



DETAILED PROJECT REPORT

GROUNDNUT OIL UNIT

UNDER PMFME SCHEME



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Ministry of Food Processing Industries

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1. PROJECT SUMMARY

1. Name of the proposed project	:	Groundnut Oil Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	118800 Kg/annum(55,60,65,70,&75% capacity utilization in 1 st to 5 th Year respectively)
4. Raw materials	:	Groundnuts
5. Major product outputs	:	Groundnut Oil
6. Total project cost	:	Rs.24.31 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs.15.39 Lakh
• Miscellaneous Fixed Assets	:	Rs.1.70 Lakh
• Working capital	:	Rs.7.22 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs.5.98 Lakh
• Promoter's contribution (min10%)	:	Rs.2.42 Lakh
• Term loan	:	Rs.9.40 Lakh
• Working Capital Requirement	:	Rs.6.50 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs.1.69 Lakh
• 2 nd year	:	Rs.3.80 Lakh
• 3 rd year	:	Rs.5.71 Lakh
• 4 th year	:	Rs.7.48 Lakh
• 5th year	:	Rs.9.07 Lakh
11. Average DSCR	:	3.30
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

The groundnut or peanut is a species in the family Fabaceae (commonly known as the bean, pea or legume family). Groundnut oil, also known as peanut oil or arachis oil is a mild tasting vegetable oil derived from peanuts. Groundnut oil is a kind of light yellow transparent edible oil with clear color and lecture, pleasant fragrance and good taste, is relatively easy to digest.

Groundnut oil contains more than 80% unsaturated fatty acids (including 41.2%oleic acid and 37.6%linoleic acid). It also contains 19.9% of palmitic acid, stearic acid, arachidic acid and other unsaturated fatty acids. The fatty acid composition of peanut oil is relatively good, therefore it is easy for human bodies to digest and absorb. The groundnut is an annual herbaceous plant growing 30 to 50 cm (1.0 to 1.6 ft) tall. The leaves are opposite, pinnate with flour leaflets (two opposite pairs; no teminal leaflet); each leaflet is 1 to 7 cm (% to 2% in) long and 1to 3 cm (% to 1 inch)across.Peanuts have high oil content (45% - 52%) compared too many other oil seed crops.

2.2 MARKET POTENTIAL:

The global groundnut oil market is highly congested with high level of competition among key players. Moreover, since there is no unique functionality of groundnut oil when compared to other vegetable oils, the demand is anticipated to remain stagnant throughout the forecast period. Peanut oil is an edible vegetable oil that is derived from peanuts. The peanut oil market size has the potential to grow by USD 1.90 billion during 2020-2024, and the market's growth momentum will accelerate during the forecast period.

Peanut or groundnut oil is a well-established product with a historically high use in several Asian foods and cuisines. It is used either as a base for cooking (cooking oil) or to enhance the flavor of the underlying food.

2.3 RAW MATERIAL DESCRIPTION:

Groundnuts are the main raw material for manufacturing. Groundnuts 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. Ground Nuts are important protein crops in India grown mostly under rain-fed conditions. The awareness and concern for quality amongst the Indian groundnut shellers and processors are growing steadily.

Other than this plastic bottles and caps are required for packaging of groundnut oil.

3. PROCESS FLOW CHART

A complete seed of Groundnut is called as pod and contains one to five kernels, which develops underground in a needlelike structure called as peg. In the first step, the healthy and mature seeds of ground nut are harvested from the authorized vendor and stored in the inventory.

In the next step, the foreign impurities like metal, plastics, husks etc. are separated from the kernels manually. Then place the kernels over the vibratory pre-cleaner machine to remove dirt, sand and stone particles. The Vibro sifter machine works on the principle of gyratory vibrations. The material is separated on the basis of their particle size. Once the motor gets energized, vibration is caused in the screen/sieve making the material to travel across the sieves according to its particle size.

After this, the cleaned groundnuts are fed into Groundnut Decorticator Machine using screw conveyors. Decortication of groundnut is a tedious and time consuming process. Groundnut decorticator is operated on the shearing action blowering action and separating action. Firstly the groundnut sare fed to the machine. Then groundnuts come in contact with the two members, one is semi-circular net and another is roll shaft having soft wooden core. Semi-circular net is a stationary member while the roll shaft of wood is rotating member. When the groundnut comes in contact with these two members then the shearing action takes place there. Due to shearing action (crushing) the groundnuts gets shelled and divided into two parts that is in the kernels and outer shell of the groundnuts. There clearance is provided between the net and roll shaft. The clearance provided is depends upon the size of the groundnuts which is to be decocted.

The kernels have to be prepared for efficient oil recovery by pressing. This is done by adjusting their moisture content and temperature, while keeping the seeds hot (say 90-95°C) for a period of 30-60 minute. To perform this outer shells of groundnuts separated out in previous step are fed into the cross tube boiler and burned to generate steam. This steam is further utilized to heat the kernels for oil extraction. Kernels are stored in the containers and steam is processed at controlled pressure to treat the kernels.

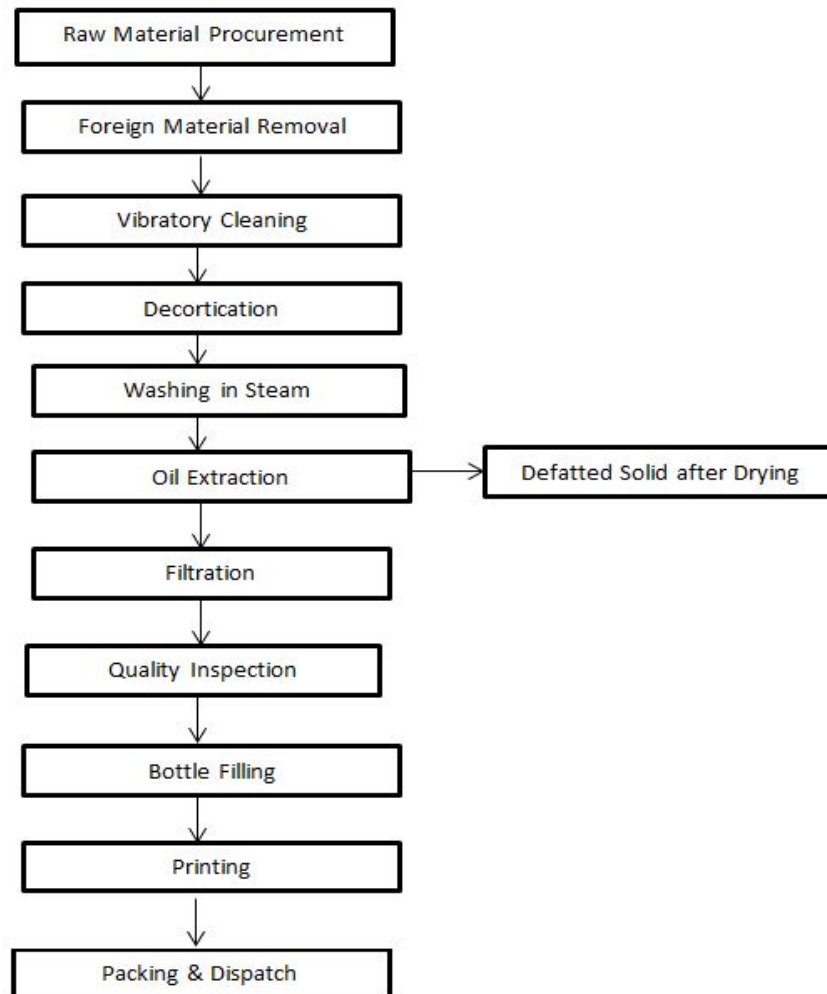
In the next step, the kernels are fed into oil expeller. The steam is also fed through the expeller to maintain the temperature for oil extraction. The oil expeller crushes the peanut seeds to extract oil. The oil extracted is collected in the containers. The oil cake obtained after first compression has also some percentage of oil content remains in it. The cake is again fed into other oil expeller to remove the oil content presence in it through conveyor. Steam is fed into the machine to maintain the temperature. The oil extracted is stored in the containers.

The crude oil obtained after crushing has impurities present in it. In the next step, the crude oil is fed into Filter machine. The pump feed the crude oil from container through pump and transfer the oil to filter cloth. The filter cloth soak the fine impurities present in the oil. The filter oil is passed through the tap present in the machine and collected in the tray. From the machine tray it is collected into the container.

In the next step, the oil is tested for quality prospective regarding the presence of fatty acids in the edible oil as per the fssai norms. After this, the oil is filled into the bottles as per the required quantity using oil filling machine. It should be ensure that the bottle must be clean and dry before filling. The caps are mounted precisely to ensure proper sealing.

In the next step, the expiry date, specifications are printed over the bottle using printing machine. Printed labels of company information are pasted over the bottles. After this, the bottles are packed and dispatched as per the required quantity.

FLOW CHART OF GROUNDNUT OIL MANUFACTURING PROCESS



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Peanut oil is 400 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 5 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 06 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 22 KWH.
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 GROUNDNUT OIL****Items to be Manufactured**

Groundnut oil

Machine capacity Per hour	50	Kg
Total working Hours	8	
Machine capacity Per Day	400	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	10%	
Peanut oil minimum extraction rate taken	30%	of input
Raw material requirement	400000	Kg
Final Product to be packed in 1 Litre Packet	118800	
Number of Packets per annum	118800	Litre
Groundnut Cake	240000	Kg

Production of Groundnut oil

Production	Capacity	KG
1st year	55%	65,340
2nd year	60%	71,280
3rd year	65%	77,220
4th year	70%	83,160
5th year	75%	89,100

Raw Material Cost				
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)	
1st year	55%	66.00	145.20	
2nd year	60%	69.00	165.60	
3rd year	65%	72.00	187.20	
4th year	70%	76.00	212.80	
5th year	75%	80.00	240.00	




<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	2,178	2,376	2,574	2,772
Production	65,340	71,280	77,220	83,160	89,100
Less : Closing Stock	2,178	2,376	2,574	2,772	2,970
Net Sale	63,162	71,082	77,022	82,962	88,902
sale price per packet	264.00	277.00	291.00	306.00	321.00
Sales (in Lacs)	166.75	196.90	224.13	253.86	285.38




<u>COMPUTATION OF SALE(Groundnut Cake)</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Production	1,32,000	1,44,000	1,56,000	1,68,000	1,80,000
Net Sale	1,32,000	1,44,000	1,56,000	1,68,000	1,80,000
sale price per packet	22.00	23.00	24.00	25.00	26.00
Sales (in Lacs)	29.04	33.12	37.44	42.00	46.80

4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete factory setup is 1500-1800 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

4.4. MACHINERY & EQUIPMENTS

S. N.	Machine	Machine Description	Image
1.	Vibratory Pre-cleaner machine	This machine is used to remove foreign impurities like husk, stone, plastics from the harvested peanuts. The Vibro sifter machine works on the principle of gyratory vibrations. The material is separated on the basis of their particle size.	
2.	Groundnut Decorticator Machine	This machine divides the groundnut into two parts that is in the kernels and outer shell of the groundnuts by shearing action.	
3.	Cross Tube Boiler	The feed water is fed to the cross drum through feed water inlet. Then this water comes down through the down-comer pipe and enters into inclined water tube placed in hot chamber. Here, the water becomes hot and steam is produced	

		in the water which comes into steam chamber.	
4.	Groundnut oil expeller	This machine is used to crush the groundnut kernels to produce oil. The expelling unit consists of a screw expellant shaft. Rotary screw arrangement is made in the machine for crushing the groundnut. The heating of groundnut seeds is achieved by generated heat, which heats the surrounding of seeds passage.	
5.	Oil Filter Press	An industrial filter press is a tool used in separation processes, specifically to separate solids and liquids. The machine stacks many filter elements and allows the filter to be easily opened to remove the filtered solids, and allows easy cleaning or replacement of the filter media.	
6.	Bottle filling machine	This machine is used to fill oil within the bottles at sufficient pressure in required quantity.	

7.	Other machineries & equipments	Oil collection tank, pump, screw conveyor, bins etc.	
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Machine	Unit	Rate	Price
Vibratory Pre-cleaner machine (250 kg/hr)	1	1,50,000	1,50,000
Groundnut Decorticator Machine (300 kg/hr)	1	45000	45000
Cross Tube Boiler (30 kg/hr)	1	80000	80000
Groundnut oil expeller (125-140 kg/hr)	1	99000	99000
Oil Filter Press (16 Plates – 16”x16”)	1	65000	65000

PM FME- Detailed Project Report of Groundnut Oil Unit

Bottle filling machine (100 ml to 5 Ltr; 40 BPM)	1	8,50,000	8,50,000
Other machineries & equipments	-	2,50,000	2,50,000

Note: Cost of the machinery is approx. Rs.15.39 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	15.39
Miscellaneous Assets	1.70
Working capital	7.22
Total	24.31

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.42
Subsidy @35%(Max. Rs 10 Lac)	5.98
Term Loan @ 55%	9.40
Working Capital (Bank Finance)	6.50
Total	24.31

4.8. TERM LOAN: Term loan of Rs.9.40 Lakh is required for project cost of Rs.24.31 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	-	9.40	9.40	-	-	9.40
	2nd month	9.40	-	9.40	0.09	-	9.40
	3rd month	9.40	-	9.40	0.09	-	9.40
	4th month	9.40	-	9.40	0.09	-	9.40
	5th month	9.40	-	9.40	0.09	-	9.40
	6th month	9.40	-	9.40	0.09	-	9.40
	7th month	9.40	-	9.40	0.09	0.17	9.23

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8th month	9.23	-	9.23	0.08	0.17	9.05
9th month	9.05	-	9.05	0.08	0.17	8.88
10th month	8.88	-	8.88	0.08	0.17	8.70
11th month	8.70	-	8.70	0.08	0.17	8.53
12th month	8.53	-	8.53	0.08	0.17	8.36
				0.92	1.04	
2nd	Opening Balance					
1st month	8.36	-	8.36	0.08	0.17	8.18
2nd month	8.18	-	8.18	0.07	0.17	8.01
3rd month	8.01	-	8.01	0.07	0.17	7.83
4th month	7.83	-	7.83	0.07	0.17	7.66
5th month	7.66	-	7.66	0.07	0.17	7.48
6th month	7.48	-	7.48	0.07	0.17	7.31
7th month	7.31	-	7.31	0.07	0.17	7.14
8th month	7.14	-	7.14	0.07	0.17	6.96
9th month	6.96	-	6.96	0.06	0.17	6.79
10th month	6.79	-	6.79	0.06	0.17	6.61
11th month	6.61	-	6.61	0.06	0.17	6.44
12th month	6.44	-	6.44	0.06	0.17	6.27
				0.81	2.09	
3rd	Opening Balance					
1st month	6.27	-	6.27	0.06	0.17	6.09
2nd month	6.09	-	6.09	0.06	0.17	5.92
3rd month	5.92	-	5.92	0.05	0.17	5.74
4th month	5.74	-	5.74	0.05	0.17	5.57

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	5th month	5.57	-	5.57	0.05	0.17	5.40
	6th month	5.40	-	5.40	0.05	0.17	5.22
	7th month	5.22	-	5.22	0.05	0.17	5.05
	8th month	5.05	-	5.05	0.05	0.17	4.87
	9th month	4.87	-	4.87	0.04	0.17	4.70
	10th month	4.70	-	4.70	0.04	0.17	4.53
	11th month	4.53	-	4.53	0.04	0.17	4.35
	12th month	4.35	-	4.35	0.04	0.17	4.18
					0.58	2.09	
4th	Opening Balance						
	1st month	4.18	-	4.18	0.04	0.17	4.00
	2nd month	4.00	-	4.00	0.04	0.17	3.83
	3rd month	3.83	-	3.83	0.04	0.17	3.66
	4th month	3.66	-	3.66	0.03	0.17	3.48
	5th month	3.48	-	3.48	0.03	0.17	3.31
	6th month	3.31	-	3.31	0.03	0.17	3.13
	7th month	3.13	-	3.13	0.03	0.17	2.96
	8th month	2.96	-	2.96	0.03	0.17	2.79
	9th month	2.79	-	2.79	0.03	0.17	2.61
	10th month	2.61	-	2.61	0.02	0.17	2.44
	11th month	2.44	-	2.44	0.02	0.17	2.26
	12th month	2.26	-	2.26	0.02	0.17	2.09
					0.35	2.09	
5th	Opening Balance						
	1st month	2.09	-	2.09	0.02	0.17	1.91

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2nd month	1.91	-	1.91	0.02	0.17	1.74
3rd month	1.74	-	1.74	0.02	0.17	1.57
4th month	1.57	-	1.57	0.01	0.17	1.39
5th month	1.39	-	1.39	0.01	0.17	1.22
6th month	1.22	-	1.22	0.01	0.17	1.04
7th month	1.04	-	1.04	0.01	0.17	0.87
8th month	0.87	-	0.87	0.01	0.17	0.70
9th month	0.70	-	0.70	0.01	0.17	0.52
10th month	0.52	-	0.52	0.00	0.17	0.35
11th month	0.35	-	0.35	0.00	0.17	0.17
12th month	0.17	-	0.17	0.00	0.17	-
				0.12	2.09	
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					
	6.24	7.07	8.00	9.01	10.10
Raw Material					
	2.42	2.76	3.12	3.55	4.00
Closing Stock	8.66	9.83	11.12	12.56	14.10

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD				(in Lacs)	
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	8.66				
Less : Creditors	4.84				
Paid stock	3.82	10%	0.38	90%	3.44
Sundry Debtors	3.92	10%	0.39	90%	3.52
	7.73		0.77		6.96
MPBF					6.96
WORKING CAPITAL LIMIT DEMAND (from Bank)					6.50
Working Capital Margin					0.72

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages Rs. per Month	No of Employees	Total Salary
Machine Operator	10,000	2	20,000
Supervisor	15,000	1	15,000
Skilled (in thousand rupees)	12,000	4	48,000
Unskilled (in thousand rupees)	8,500	4	34,000
Total salary per month			1,17,000
Total annual labour charges	(in lacs)		14.04

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Helper	6,500	1	6,500
Manger	15,000	1	15,000
Administrative Staff	6,000	2	12,000
Total salary per month			33,500
Total annual Staff charges	(in lacs)		4.02

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	22	KWH
consumption per day	176	units
Consumption per month	4,400	units
Rate per Unit	10	Rs.
power Bill per month	44,000	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	15.39	1.70	17.09
Total	15.39	1.70	17.09
Less : Depreciation	2.31	0.17	2.48
WDV at end of Year	13.08	1.53	14.61
Additions During The Year	-	-	-
Total	13.08	1.53	14.61
Less : Depreciation	1.96	0.15	2.12
WDV at end of Year	11.12	1.38	12.50
Additions During The Year	-	-	-
Total	11.12	1.38	12.50
Less : Depreciation	1.67	0.14	1.81
WDV at end of Year	9.45	1.24	10.69
Additions During The Year	-	-	-
Total	9.45	1.24	10.69
Less : Depreciation	1.42	0.12	1.54
WDV at end of Year	8.03	1.12	9.15
Additions During The Year	-	-	-
Total	8.03	1.12	9.15
Less : Depreciation	1.21	0.11	1.32
WDV at end of Year	6.83	1.00	7.83

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 2.5% 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 %	55%	60%	65%	70%	75%
<u>SALES</u>					
Gross Sale					
Groundnut Oil	166.75	196.90	224.13	253.86	285.38
Groundnut Cake	29.04	33.12	37.44	42.00	46.80
Total	195.79	230.02	261.57	295.86	332.18
<u>COST OF SALES</u>					
Raw Material Consumed	145.20	165.60	187.20	212.80	240.00
Electricity Expenses	5.28	6.07	6.98	8.03	8.83
Depreciation	2.48	2.12	1.81	1.54	1.32
Wages & labour	14.04	15.44	19.31	18.34	18.34
Repair & maintenance	4.89	5.75	6.54	7.40	8.30
Packaging	15.27	17.25	18.05	22.19	26.24
Cost of Production	187.16	212.23	239.88	270.30	303.04
Add: Opening Stock /WIP	-	6.24	7.07	8.00	9.01
Less: Closing Stock /WIP	6.24	7.07	8.00	9.01	10.10
Cost of Sales	180.93	211.40	238.96	269.28	301.94
GROSS PROFIT	14.86	18.62	22.61	26.58	30.23
	7.59%	8.09%	8.65%	8.98%	9.10%
Salary to Staff	4.02	4.66	5.69	6.54	7.20
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Interest on working Capital	0.72	0.72	0.72	0.72	0.72
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	3.92	4.60	5.23	5.92	6.64
TOTAL	13.17	14.75	16.58	18.32	19.95
NET PROFIT	1.69	3.87	6.04	8.26	10.28
	0.86%	1.68%	2.31%	2.79%	3.09%
Taxation	-	0.07	0.33	0.78	1.21
PROFIT (After Tax)	1.69	3.80	5.71	7.48	9.07

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	195.79	230.02	261.57	295.86	332.18
Less : Op. WIP Goods	-	6.24	7.07	8.00	9.01
Add : Cl. WIP Goods	6.24	7.07	8.00	9.01	10.10
Total Sales	202.03	230.85	262.50	296.88	333.27
Variable & Semi Variable Exp.					
Raw Material Consumed	145.20	165.60	187.20	212.80	240.00
Electricity Exp/Coal Consumption at 85%	4.49	5.16	5.94	6.83	7.51
Wages & Salary at 60%	10.84	12.06	15.00	14.93	15.32
Selling & administrative Expenses 80%	3.13	3.68	4.19	4.73	5.31
Interest on working Capital	0.715	0.715	0.715	0.715	0.715
Repair & maintenance	4.89	5.75	6.54	7.40	8.30
Packaging	15.27	17.25	18.05	22.19	26.24
Total Variable & Semi Variable Exp	184.54	210.22	237.62	269.59	303.41
Contribution	17.49	20.63	24.88	27.29	29.86
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.79	0.91	1.05	1.20	1.32
Wages & Salary at 40%	7.22	8.04	10.00	9.95	10.21
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Depreciation	2.48	2.12	1.81	1.54	1.32
Selling & administrative Expenses 20%	0.78	0.92	1.05	1.18	1.33
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	15.80	16.76	18.84	19.03	19.58
Capacity Utilization	55%	60%	65%	70%	75%
OPERATING PROFIT	1.69	3.87	6.04	8.26	10.28
BREAK EVEN POINT	50%	49%	49%	49%	49%
BREAK EVEN SALES	182.54	187.58	198.77	207.02	218.53

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		8.59	9.89	12.60	16.58
Add:- Own Capital	2.42				
Add:- Retained Profit	1.69	3.80	5.71	7.48	9.07
Less:- Drawings	1.50	2.50	3.00	3.50	4.00
Subsidy/grant	5.98				
Closing Balance	8.59	9.89	12.60	16.58	21.65
Term Loan	8.36	6.27	4.18	2.09	-
Working Capital Limit	6.50	6.50	6.50	6.50	6.50
Sundry Creditors	4.84	5.52	6.24	7.09	8.00
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	28.69	28.68	30.11	32.98	37.01
<u>Assets</u>					
Fixed Assets (Gross)	17.09	17.09	17.09	17.09	17.09
Gross Dep.	2.48	4.59	6.40	7.94	9.26
Net Fixed Assets	14.61	12.50	10.69	9.15	7.83
Current Assets					
Sundry Debtors	3.92	4.60	5.23	5.92	6.64
Stock in Hand	8.66	9.83	11.12	12.56	14.10
Cash and Bank	1.50	1.74	3.07	5.36	8.44
TOTAL :	28.69	28.68	30.11	32.98	37.01

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	1.69	3.87	6.04	8.26	10.28
Depreciation & Exp. W/off	2.48	2.12	1.81	1.54	1.32
Increase in Cash Credit	6.50	-	-	-	-
Increase In Term Loan	9.40	-	-	-	-
Increase in Creditors	4.84	0.68	0.72	0.85	0.91
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	5.98				
TOTAL :	33.71	6.76	8.66	10.77	12.65
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	17.09				
Increase in Stock	8.66	1.18	1.28	1.44	1.54
Increase in Debtors	3.92	0.68	0.63	0.69	0.73
Repayment of Term Loan	1.04	2.09	2.09	2.09	2.09
Drawings	1.50	2.50	3.00	3.50	4.00
Taxation	-	0.07	0.33	0.78	1.21
TOTAL :	32.21	6.52	7.33	8.49	9.57
Opening Cash & Bank Balance	-	1.50	1.74	3.07	5.36
Add : Surplus	1.50	0.25	1.33	2.28	3.08
Closing Cash & Bank Balance	1.50	1.74	3.07	5.36	8.44

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	4.17	5.91	7.51	9.02	10.39
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Total	5.09	6.73	8.10	9.38	10.51
<u>REPAYMENT</u>					
Instalment of Term Loan	1.04	2.09	2.09	2.09	2.09
Interest on Term Loan	0.92	0.81	0.58	0.35	0.12
Total	1.97	2.90	2.67	2.44	2.21
DEBT SERVICE COVERAGE RATIO	2.59	2.32	3.03	3.84	4.75
AVERAGE D.S.C.R.	3.30				