



## **DETAILED PROJECT REPORT**

### **PEDA MAKING UNIT**

### **UNDER PMFME SCHEME**



National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

Plot No.97, Sector-56, HSIIDC, Industrial Estate, Kundli, Sonipat, Haryana-131028

Website: <http://www.niftem.ac.in>

Email: [pmfmecell@niftem.ac.in](mailto:pmfmecell@niftem.ac.in)

Call: 0130-2281089

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## 1. PROJECT SUMMARY

1. Name of the proposed project	:	Peda Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	86400 Kg/annum(60,65,70,75&80% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Milk, Sugar, Dry Fruits and Ghee
5. Major product outputs	:	Peda
6. Total project cost	:	Rs. 19.90 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 11.94 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.40 Lakh
• Working capital	:	Rs. 5.56 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.02 Lakh
• Promoter's contribution (min10%)	:	Rs. 1.98 Lakh
• Term loan	:	Rs.7.89 Lakh
• Working Capital Requirement	:	Rs. 5.00 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 1.15 Lakh
• 2 <sup>nd</sup> year	:	Rs. 2.48 Lakh
• 3 <sup>rd</sup> year	:	Rs. 4.05 Lakh
• 4 <sup>th</sup> year	:	Rs. 5.47Lakh
• 5 <sup>th</sup> year	:	Rs. 7.28 Lakh
11. Average DSCR	:	Rs. 3.02
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

Peda or Pera is a sweet dish hailing from the Indian subcontinent. It originated from Mathura, Uttar Pradesh, India. Usually prepared in thick, semi-soft pieces, its main ingredients are Khoa, sugar and traditional flavorings including cardamom seeds, pistachio nuts and saffron. Its colour varies from a creamy white to a caramel colour. The word peda is also generically used to mean a sphere of any doughy substance such as flour or khoa. Variant spellings and names for the dessert include pedha, penda (in Gujarati) and pera.

### **2.2. MARKET POTENTIAL:**

Peda and other sweet products made of milk are consumed everywhere in India. The demand of this product is in rural as well as in urban areas. India is known for its festive and religious occasions throughout the year and the demand of milk products is never ending in India's market. The Indian sweet and candy market is currently valued at around \$664 million, with sugar confectionery holding a 70 percent share (\$461 million), and chocolate confectionery accounting for the remainder (\$203 million). The consumption of sweets made up of milk is highest in Uttar Pradesh and Bihar in India & peda is one of those products.

**2.3. RAW MATERIAL DESCRIPTION:**

Raw materials that are required for Peda making unit are mentioned below:

- Milk
- Sugar
- Dry Fruits
- Ghee

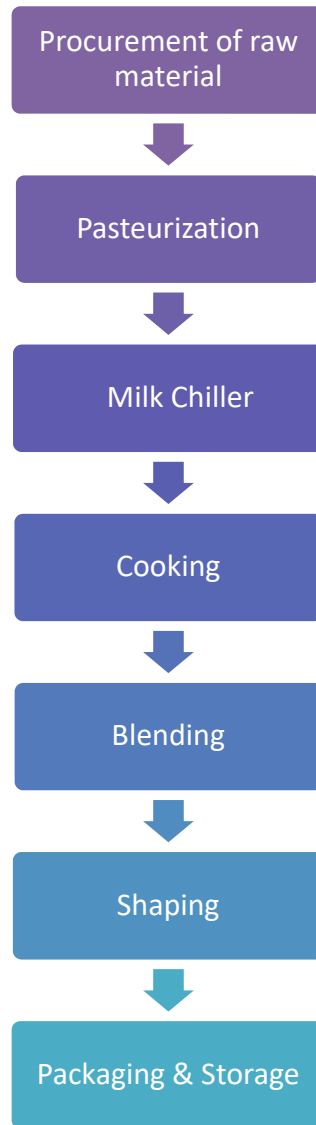
S.N.	Particulars	Rate
1	Milk	35-40/Ltr
2	Sugar	25-30/Kg
3	Dry fruits	600-700/Kg
4	Ghee	250-300/Kg

Average raw material cost per 1 kg Packet of Peda: Rs. 140-170

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

The process is explained below:

- Raw materials are procured from vendors & are stored in the manufacturing unit.
- Milk is procured and is collected in Milk Collection Tank.
- After this the collected milk is sent for pasteurizing in milk pasteurizer where microorganisms like bacteria are eliminated.
- After this the Pasteurized milk is sent to milk chiller and stored in storage vessel at low temperature.
- The stored milk is then taken out for further process of Peda and is transferred to Cooking kettle where other materials like sugar, ghee, dry fruits are added and stirred till the final output is achieved.
- Mixture is cooked until it acquires proper colour.
- The Ribbon blender is then used to mix powdered sugar & to properly granulize the content while cooling the cooked mixture.
- Finally the product is ready and the peda is manually made.
- The final product is packed, weighed and sent for sale in the market.



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

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

1. Production Capacity of Peda is 40 kg per hr. First year, Capacity has been taken @ 60%.
2. Working shift of 8 hours per day has been considered.
3. Raw Material stock is for 2 days and Finished goods Closing Stock has been taken for 5 days.
4. Credit period to Sundry Debtors has been given for 14 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 12 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 PEDA

#### Items to be Manufactured

Peda

Machine capacity Per hour	40	Kg
Total working Hours	8	
Machine capacity Per Day	320	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	10%	
Raw material requirement	96000	Kg
Final Output per annum after wastage	86400	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	86400	1 Kg Packet

### Production of Peda

Production	Capacity	KG
1st year	60%	51,840
2nd year	65%	56,160
3rd year	70%	60,480
4th year	75%	64,800
5th year	80%	69,120





<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	60%	140.00	80.64
2nd year	65%	147.00	91.73
3rd year	70%	154.00	103.49
4th year	75%	162.00	116.64
5th year	80%	170.00	130.56





<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	-	864	936	1,008	1,080
Production	51,840	56,160	60,480	64,800	69,120
Less : Closing Stock	864	936	1,008	1,080	1,152
<b>Net Sale</b>	<b>50,976</b>	<b>56,088</b>	<b>60,408</b>	<b>64,728</b>	<b>69,048</b>
Sale price per packet	220.00	231.00	243.00	255.00	268.00
<b>Sales (in Lacs)</b>	<b>112.15</b>	<b>129.56</b>	<b>146.79</b>	<b>165.06</b>	<b>185.05</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
Milk Pasteurizer	There are two distinct purposes for the process of milk pasteurization: Public Health Aspect - to make milk and milk products safe for human consumption by destroying all bacteria that may be harmful to health (pathogens) Keeping Quality Aspect - to improve the keeping quality of milk and milk products.	
Dairy Freezer	Dairy Freezer is used to maintain the given product at required temperature.	
Milk Reception System	It is a system composed of suction pump, storage tanks, cooling system and vessels to receive milk quickly & efficiently.	
Milk Chiller	It's a device which is used to cool milk to the required temperature by either generating appropriate refrigeration effect or utilizes	

	externally generated refrigeration effect in case of large systems.	
Milk Storage Tank	The milk storage tank is ideal for cooling and holding milk at a cold temperature until it's further processed. The machine is made of stainless steel and used to store the raw milk in good condition. The milk storage tank is specifically selected based on the needs and requirements of each individual customer.	
Boiler	Boilers are used to produce steam. The generation part of a steam system uses a boiler to add energy to a feedwater supply to generate steam.	
Cooking Kettle with Stirrer	It's a machine which is composed of a simple kettle in which given product is heated either by electrical heaters or heating medium from external source, while the stirrer is provided to ensure uniform heating without burning the product.	
Material handling and other Equipments	These Equipments are used for material handling. Other equipments like water pumps, conveyors, weighing machine, etc are also used.	

<b>Machine</b>	<b>Unit</b>	<b>Rate</b>	<b>Price</b>
Milk Pasteurizer	1	125000	125000
Dairy Freezer	1	120000	120000
Milk Reception System	2	45000	90000
Milk Chiller	2	42000	84000
Milk Storage Tank (Capacity- 100-200 Ltr.)	2	40000	80000
Boiler (Capacity- 500 Ltr.)	1	165000	165000
Cooking Kettle with Stirrer	2	90000	180000
Material handling and other equipments (Bins, trolley, conveyor, silos, weighing machine, etc.)	-	350000	350000

**Note:** Total Machinery cost shall be Rs11.94 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	11.94
Miscellaneous Assets	2.40
Working capital	5.56
<b>Total</b>	<b>19.90</b>

**4.7. MEANS OF FINANCE**

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	1.98
Subsidy @35%(Max. Rs 10 Lac)	5.02
Term Loan @ 55%	7.89
Working Capital (Bank Finance)	5.00
<b>Total</b>	<b>19.90</b>

**4.8. TERM LOAN:** Term loan of Rs. 7.89 Lakh is required for project cost of Rs. 19.90 Lakh

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

<b>REPAYMENT SCHEDULE OF TERM LOAN</b>								
							Interest	11.00%
<b>Year</b>	<b>Particulars</b>	<b>Amount</b>	<b>Addition</b>	<b>Total</b>	<b>Interest</b>	<b>Repayment</b>	<b>Closing Balance</b>	
<b>1st</b>	Opening Balance							
	1st month	-	7.89	7.89	-	-	7.89	
	2nd month	7.89	-	7.89	0.07	-	7.89	
	3rd month	7.89	-	7.89	0.07	-	7.89	
	4th month	7.89	-	7.89	0.07	-	7.89	
	5th month	7.89	-	7.89	0.07	-	7.89	
	6th month	7.89	-	7.89	0.07	-	7.89	
	7th month	7.89	-	7.89	0.07	0.15	7.74	
	8th month	7.74	-	7.74	0.07	0.15	7.59	
	9th month	7.59	-	7.59	0.07	0.15	7.45	
	10th month	7.45	-	7.45	0.07	0.15	7.30	
	11th month	7.30	-	7.30	0.07	0.15	7.16	
	12th month	7.16	-	7.16	0.07	0.15	7.01	
					0.78	0.88		
<b>2nd</b>	Opening Balance							
	1st month	7.01	-	7.01	0.06	0.15	6.86	
	2nd month	6.86	-	6.86	0.06	0.15	6.72	

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3rd month	6.72	-	6.72	0.06	0.15	6.57
4th month	6.57	-	6.57	0.06	0.15	6.43
5th month	6.43	-	6.43	0.06	0.15	6.28
6th month	6.28	-	6.28	0.06	0.15	6.13
7th month	6.13	-	6.13	0.06	0.15	5.99
8th month	5.99	-	5.99	0.05	0.15	5.84
9th month	5.84	-	5.84	0.05	0.15	5.70
10th month	5.70	-	5.70	0.05	0.15	5.55
11th month	5.55	-	5.55	0.05	0.15	5.40
12th month	5.40	-	5.40	0.05	0.15	5.26
				<b>0.68</b>	<b>1.75</b>	
<b>3rd</b>	Opening Balance					
1st month	5.26	-	5.26	0.05	0.15	5.11
2nd month	5.11	-	5.11	0.05	0.15	4.97
3rd month	4.97	-	4.97	0.05	0.15	4.82
4th month	4.82	-	4.82	0.04	0.15	4.67
5th month	4.67	-	4.67	0.04	0.15	4.53
6th month	4.53	-	4.53	0.04	0.15	4.38
7th month	4.38	-	4.38	0.04	0.15	4.24
8th month	4.24	-	4.24	0.04	0.15	4.09
9th month	4.09	-	4.09	0.04	0.15	3.94
10th month	3.94	-	3.94	0.04	0.15	3.80
11th month	3.80	-	3.80	0.03	0.15	3.65
12th month	3.65	-	3.65	0.03	0.15	3.51



				<b>0.49</b>	<b>1.75</b>		
<b>4th</b>	Opening Balance						
	1st month	3.51	-	3.51	0.03	0.15	3.36
	2nd month	3.36	-	3.36	0.03	0.15	3.21
	3rd month	3.21	-	3.21	0.03	0.15	3.07
	4th month	3.07	-	3.07	0.03	0.15	2.92
	5th month	2.92	-	2.92	0.03	0.15	2.78
	6th month	2.78	-	2.78	0.03	0.15	2.63
	7th month	2.63	-	2.63	0.02	0.15	2.48
	8th month	2.48	-	2.48	0.02	0.15	2.34
	9th month	2.34	-	2.34	0.02	0.15	2.19
	10th month	2.19	-	2.19	0.02	0.15	2.04
	11th month	2.04	-	2.04	0.02	0.15	1.90
	12th month	1.90	-	1.90	0.02	0.15	1.75
				<b>0.30</b>	<b>1.75</b>		
<b>5th</b>	Opening Balance						
	1st month	1.75	-	1.75	0.02	0.15	1.61
	2nd month	1.61	-	1.61	0.01	0.15	1.46
	3rd month	1.46	-	1.46	0.01	0.15	1.31
	4th month	1.31	-	1.31	0.01	0.15	1.17
	5th month	1.17	-	1.17	0.01	0.15	1.02
	6th month	1.02	-	1.02	0.01	0.15	0.88
	7th month	0.88	-	0.88	0.01	0.15	0.73
	8th month	0.73	-	0.73	0.01	0.15	0.58
	9th month	0.58	-		0.01	0.15	0.44

			0.58			
10th month	0.44	-	0.44	0.00	0.15	0.29
11th month	0.29	-	0.29	0.00	0.15	0.15
12th month	0.15	-	0.15	0.00	0.15	-
				<b>0.10</b>	<b>1.75</b>	
DOOR TO DOOR MORATORIUM PERIOD	60 6	MONTHS MONTHS				
REPAYMENT PERIOD	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>						
	1.68	1.89	2.12	2.38	2.65	
<b><u>Raw Material</u></b>						
	0.54	0.61	0.69	0.78	0.87	
<b>Closing Stock</b>	<b>2.21</b>	<b>2.50</b>	<b>2.81</b>	<b>3.15</b>	<b>3.52</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	2.21					
Less : Creditors	1.88					
<b>Paid stock</b>	<b>0.33</b>	<b>10%</b>	<b>0.03</b>	<b>90%</b>	<b>0.30</b>	
<b>Sundry Debtors</b>	<b>5.23</b>	<b>10%</b>	<b>0.52</b>	<b>90%</b>	<b>4.71</b>	
	<b>5.57</b>		<b>0.56</b>		<b>5.01</b>	
<b>MPBF</b>					<b>5.01</b>	
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>5.00</b>	
<b>Working Capital Margin</b>					<b>0.56</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	2	30,000
Supervisor	18,000	1	18,000
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>86,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>10.32</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	15,000	1	15,000
<b>Total salary per month</b>			<b>41,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>4.92</b>

## 4.12 POWER REQUIREMENT

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required		12 KWH
consumption per day		96 units
Consumption per month	2,400 units	
Rate per Unit	10 Rs.	
power Bill per month	24,000 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	11.94	2.40	14.34
Total	11.94	2.40	14.34
Less : Depreciation	1.79	0.24	2.03
<b>WDV at end of Year</b>	<b>10.15</b>	<b>2.16</b>	<b>12.31</b>
Additions During The Year	-	-	-
Total	10.15	2.16	12.31
Less : Depreciation	1.52	0.22	1.74
<b>WDV at end of Year</b>	<b>8.63</b>	<b>1.94</b>	<b>10.57</b>
Additions During The Year	-	-	-
Total	8.63	1.94	10.57
Less : Depreciation	1.29	0.19	1.49
<b>WDV at end of Year</b>	<b>7.33</b>	<b>1.75</b>	<b>9.08</b>
Additions During The Year	-	-	-
Total	7.33	1.75	9.08
Less : Depreciation	1.10	0.17	1.27
<b>WDV at end of Year</b>	<b>6.23</b>	<b>1.57</b>	<b>7.81</b>
Additions During The Year	-	-	-
Total	6.23	1.57	7.81
Less : Depreciation	0.93	0.16	1.09
<b>WDV at end of Year</b>	<b>5.30</b>	<b>1.42</b>	<b>6.72</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>50%</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	
<b><u>SALES</u></b>						
<b>Gross Sale</b>						
Paneer	56.96	67.34	77.09	87.73	99.32	
<b>Total</b>	<b>56.96</b>	<b>67.34</b>	<b>77.09</b>	<b>87.73</b>	<b>99.32</b>	
<b><u>COST OF SALES</u></b>						
Raw Material Consumed	28.80	33.26	38.02	43.37	49.06	
Electricity Expenses	2.16	2.48	2.86	3.29	3.61	
Depreciation	1.75	1.50	1.29	1.10	0.95	
Wages & labour	10.68	11.75	12.92	14.22	15.35	
Repair & maintenance	1.71	2.02	2.31	2.63	2.98	
Packaging	1.25	1.35	1.54	1.75	1.99	
<b>Cost of Production</b>	<b>46.35</b>	<b>52.36</b>	<b>58.94</b>	<b>66.36</b>	<b>73.94</b>	
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.08</b>	<b>1.22</b>	<b>1.38</b>	<b>1.55</b>	
<b>Less: Closing Stock /WIP</b>	<b>1.08</b>	<b>1.22</b>	<b>1.38</b>	<b>1.55</b>	<b>1.73</b>	
Cost of Sales	45.27	52.22	58.78	66.19	73.76	
<b>GROSS PROFIT</b>	<b>11.69</b>	<b>15.11</b>	<b>18.31</b>	<b>21.55</b>	<b>25.57</b>	
	<b>20.52%</b>	<b>22.44%</b>	<b>23.75%</b>	<b>24.56%</b>	<b>25.74%</b>	
Salary to Staff	4.74	5.69	7.11	7.82	8.76	
Interest on Term Loan	0.68	0.60	0.43	0.26	0.09	
Interest on working Capital	0.43	0.43	0.43	0.43	0.43	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	1.14	1.68	1.54	1.79	2.09	
<b>TOTAL</b>	<b>10.58</b>	<b>12.36</b>	<b>13.86</b>	<b>15.09</b>	<b>16.64</b>	
<b>NET PROFIT</b>	<b>1.10</b>	<b>2.76</b>	<b>4.44</b>	<b>6.46</b>	<b>8.93</b>	
	<b>1.94%</b>	<b>4.09%</b>	<b>5.77%</b>	<b>7.36%</b>	<b>8.99%</b>	
Taxation	-	-	-	0.42	0.91	
<b>PROFIT (After Tax)</b>	<b>1.10</b>	<b>2.76</b>	<b>4.44</b>	<b>6.04</b>	<b>8.02</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>	112.15	129.56	146.79	165.06	185.05
Less : Op. WIP Goods	-	1.68	1.89	2.12	2.38
Add : Cl. WIP Goods	1.68	1.89	2.12	2.38	2.65
<b>Total Sales</b>	<b>113.82</b>	<b>129.78</b>	<b>147.02</b>	<b>165.31</b>	<b>185.32</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	80.64	91.73	103.49	116.64	130.56
Electricity Exp/Coal Consumption at 85%	2.45	2.82	3.24	3.72	4.10
Wages & Salary at 60%	9.14	10.29	11.81	12.95	14.17
Selling & administrative Expenses 80%	1.79	2.38	2.58	2.76	3.11
Interest on working Capital	0.55	0.55	0.55	0.55	0.55
Repair & maintenance	2.24	2.59	2.94	3.30	3.70
Packaging	2.47	2.59	2.94	3.30	3.70
<b>Total Variable &amp; Semi Variable Exp</b>	<b>99.29</b>	<b>112.95</b>	<b>127.54</b>	<b>143.22</b>	<b>159.89</b>
<b>Contribution</b>	<b>14.54</b>	<b>16.82</b>	<b>19.48</b>	<b>22.09</b>	<b>25.43</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.43	0.50	0.57	0.66	0.72
Wages & Salary at 40%	6.10	6.86	7.87	8.63	9.45
Interest on Term Loan	0.78	0.68	0.49	0.30	0.10
Depreciation	2.03	1.74	1.49	1.27	1.09
Selling & administrative Expenses 20%	0.45	0.60	0.65	0.69	0.78
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>13.38</b>	<b>14.34</b>	<b>15.43</b>	<b>16.34</b>	<b>17.42</b>
<b>Capacity Utilization</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>	<b>80%</b>
<b>OPERATING PROFIT</b>	<b>1.15</b>	<b>2.48</b>	<b>4.05</b>	<b>5.75</b>	<b>8.01</b>
<b>BREAK EVEN POINT</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>
<b>BREAK EVEN SALES</b>	<b>104.79</b>	<b>110.61</b>	<b>116.43</b>	<b>122.31</b>	<b>126.94</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		7.15	8.14	9.69	11.16	
Add:- Own Capital	1.98					
Add:- Retained Profit	1.15	2.48	4.05	5.47	7.28	
Less:- Drawings	1.00	1.50	2.50	4.00	5.00	
Subsidy/grant	5.02					
Closing Balance	7.15	8.14	9.69	11.16	13.45	
Term Loan	7.01	5.26	3.51	1.75	-	
Working Capital Limit	5.00	5.00	5.00	5.00	5.00	
Sundry Creditors	1.88	2.14	2.41	2.72	3.05	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>21.45</b>	<b>21.04</b>	<b>21.21</b>	<b>21.36</b>	<b>22.36</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	14.34	14.34	14.34	14.34	14.34	
Gross Dep.	2.03	3.77	5.26	6.53	7.62	
<b>Net Fixed Assets</b>	<b>12.31</b>	<b>10.57</b>	<b>9.08</b>	<b>7.81</b>	<b>6.72</b>	
<b>Current Assets</b>						
Sundry Debtors	5.23	6.05	6.85	7.70	8.64	
Stock in Hand	2.21	2.50	2.81	3.15	3.52	
Cash and Bank	1.69	1.92	2.47	2.69	3.49	
<b>TOTAL :</b>	<b>21.45</b>	<b>21.04</b>	<b>21.21</b>	<b>21.36</b>	<b>22.36</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	1.98				
Net Profit	1.15	2.48	4.05	5.75	8.01
Depriciation & Exp. W/off	2.03	1.74	1.49	1.27	1.09
Increase in Cash Credit	5.00	-	-	-	-
Increase In Term Loan	7.89	-	-	-	-
Increase in Creditors	1.88	0.26	0.27	0.31	0.32
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	5.02				
<b>TOTAL :</b>	<b>25.35</b>	<b>4.58</b>	<b>5.92</b>	<b>7.45</b>	<b>9.57</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	14.34				
Increase in Stock	2.21	0.29	0.31	0.35	0.36
Increase in Debtors	5.23	0.81	0.80	0.85	0.93
Repayment of Term Loan	0.88	1.75	1.75	1.75	1.75
Drawings	1.00	1.50	2.50	4.00	5.00
Taxation	-	-	-	0.27	0.73
<b>TOTAL :</b>	<b>23.66</b>	<b>4.35</b>	<b>5.37</b>	<b>7.23</b>	<b>8.77</b>
Opening Cash & Bank Balance	-	1.69	1.92	2.47	2.69
Add : Surplus	1.69	0.23	0.55	0.22	0.80
Closing Cash & Bank Balance	<b>1.69</b>	<b>1.92</b>	<b>2.47</b>	<b>2.69</b>	<b>3.49</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	3.19	4.22	5.54	6.75	8.38
Interest on Term Loan	0.78	0.68	0.49	0.30	0.10
<b>Total</b>	<b>3.96</b>	<b>4.91</b>	<b>6.03</b>	<b>7.04</b>	<b>8.48</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	0.88	1.75	1.75	1.75	1.75
Interest on Term Loan	0.78	0.68	0.49	0.30	0.10
Total	1.65	2.44	2.24	2.05	1.86
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.40</b>	<b>2.01</b>	<b>2.69</b>	<b>3.44</b>	<b>4.57</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.02</b>				