



## **DETAILED PROJECT REPORT**

### **PEANUT BUTTER UNIT**

### **UNDER PMFME SCHEME**



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**1. PROJECT SUMMARY**

1. Name of the proposed project	:	Peanut Butter Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	64800 Kg/annum(40,45,50,55&60% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Peanuts and Salt
5. Major product outputs	:	Peanut Butter
6. Total project cost	:	Rs. 13.87 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 7.70 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.50 Lakh
• Working capital	:	Rs. 3.67 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 3.57 Lakh
• Promoter's contribution (min10%)	:	Rs. 1.38 Lakh
• Term loan	:	Rs. 5.61 Lakh
• Working Capital Requirement	:	Rs. 3.30 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 0.88 Lakh
• 2 <sup>nd</sup> year	:	Rs. 2.64 Lakh
• 3 <sup>rd</sup> year	:	Rs. 4.78 Lakh
• 4 <sup>th</sup> year	:	Rs. 6.50 Lakh
• 5 <sup>th</sup> year	:	Rs. 8.68 Lakh
11. Average DSCR	:	Rs. 4.24
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

Peanut butter is a food paste or spread made from ground, dry-roasted peanuts. It often contains additional ingredients that modify the taste or texture, such as salt, sweeteners, or emulsifiers. Peanut butter is a protein-packed spread popular around the world. It's made of ground peanuts - often roasted first - blended into a thick paste.

Natural peanut butter is available at health food stores and specialty grocers, and can be easily found online. Look for a product that contains no additives other than a little salt.

Peanuts have considerable nutrients and are consumed in different forms all over the world since long. Peanut butter is one such product consumed in large quantities especially in western countries since many years. It is not very popular in India and the domestic market is dominated by milk butter. Peanut butter is served as a spread on bread, toast, or crackers, and used to make sandwiches.

#### **Benefits & Uses:**

- Peanut butter is an ideal substitute for milk butter. It is a low calorie, high protein product.
- Peanut butter is most commonly used in sandwiches and as a spread. It is widely used in bakeries and confectioneries
- Peanut butter is a great substitution or alternative to meat products because it is much less expensive, it's filling, and it contains fiber.

- Peanut butter is also a good source of copper, a mineral that helps maintain our bone health, immune function, and blood vessels.

## **2.2. MARKET POTENTIAL:**

The global peanut butter market reached a value of US\$ 3.5 Billion in 2019, exhibiting a CAGR of 4.6% during 2014-2019. Peanuts are an essential crop grown worldwide and are commercially used for the production of oil, butter, flour, confections and snack products.

Indian peanuts are popular all over the world with large exports every year. But unfortunately, our market share is primarily confined to raw peanuts and value-added products like blanched & roasted peanuts and peanut butter has very negligible contribution. Peanut Butter Market in India estimated to grow aggressively due to increasing demand from all the states of India. The Indian Peanut Butter Market witnessing 14.2% of CAGR from 2019 to 2025.

Delhi is the 1st place for the highest demand of peanut butter in India. After Delhi Punjab — the land of milk, butter and ghee — is witnessing significant changes in people's eating habits with traditional butter being replaced by peanut butter. This can be gauged from the fact that for fast-moving consumer goods (FMCG) companies, Punjab is the biggest market for peanut butter after Delhi. Otherwise, Delhi market is followed by Mumbai, Bengaluru and Pune for other products in the FMCG segment.

### 2.3. RAW MATERIAL DESCRIPTION:

Peanuts (white raw peanuts) are the main raw material for manufacturing peanut butter. Peanuts are a nutritious, hunger-satisfying, low-glycemic snack. Groundnuts in India are available throughout the year due to a two-crop cycle harvested in March and October. The awareness and concern for quality amongst the Indian groundnut sellers and processors are growing steadily. Other raw material required except peanut is salt.

S.N.	Particulars	Rate
1	Peanuts	Rs. 85-90/kg
2	Salt	Rs. 10-12/Kg

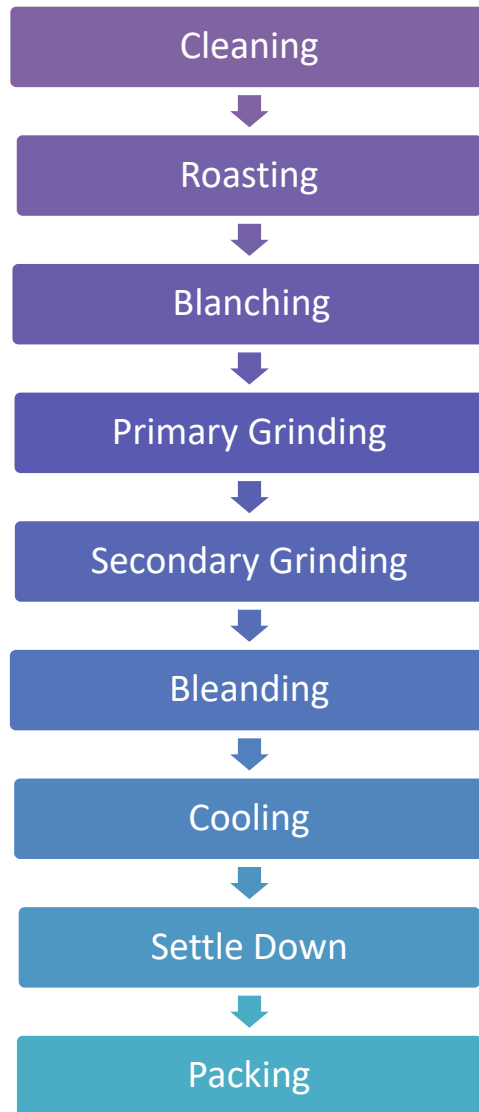
Average raw material cost per 500 gm packet of Peanut Butter: Rs. 38-50

## 3. PROCESS FLOW CHART

It is possible to buy raw peanuts instead of shelled peanuts or peanut pods. But it is advisable to install groundnut shelling plant to ensure quality of the all-important input which determines the ultimate quality of butter. The manufacturing process in this project is briefly described hereunder:

- **Peanut Grading:** Procurement of raw material & Peanuts are graded according to sizes to ensure only big or bold peanuts are taken up for process.

- **Peanut Roasting & Blanching:** This is a critical stage. Roasting is done at around 160°C for 40-60 minutes depending upon the moisture contents. Roasting reduces water contents to around 1% which increases the shelf life of peanuts and helps develop flavor. After roasting, peanuts are cooled and then blanched (removal of outer red skin). After blanching each peanut is inspected to remove discolored (grey or black) nuts.
- Grinding Peanuts are then ground in peanut butter mill in two stages to produce fine and creamy butter. The outlet temperature is around 65-75°C. All ingredients like salt, sugar and stabilizers are added during this process.
- De-aeration Air is incorporated into peanut butter during milling and subsequently it is removed in a vacuum.
- Cooling a scraped surface heat exchanger is used for cooling. The outlet temperature depends upon the type of stabiliser used.
- Filling and Packing Peanut butter is filled in Pet Jars or metal drums as per the instructions of the buyer. Immediately after filling, the jars are vibrated to remove any remaining air bubbles. After keeping jars or drums for around 35-40 hours at around 20°C, the peanut butter sets completely and can be dispatched. Recovery from groundnut shells or pods is 55% HPS groundnuts, 22% husk and balance 23% are splits or kapchi. Roasting of peanuts and removal of discoloured peanuts, results in further waste/loss of 5%
- Checking of final product, packaging & sent for sale.





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

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

1. Production Capacity of Peanut Butter is 30 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 15 days and Finished goods Closing Stock has been taken for 15 days.
4. Credit period to Sundry Debtors has been given for 20 days.
5. Credit period by the Sundry Creditors has been provided for 10 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

<b>COMPUTATION OF PRODUCTION OF PEANUT BUTTER</b>		
<b>Items to be Manufactured</b>		
Peanut Butter		
Machine capacity Per hour	30	Kg
Total working Hours	8	
Machine capacity Per Day	240	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	10%	
Raw material requirement	72000	Kg
Final Output per annum after wastage	64800	Kg
Final Product to be packed in 500 gm Packet		
Number of Packets per annum	129600	500 gm Packet

<b>Production of Peanut Butter</b>		
<b>Production</b>	<b>Capacity</b>	<b>KG</b>
1st year	40%	51,840
2nd year	45%	58,320
3rd year	50%	64,800
4th year	55%	71,280
5th year	60%	77,760






<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	40%	38.00	10.94
2nd year	45%	40.00	12.96
3rd year	50%	42.00	15.12
4th year	55%	44.00	17.42
5th year	60%	46.00	19.87

<b>COMPUTATION OF SALE</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	-	2,592	2,916	3,240	3,564
Production	51,840	58,320	64,800	71,280	77,760
Less : Closing Stock	2,592	2,916	3,240	3,564	3,888
<b>Net Sale</b>	<b>49,248</b>	<b>57,996</b>	<b>64,476</b>	<b>70,956</b>	<b>77,436</b>
Sale price per packet	70.00	74.00	78.00	82.00	86.00
<b>Sales (in Lacs)</b>	<b>34.47</b>	<b>42.92</b>	<b>50.29</b>	<b>58.18</b>	<b>66.59</b>

### 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.
Peanut Roasting Machine	This machine is used to roast various nuts utilizing appropriate heat source which can be electrically or thermally powered.	
Peanut Butter Making Machine	This machine is a grinder class machine which is utilized to initially crush and later convert this crushed phase into paste form utilizing appropriate grinding arrangements.	
Jacketted Mixer Vessel	This is a mixer class machine which is used to mix given set of raw material at required temperature and pressure.	
Peanut Butter filling machine	This machine is used to fill the final product into appropriate size containers in required quantity.	
Material handling and other Equipments	These Equipments are used for material handling. Other equipments like water pumps, conveyors , etc are also used.	

<b>Machine</b>	<b>Unit</b>	<b>Rate</b>	<b>Price</b>
Peanut Roasting Machine (50 kg/hr)	1	125000	125000
Peanut Butter Making Machine( 30-80kg/hr)	1	125000	125000
Jacketted Mixer Vessel	1	65000	65000
Peanut Butter filling machine (100 gm to 1 kg filling)	1	155000	155000
Material handling and other equipments (Bins, trolley, conveyor, silos, etc.)	-	300000	300000

**Note:** Approx. Total Machinery cost shall be Rs 7.70 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

<b>COST OF PROJECT</b>	
	(in Lacs)
<b>PARTICULARS</b>	<b>Amount</b>
Land & Building	Owned/Rented
Plant & Machinery	7.70
Miscellaneous Assets	2.50
Working capital	3.67
<b>Total</b>	<b>13.87</b>

**4.7. MEANS OF FINANCE**

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	1.38
Subsidy @35%(Max. Rs 10 Lac)	3.57
Term Loan @ 55%	5.61
Working Capital (Bank Finance)	3.30
<b>Total</b>	<b>13.87</b>

**4.8. TERM LOAN:** Term loan of Rs. 5.61 Lakh is required for project cost of Rs. 13.87 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	-	5.61	5.61	-	-	5.61
	2nd month	5.61	-	5.61	0.05	-	5.61
	3rd month	5.61	-	5.61	0.05	-	5.61
	4th month	5.61	-	5.61	0.05	-	5.61
	5th month	5.61	-	5.61	0.05	-	5.61

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			5.61				
6th month	5.61	-	5.61	0.05			5.61
7th month	5.61	-	5.61	0.05	0.10		5.51
8th month	5.51	-	5.51	0.05	0.10		5.40
9th month	5.40	-	5.40	0.05	0.10		5.30
10th month	5.30	-	5.30	0.05	0.10		5.19
11th month	5.19	-	5.19	0.05	0.10		5.09
12th month	5.09	-	5.09	0.05	0.10		4.99
				<b>0.55</b>	<b>0.62</b>		
<b>2nd</b>	Opening Balance						
1st month	4.99	-	4.99	0.05	0.10		4.88
2nd month	4.88	-	4.88	0.04	0.10		4.78
3rd month	4.78	-	4.78	0.04	0.10		4.68
4th month	4.68	-	4.68	0.04	0.10		4.57
5th month	4.57	-	4.57	0.04	0.10		4.47
6th month	4.47	-	4.47	0.04	0.10		4.36
7th month	4.36	-	4.36	0.04	0.10		4.26
8th month	4.26	-	4.26	0.04	0.10		4.16
9th month	4.16	-	4.16	0.04	0.10		4.05
10th month	4.05	-	4.05	0.04	0.10		3.95
11th month	3.95	-	3.95	0.04	0.10		3.84
12th month	3.84	-	3.84	0.04	0.10		3.74
				<b>0.49</b>	<b>1.25</b>		
<b>3rd</b>	Opening Balance						
1st month	3.74	-	3.74	0.03	0.10		3.64

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	2nd month	3.64	-	3.64	0.03	0.10	3.53
	3rd month	3.53	-	3.53	0.03	0.10	3.43
	4th month	3.43	-	3.43	0.03	0.10	3.32
	5th month	3.32	-	3.32	0.03	0.10	3.22
	6th month	3.22	-	3.22	0.03	0.10	3.12
	7th month	3.12	-	3.12	0.03	0.10	3.01
	8th month	3.01	-	3.01	0.03	0.10	2.91
	9th month	2.91	-	2.91	0.03	0.10	2.81
	10th month	2.81	-	2.81	0.03	0.10	2.70
	11th month	2.70	-	2.70	0.02	0.10	2.60
	12th month	2.60	-	2.60	0.02	0.10	2.49
					<b>0.35</b>	<b>1.25</b>	
<b>4th</b>	Opening Balance						
	1st month	2.49	-	2.49	0.02	0.10	2.39
	2nd month	2.39	-	2.39	0.02	0.10	2.29
	3rd month	2.29	-	2.29	0.02	0.10	2.18
	4th month	2.18	-	2.18	0.02	0.10	2.08
	5th month	2.08	-	2.08	0.02	0.10	1.97
	6th month	1.97	-	1.97	0.02	0.10	1.87
	7th month	1.87	-	1.87	0.02	0.10	1.77
	8th month	1.77	-	1.77	0.02	0.10	1.66
	9th month	1.66	-	1.66	0.02	0.10	1.56
	10th month	1.56	-	1.56	0.01	0.10	1.45
	11th month	1.45	-	1.45	0.01	0.10	1.35



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	12th month	1.35	-	1.35	0.01	0.10	1.25
					<b>0.21</b>	<b>1.25</b>	
<b>5th</b>	Opening Balance						
	1st month	1.25	-	1.25	0.01	0.10	1.14
	2nd month	1.14	-	1.14	0.01	0.10	1.04
	3rd month	1.04	-	1.04	0.01	0.10	0.94
	4th month	0.94	-	0.94	0.01	0.10	0.83
	5th month	0.83	-	0.83	0.01	0.10	0.73
	6th month	0.73	-	0.73	0.01	0.10	0.62
	7th month	0.62	-	0.62	0.01	0.10	0.52
	8th month	0.52	-	0.52	0.00	0.10	0.42
	9th month	0.42	-	0.42	0.00	0.10	0.31
	10th month	0.31	-	0.31	0.00	0.10	0.21
	11th month	0.21	-	0.21	0.00	0.10	0.10
	12th month	0.10	-	0.10	0.00	0.10	-
					<b>0.07</b>	<b>1.25</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><u>Finished Goods</u></b>					
	1.23	1.44	1.62	1.82	2.03
<b><u>Raw Material</u></b>					
	0.55	0.65	0.76	0.87	0.99
<b>Closing Stock</b>	<b>1.78</b>	<b>2.08</b>	<b>2.37</b>	<b>2.70</b>	<b>3.02</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	1.78				
Less : Creditors	0.36				
<b>Paid stock</b>	<b>1.41</b>	<b>10%</b>	<b>0.14</b>	<b>90%</b>	<b>1.27</b>
<b>Sundry Debtors</b>	<b>2.30</b>	<b>10%</b>	<b>0.23</b>	<b>90%</b>	<b>2.07</b>
	<b>3.71</b>		<b>0.37</b>		<b>3.34</b>
<b>MPBF</b>					<b>3.34</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>3.30</b>
<b>Working Capital Margin</b>					<b>0.37</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>
Plant 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)	7,000	2	14,000
<b>Total salary per month</b>			<b>73,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>8.76</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>
Administrative Staff	8,000	1	8,000
Manager	18,000	1	18,000
Accountant	14,000	1	14,000
<b>Total salary per month</b>			<b>40,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>4.80</b>

## 4.12 POWER REQUIREMENT

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
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

<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	7.70	2.50	10.20
Total	7.70	2.50	10.20
Less : Depreciation	1.16	0.25	1.41
<b>WDV at end of Year</b>	<b>6.55</b>	<b>2.25</b>	<b>8.80</b>
Additions During The Year	-	-	-
Total	6.55	2.25	8.80
Less : Depreciation	0.98	0.23	1.21
<b>WDV at end of Year</b>	<b>5.56</b>	<b>2.03</b>	<b>7.59</b>
Additions During The Year	-	-	-
Total	5.56	2.03	7.59
Less : Depreciation	0.83	0.20	1.04
<b>WDV at end of Year</b>	<b>4.73</b>	<b>1.82</b>	<b>6.55</b>
Additions During The Year	-	-	-
Total	4.73	1.82	6.55
Less : Depreciation	0.71	0.18	0.89
<b>WDV at end of Year</b>	<b>4.02</b>	<b>1.64</b>	<b>5.66</b>
Additions During The Year	-	-	-
Total	4.02	1.64	5.66
Less : Depreciation	0.60	0.16	0.77
<b>WDV at end of Year</b>	<b>3.42</b>	<b>1.48</b>	<b>4.89</b>

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 2.0% 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>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>	
<b><u>SALES</u></b>						
<b>Gross Sale</b>						
Peanut Butter	34.47	42.92	50.29	58.18	66.59	
<b>Total</b>	<b>34.47</b>	<b>42.92</b>	<b>50.29</b>	<b>58.18</b>	<b>66.59</b>	
<b><u>COST OF SALES</u></b>						
Raw Material Consumed	10.94	12.96	15.12	17.42	19.87	
Electricity Expenses	1.92	2.21	2.54	2.92	3.21	
Depreciation	1.41	1.21	1.04	0.89	0.77	
Wages & labour	8.76	10.34	11.37	12.51	13.76	
Repair & maintenance	0.69	0.86	1.01	1.16	1.33	
Packaging	0.93	1.16	1.26	1.57	1.66	
<b>Cost of Production</b>	<b>24.65</b>	<b>28.73</b>	<b>32.33</b>	<b>36.48</b>	<b>40.61</b>	
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.23</b>	<b>1.44</b>	<b>1.62</b>	<b>1.82</b>	
<b>Less: Closing Stock /WIP</b>	<b>1.23</b>	<b>1.44</b>	<b>1.62</b>	<b>1.82</b>	<b>2.03</b>	
Cost of Sales	23.42	28.52	32.15	36.27	40.40	
<b>GROSS PROFIT</b>	<b>11.06</b>	<b>14.39</b>	<b>18.14</b>	<b>21.91</b>	<b>26.20</b>	
	<b>32.07%</b>	<b>33.54%</b>	<b>36.07%</b>	<b>37.66%</b>	<b>39.34%</b>	
Salary to Staff	4.80	5.70	6.79	7.60	8.66	
Interest on Term Loan	0.55	0.49	0.35	0.21	0.07	
Interest on working Capital	0.36	0.36	0.36	0.36	0.36	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	0.86	1.24	1.51	1.92	2.06	
<b>TOTAL</b>	<b>10.18</b>	<b>11.76</b>	<b>13.36</b>	<b>14.89</b>	<b>16.44</b>	
<b>NET PROFIT</b>	<b>0.88</b>	<b>2.64</b>	<b>4.78</b>	<b>7.03</b>	<b>9.76</b>	
	<b>2.55%</b>	<b>6.14%</b>	<b>9.50%</b>	<b>12.08%</b>	<b>14.65%</b>	
Taxation	-	-	-	0.53	1.08	
<b>PROFIT (After Tax)</b>	<b>0.88</b>	<b>2.64</b>	<b>4.78</b>	<b>6.50</b>	<b>8.68</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>	34.47	42.92	50.29	58.18	66.59
Less : Op. WIP Goods	-	1.23	1.44	1.62	1.82
Add : Cl. WIP Goods	1.23	1.44	1.62	1.82	2.03
<b>Total Sales</b>	<b>35.71</b>	<b>43.12</b>	<b>50.47</b>	<b>58.39</b>	<b>66.80</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	10.94	12.96	15.12	17.42	19.87
Electricity Exp/Coal Consumption at 85%	1.63	1.88	2.16	2.48	2.73
Wages & Salary at 60%	8.14	9.62	10.89	12.06	13.45
Selling & administrative Expenses 80%	0.69	1.00	1.21	1.54	1.65
Interest on working Capital	0.363	0.363	0.363	0.363	0.363
Repair & maintenance	0.69	0.86	1.01	1.16	1.33
Packaging	0.93	1.16	1.26	1.57	1.66
<b>Total Variable &amp; Semi Variable Exp</b>	<b>23.38</b>	<b>27.84</b>	<b>32.01</b>	<b>36.60</b>	<b>41.07</b>
<b>Contribution</b>	<b>12.32</b>	<b>15.28</b>	<b>18.47</b>	<b>21.79</b>	<b>25.73</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.29	0.33	0.38	0.44	0.48
Wages & Salary at 40%	5.42	6.42	7.26	8.04	8.97
Interest on Term Loan	0.55	0.49	0.35	0.21	0.07
Depreciation	1.41	1.21	1.04	0.89	0.77
Selling & administrative Expenses 20%	0.17	0.25	0.30	0.38	0.41
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>11.44</b>	<b>12.65</b>	<b>13.69</b>	<b>14.76</b>	<b>15.98</b>
<b>Capacity Utilization</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>
<b>OPERATING PROFIT</b>	<b>0.88</b>	<b>2.64</b>	<b>4.78</b>	<b>7.03</b>	<b>9.76</b>
<b>BREAK EVEN POINT</b>	<b>37%</b>	<b>37%</b>	<b>37%</b>	<b>37%</b>	<b>37%</b>
<b>BREAK EVEN SALES</b>	<b>33.15</b>	<b>35.68</b>	<b>37.41</b>	<b>39.56</b>	<b>41.47</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		4.33	5.16	6.14	7.64	
Add:- Own Capital	1.38					
Add:- Retained Profit	0.88	2.64	4.78	6.50	8.68	
Less:- Drawings	1.50	1.80	3.80	5.00	7.00	
Subsidy/grant	3.57					
Closing Balance	4.33	5.16	6.14	7.64	9.32	
Term Loan	4.99	3.74	2.49	1.25	-	
Working Capital Limit	3.30	3.30	3.30	3.30	3.30	
Sundry Creditors	0.36	0.43	0.50	0.58	0.66	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>13.38</b>	<b>13.14</b>	<b>13.04</b>	<b>13.49</b>	<b>14.15</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	10.20	10.20	10.20	10.20	10.20	
Gross Dep.	1.41	2.61	3.65	4.54	5.31	
<b>Net Fixed Assets</b>	<b>8.80</b>	<b>7.59</b>	<b>6.55</b>	<b>5.66</b>	<b>4.89</b>	
<b>Current Assets</b>						
Sundry Debtors	2.30	2.86	3.35	3.88	4.44	
Stock in Hand	1.78	2.08	2.37	2.70	3.02	
Cash and Bank	0.51	0.60	0.76	1.25	1.79	
<b>TOTAL :</b>	<b>13.38</b>	<b>13.14</b>	<b>13.04</b>	<b>13.49</b>	<b>14.15</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	1.38					
Net Profit	0.88	2.64	4.78	7.03	9.76	
Depriciation & Exp. W/off	1.41	1.21	1.04	0.89	0.77	
Increase in Cash Credit	3.30	-	-	-	-	
Increase In Term Loan	5.61	-	-	-	-	
Increase in Creditors	0.36	0.07	0.07	0.08	0.08	
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14	
Sunsidy/grant	3.57					
<b>TOTAL :</b>	<b>16.91</b>	<b>4.01</b>	<b>5.99</b>	<b>8.12</b>	<b>10.75</b>	
<b><u>APPLICATION OF FUND</u></b>						
Increase in Fixed Assets	10.20					
Increase in Stock	1.78	0.30	0.29	0.32	0.33	
Increase in Debtors	2.30	0.56	0.49	0.53	0.56	
Repayment of Term Loan	0.62	1.25	1.25	1.25	1.25	
Drawings	1.50	1.80	3.80	5.00	7.00	
Taxation	-	-	-	0.53	1.08	
<b>TOTAL :</b>	<b>16.40</b>	<b>3.91</b>	<b>5.83</b>	<b>7.63</b>	<b>10.21</b>	
Opening Cash & Bank Balance	-	0.51	0.60	0.76	1.25	
Add : Surplus	0.51	0.10	0.16	0.49	0.54	
Closing Cash & Bank Balance	<b>0.51</b>	<b>0.60</b>	<b>0.76</b>	<b>1.25</b>	<b>1.79</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	2.29	3.84	5.82	7.39	9.45
Interest on Term Loan	0.55	0.49	0.35	0.21	0.07
<b>Total</b>	<b>2.84</b>	<b>4.33</b>	<b>6.16</b>	<b>7.60</b>	<b>9.52</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	0.62	1.25	1.25	1.25	1.25
Interest on Term Loan	0.55	0.49	0.35	0.21	0.07
Total	1.17	1.73	1.60	1.46	1.32
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.42</b>	<b>2.50</b>	<b>3.86</b>	<b>5.21</b>	<b>7.21</b>
<b>AVERAGE D.S.C.R.</b>	<b>4.24</b>				