55**	**90%**	**4.91**
	14.57		**1.46**		**13.11**
MPBF					**13.11**
WORKING CAPITAL LIMIT DEMAND (from Bank)					**13.00**
Working Capital Margin					**1.44**

4.11. SALARY & WAGES

BREAK UP OF LABOUR CHARGES

Particulars	Wages Rs. per Month	No of Employees	Total Salary
Machine Operator	15,000	4	60,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	12,000	4	48,000
Unskilled (in thousand rupees)	8,500	5	42,500
Total salary per month			**1,70,500**
Total annual labour charges	**(in lacs)**		**20.46**

BREAK UP OF STAFF SALARY CHARGES

Particulars	Salary Rs. per Month	No of Employees	Total Salary
Administrative Staff	8,000	4	32,000
Manager	20,000	1	20,000
Accountant	15,000	1	15,000
Total salary per month			**67,000**
Total annual Staff charges	**(in lacs)**		**8.04**

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	**value**	**Description**
Power connection required	15	KWH
consumption per day	120	units
Consumption per month	3,000	units
Rate per Unit	10	Rs.
power Bill per month	30,000	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	22.85	2.00	24.85
Total	22.85	2.00	24.85
Less : Depreciation	3.43	0.20	3.63
WDV at end of Year	**19.42**	**1.80**	**21.22**
Additions During The Year	-	-	-
Total	19.42	1.80	21.22
Less : Depreciation	2.91	0.18	3.09
WDV at end of Year	**16.51**	**1.62**	**18.13**
Additions During The Year	-	-	-
Total	16.51	1.62	18.13
Less : Depreciation	2.48	0.16	2.64
WDV at end of Year	**14.03**	**1.46**	**15.49**
Additions During The Year	-	-	-
Total	14.03	1.46	15.49
Less : Depreciation	2.10	0.15	2.25
WDV at end of Year	**11.93**	**1.31**	**13.24**
Additions During The Year	-	-	-
Total	11.93	1.31	13.24
Less : Depreciation	1.79	0.13	1.92
WDV at end of Year	**10.14**	**1.18**	**11.32**

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 2.0% of Gross Sale.

4.15. PROJECTIONS OF PROFITABILITY ANALYSIS

PROJECTED PROFITABILITY STATEMENT					**(in Lacs)**
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Capacity Utilisation %	**40%**	**45%**	**50%**	**55%**	**60%**
SALES					
Gross Sale					
Oats	233.86	284.71	331.53	383.75	439.42
Total	**233.86**	**284.71**	**331.53**	**383.75**	**439.42**
COST OF SALES					
Raw Material Consumed	172.80	204.77	239.04	275.62	314.50
Electricity Expenses	3.60	4.14	4.76	5.48	6.02
Depreciation	3.63	3.09	2.64	2.25	1.92
Wages & labour	20.46	22.51	24.76	27.73	31.89
Repair & maintenance	4.68	5.69	6.63	7.67	8.79
Packaging	16.37	21.35	23.21	26.86	28.56
Cost of Production	221.53	261.55	301.03	345.61	391.68
Add: Opening Stock /WIP	-	7.38	8.72	10.03	11.52
Less: Closing Stock /WIP	7.38	8.72	10.03	11.52	13.06
Cost of Sales	214.15	260.22	299.72	344.12	390.14
GROSS PROFIT	**19.71**	**24.49**	**31.81**	**39.62**	**49.28**
	8.43%	**8.60%**	**9.60%**	**10.33%**	**11.21%**
Salary to Staff	8.04	9.00	10.63	12.22	14.42
Interest on Term Loan	1.34	1.18	0.85	0.52	0.18
Interest on working Capital	1.43	1.43	1.43	1.43	1.43
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	2.81	3.42	4.97	6.91	7.91
TOTAL	**17.22**	**18.99**	**22.23**	**25.86**	**29.21**
NET PROFIT	2.49	5.49	9.58	13.76	20.07
	1.06%	**1.93%**	**2.89%**	**3.59%**	**4.57%**
Taxation	-	0.22	1.04	2.25	4.14
PROFIT (After Tax)	2.49	5.27	8.54	11.51	15.92

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	**I**	**II**	**III**	**IV**	**V**
Net Sales & Other Income	233.86	284.71	331.53	383.75	439.42
Less : Op. WIP Goods	-	7.38	8.72	10.03	11.52
Add : Cl. WIP Goods	7.38	8.72	10.03	11.52	13.06
Total Sales	**241.24**	**286.04**	**332.85**	**385.23**	**440.95**
Variable & Semi Variable Exp.					
Raw Material Consumed	172.80	204.77	239.04	275.62	314.50
Electricity Exp/Coal Consumption at 85%	3.06	3.52	4.05	4.65	5.12
Wages & Salary at 60%	17.10	18.91	21.23	23.97	27.78
Selling & adminstrative Expenses 80%	2.25	2.73	3.98	5.53	6.33
Interest on working Capital	1.43	1.43	1.43	1.43	1.43
Repair & maintenance	4.68	5.69	6.63	7.67	8.79
Packaging	16.37	21.35	23.21	26.86	28.56
Total Variable & Semi Variable Exp	**217.68**	**258.40**	**299.56**	**345.73**	**392.51**
Contribution	**23.56**	**27.64**	**33.28**	**39.50**	**48.45**
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.54	0.62	0.71	0.82	0.90
Wages & Salary at 40%	11.40	12.60	14.15	15.98	18.52
Interest on Term Loan	1.34	1.18	0.85	0.52	0.18
Depreciation	3.63	3.09	2.64	2.25	1.92
Selling & adminstrative Expenses 20%	0.56	0.68	0.99	1.38	1.58
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	**21.07**	**22.15**	**23.71**	**25.74**	**28.38**
Capacity Utilization	**40%**	**45%**	**50%**	**55%**	**60%**
OPERATING PROFIT	**2.49**	**5.49**	**9.58**	**13.76**	**20.07**
BREAK EVEN POINT	**36%**	**36%**	**36%**	**36%**	**35%**
BREAK EVEN SALES	**215.78**	**229.18**	**237.05**	**251.02**	**258.31**

4.17. PROJECTED BALANCE SHEET

PROJECTED BALANCE SHEET					**(in Lacs)**
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
Liabilities					
Capital					
opening balance		13.11	15.88	19.42	23.93
Add:- Own Capital	3.93				
Add:- Retained Profit	2.49	5.27	8.54	11.51	15.92
Less:- Drawings	2.00	2.50	5.00	7.00	10.00
Subsidy/grant	8.70				
Closing Balance	13.11	15.88	19.42	23.93	29.85
Term Loan	12.15	9.11	6.07	3.04	-
Working Capital Limit	13.00	13.00	13.00	13.00	13.00
Sundry Creditors	4.03	4.78	5.58	6.43	7.34
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	**42.69**	**43.27**	**44.67**	**47.12**	**51.05**
Assets					
Fixed Assets (Gross)	24.85	24.85	24.85	24.85	24.85
Gross Dep.	3.63	6.72	9.36	11.61	13.53
Net Fixed Assets	**21.22**	**18.13**	**15.49**	**13.24**	**11.32**
Current Assets					
Sundry Debtors	5.46	6.64	7.74	8.95	10.25
Stock in Hand	13.14	15.54	18.00	20.71	23.54
Cash and Bank	2.87	2.96	3.45	4.22	5.94
TOTAL :	**42.69**	**43.27**	**44.67**	**47.12**	**51.05**

4.18. CASH FLOW STATEMENT

PROJECTED CASH FLOW STATEMENT					**(in Lacs)**
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
SOURCES OF FUND					
Own Margin	3.93				
Net Profit	2.49	5.49	9.58	13.76	20.07
Depriciation & Exp. W/off	3.63	3.09	2.64	2.25	1.92
Increase in Cash Credit	13.00	-	-	-	-
Increase In Term Loan	13.67	-	-	-	-
Increase in Creditors	4.03	0.75	0.80	0.85	0.91
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	8.70				
TOTAL :	**49.84**	**9.43**	**13.12**	**16.99**	**23.04**
APPLICATION OF FUND					
Increase in Fixed Assets	24.85				
Increase in Stock	13.14	2.40	2.46	2.70	2.83
Increase in Debtors	5.46	1.19	1.09	1.22	1.30
Repayment of Term Loan	1.52	3.04	3.04	3.04	3.04
Drawings	2.00	2.50	5.00	7.00	10.00
Taxation	-	0.22	1.04	2.25	4.14
TOTAL :	**46.97**	**9.35**	**12.63**	**16.21**	**21.31**
Opening Cash & Bank Balance	-	2.87	2.96	3.45	4.22
Add : Surplus	2.87	0.09	0.49	0.77	1.72
Closing Cash & Bank Balance	**2.87**	**2.96**	**3.45**	**4.22**	**5.94**

4.19. DEBT SERVICE COVERAGE RATIO

CALCULATION OF D.S.C.R					
PARTICULARS	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th year**
CASH ACCRUALS	6.11	8.36	11.18	13.76	17.84
Interest on Term Loan	1.34	1.18	0.85	0.52	0.18
Total	7.46	9.55	12.03	14.27	18.02
REPAYMENT					
Instalment of Term Loan	1.52	3.04	3.04	3.04	3.04
Interest on Term Loan	1.34	1.18	0.85	0.52	0.18
Total	2.86	4.22	3.89	3.55	3.22
DEBT SERVICE COVERAGE RATIO	**2.61**	**2.26**	**3.09**	**4.02**	**5.60**
AVERAGE D.S.C.R.					**3.52**