



DETAILED PROJECT REPORT

PETHA 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	:	Petha Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	168000 Kg/annum(60,65,70,75& 80% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Ash Gourd, Water, Lime, Alum, Citric Acid and Sugar
5. Major product outputs	:	Petha
6. Total project cost	:	Rs. 21.56 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 11.00 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.00 Lakh
• Working capital	:	Rs. 8.56 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 4.55 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.16 Lakh
• Term loan	:	Rs. 7.15 Lakh
• Working Capital Requirement	:	Rs. 7.70 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.80 Lakh
• 2 nd year	:	Rs. 3.60 Lakh
• 3 rd year	:	Rs. 5.26 Lakh
• 4 th year	:	Rs. 7.01 Lakh
• 5 th year	:	Rs. 9.03 Lakh
11. Average DSCR	:	Rs. 3.91
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Petha is a sweet product that is consumed widely in India. Petha is not cooked on a regular cooking fire, but only coal fire was used to prepare this sweet treat. Petha made in Agra has a Geographical Indication (GI) tag to certify its place of origin. With the passage of time, many varieties of Petha have come up in the market to cater to the demand and changing palate of the patrons. Nowadays, buyers can choose from the kesar petha (saffron), angoori petha (grapes), chocolate petha, paan petha, and so on. Coconut and dried fruit lovers can also have their share of the delicious Petha. Ash Gourd is used in the preparation of a dessert called petha, which is the most famous sweet of Agra, the place that also symbolized by Taj Mahal. Ash gourd is very important in Indian religious ceremonies. It is frequently found hanging from a rope in front of newly built houses, as it is believed to ward off evil spirits. This gourd is also ground to a coarse paste and made into vadiyaalu (similar to Papad). The gourd stays well for up to three to four months without any special storage facilities.

Benefits:

- Petha is like nectar for a mental illness or a weakness of memory. A patient must eat 10–20-gram fruit pulp and also drink Petha juice. If anyone suffering from asthma, then he or she should eat Petha regularly as it is very beneficial for lungs.
- You can apply pulp of Petha and leaves on your stomach if you feel burning sensation in the body. Besides, one can prepare thandai from its seeds as well. To get rid of nose

bleeding, one should drink Petha juice or eat its pulp. Also, you can apply its seed oil on your head.

- Petha removes intestinal problems as it contains a filament. So, it is very beneficial for pile patient and stops to get blood from piles.
- People who get swelling in the intestine as well as do not get appetite must drink two cups of Petha juice in the morning. As a result, your appetite will increase plus you get rid of intestine inflammation too.
- The pulp of Petha with its seeds is extremely beneficial in urinary disorders. You must use Petha and its seeds if you get intermittent urinary problem or stone. Apart from this, Petha intake is also useful in increase semen disease.

2.2. MARKET POTENTIAL:

Agra's famous petha sweet industries as well as tourist guides, who went into near closure, are ecstatic. As the Taj Mahal re-opens, the petha industry has greatly benefited. Around 50 % of sales of Petha are due to agro-tourism. However, Petha seems to be just a processed sweet dish, but in Agra and other regions of the areas, it is the lifeline of economy. The sellers, the processor, the distributor are all directly or indirectly linked to Petha processing business and development. About 1500 cottage units produce 700-800 tons of Petha daily. As a result of its strong demand from tourists overseas, Petha also has strong export prospects. In today's world where businesses face a double challenge of tough competition and the short attention span of the consumer innovation is the only way to survive and thrive. Traditional sweet makers, famous for its translucent, soft candy, petha, have realized this, and are thus innovating the humble sweet in myriad ways. Presently 15 varieties of petha are manufactured in India. There is chocolate, paan, angoori, khus, orange, pineapple, coconut, dry fruits, and Kesar, among others. There is

even a sandwich variety which is basically two layers of petha with a filling of khoya, cashew, and cardamom.

2.3. RAW MATERIAL DESCRIPTION:

The raw materials required for Petha is as follow:

- Ash Gourd
- Water
- Lime
- Alum
- Citric Acid
- Sugar

S.N.	Particulars	Rate per Kg
1	Ash Gourd	Rs. 15-20
2	Lime	Rs. 10-12
3	Alum	Rs- 18-22
4	Citric Acid	Rs. 40-50
5	Sugar	Rs. 25-30

Average raw material cost per 1 kg packet of Petha: Rs. 70-80

3. PROCESS FLOW CHART

Petha Fruits (Ash Gourd) are directly procured from the farmer's field. Washing, Sorting, and peeling of Petha fruit is done manually. Then they are cut into pieces. The seed of the fruit is removed from the fruit by an SS knife Cutting them into small pieces. These pieces are pierced with nail-like spikes. Pierced pieces are then immersed in Lime Water for 2 hrs. Then these pieces are boiled in water with Alum. After they are boiled, the Pieces are finally immersed in boiling sugar syrup for an hour. Finally, these petha are dried in trays for further packaging. Final packaging is done and sends to the market.

Processing technology of Petha

- Fruit selection and harvesting of Ash Gourd
The fruits are directly procured from farmer field; the ash gourd to be candied must be of perfect maturity stage and is free of fibers.
- Peeling, Cutting & Seed Removal
The harvested wax gourd is washed and cleaned. The seeds are removed and It is then peeled and cut at an approximate dimension (cubical, cylindrical or spherical.), dimension and shape can vary according to choose.
- Piercing or Forking
After peeling and cutting operations, pieces of Ash Gourd are pierced with metal to ensure proper porosity. This would at last ensure proper entry of the sugar syrup.
- Soaking in lime water
The pierced/forked pieces of Petha are then dipped in lime water for around 2-3 hours. The proportion used is usually 20 kilograms of lime per 100 liters of water. This process helps to harden Petha to makes it compact. The methodology behind the use of calcium in the fruit slices to create an intercellular bond and making it more textured and rigid.

➤ Washing in running water

After Dipping Petha in lime water, it is washed constantly in clear running water to wash the calcium dipped bits in running water until the lime is completely washed away. In order to ensure the elimination of excess calcium ions, this is an essential and mandatory process.

➤ Dipping in chilled water

The petha is dipped in chilled water after being cleaned in running water to reduce exothermic reactions due to excess Ca^{2+} ions are minimized. This is done for half an hour or 1 hour.

➤ Hot water treatment

Now the fruits pieces are dip in hot water (80-90°C), to minimize the characteristic taste of gourds. This is done within 5-10 minutes.

➤ Boiling with Alum

Petha bits are boiled for one hour in water containing alum. This process is called, 'Josh Lena'. In order to preserve the standard of Petha, this is a very important step that must be performed cautiously and skillfully. This is achieved to maintain surface smoothness and reduce the effects of exothermic damage caused by excess calcium ions in the fruit tissues.

➤ Preparation of sugar syrup

70-80% of sugar is dissolved in water and is boiled at 100°C. After cooking for 5-10 minutes citric acid 2-3g is added / liter of water.

➤ Boiling with sugar syrup

The treated fruit pieces are dipped in boiling sugar syrup of suitable consistency. The sugar syrup and the fruit parts are boiled until the sugar syrup reaches a very high consistency (up to 80- 90 percent). To ensure consistent mixing, the petha is cooked properly and stirred periodically. After cooking properly Petha are covered with mesh overnight so that a sufficient amount of sugar enters into the innermost part of the fruit pieces.

➤ Draining of excess sugar

The excess syrup is drained out. Then one then Rose petals, essence & flavoring agents such as saffron, are added to make different flavors of pethas. It is then cooled into assorted boxes and bins until it is packaged.

➤ Cooling and packing

After overnight soaking, the Petha are cooled and are packed airtight.

4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Petha is 100 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 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 10 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.

4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

<u>COMPUTATION OF PRODUCTION OF PETHA</u>		
Items to be Manufactured		
Petha		
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	30%	
Raw material requirement	240000	Kg
Final Output per annum after wastage	168000	Kg
Final Product to be packed in 1 kg packet		
Number of packets per annum	168000	1 Kg Packet

Production of Petha		
Production	Capacity	KG
1st year	60%	1,00,800
2nd year	65%	1,09,200
3rd year	70%	1,17,600
4th year	75%	1,26,000
5th year	80%	1,34,400





Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	60%	70.00	100.80
2nd year	65%	74.00	115.44
3rd year	70%	78.00	131.04
4th year	75%	82.00	147.60
5th year	80%	86.00	165.12



<u>COMPUTATION OF SALE</u>					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	3,360	3,640	3,920	4,200
Production	1,00,800	1,09,200	1,17,600	1,26,000	1,34,400
Less : Closing Stock	3,360	3,640	3,920	4,200	4,480
Net Sale	97,440	1,08,920	1,17,320	1,25,720	1,34,120
Sale price per packet	145.00	152.00	160.00	168.00	176.00
Sales (in Lacs)	141.29	165.56	187.71	211.21	236.05

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.
Weighing machine	Weighing scales are used to measure weight of product and raw materials.	
Fruit washing machine	This machine is used for washing fruit.	
Steam Jacketed Kettle	Steam jacketed kettle are used for boiling the ash gourd and sugar syrup.	
Tray sealing machine	The tray sealing machine is used for seal the containers of boxes for final packaging.	

RO Water Plant	It is a water purification process that uses a partially permeable membrane to separate ions, unwanted molecules and larger particles from drinking water.	
Material handling Equipments & other equipments	These Equipments are used for material handling and other equipments like Iron Karahi, and Stove are also required for petha making unit.	

Machine	Unit	Rate	Price
Weighing machine	1	40000	40000
Fruit washing machine	1	480000	480000
Steam Jacketed Kettle (100 kg- 250 kg)	1	125000	125000
Tray Sealing machine	1	25000	25000
RO Water Plant (200-500 L)	1	180000	180000
Material handling Equipments & other equipments	-	250000	250000

Note: Approx. Total Machinery cost shall be Rs 11.00 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	11.00
Miscellaneous Assets	2.00
Working capital	8.56
Total	21.56

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.16
Subsidy @35%(Max. Rs 10 Lac)	4.55
Term Loan @ 55%	7.15
Working Capital (Bank Finance)	7.70
Total	21.56

4.8. TERM LOAN: Term loan of Rs. 7.15 Lakh is required for project cost of Rs. 21.56 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	-	7.15	7.15	-	-	7.15	
	2nd month	7.15	-	7.15	0.07	-	7.15	
	3rd month	7.15	-	7.15	0.07	-	7.15	
	4th month	7.15	-	7.15	0.07		7.15	
	5th month	7.15	-	7.15	0.07		7.15	
	6th month	7.15	-	7.15	0.07		7.15	
	7th month	7.15	-	7.15	0.07	0.13	7.02	
	8th month	7.02	-	7.02	0.06	0.13	6.89	
	9th month	6.89	-	6.89	0.06	0.13	6.75	
	10th month	6.75	-	6.75	0.06	0.13	6.62	
	11th month	6.62	-	6.62	0.06	0.13	6.49	
	12th month	6.49	-	6.49	0.06	0.13	6.36	
					0.70	0.79		
2nd	Opening Balance							
	1st month	6.36	-	6.36	0.06	0.13	6.22	
	2nd month	6.22	-	6.22	0.06	0.13	6.09	
	3rd month	6.09	-	6.09	0.06	0.13	5.96	

PM FME- Detailed Project Report of Petha Making Unit

4th month	5.96	-	5.96	0.05	0.13	5.83
5th month	5.83	-	5.83	0.05	0.13	5.69
6th month	5.69	-	5.69	0.05	0.13	5.56
7th month	5.56	-	5.56	0.05	0.13	5.43
8th month	5.43	-	5.43	0.05	0.13	5.30
9th month	5.30	-	5.30	0.05	0.13	5.16
10th month	5.16	-	5.16	0.05	0.13	5.03
11th month	5.03	-	5.03	0.05	0.13	4.90
12th month	4.90	-	4.90	0.04	0.13	4.77
				0.62	1.59	
3rd	Opening Balance					
1st month	4.77	-	4.77	0.04	0.13	4.63
2nd month	4.63	-	4.63	0.04	0.13	4.50
3rd month	4.50	-	4.50	0.04	0.13	4.37
4th month	4.37	-	4.37	0.04	0.13	4.24
5th month	4.24	-	4.24	0.04	0.13	4.10
6th month	4.10	-	4.10	0.04	0.13	3.97
7th month	3.97	-	3.97	0.04	0.13	3.84
8th month	3.84	-	3.84	0.04	0.13	3.71
9th month	3.71	-	3.71	0.03	0.13	3.58
10th month	3.58	-	3.58	0.03	0.13	3.44
11th month	3.44	-	3.44	0.03	0.13	3.31
12th month	3.31	-	3.31	0.03	0.13	3.18
				0.44	1.59	

PM FME- Detailed Project Report of Petha Making Unit

4th	Opening Balance						
	1st month	3.18	-	3.18	0.03	0.13	3.05
	2nd month	3.05	-	3.05	0.03	0.13	2.91
	3rd month	2.91	-	2.91	0.03	0.13	2.78
	4th month	2.78	-	2.78	0.03	0.13	2.65
	5th month	2.65	-	2.65	0.02	0.13	2.52
	6th month	2.52	-	2.52	0.02	0.13	2.38
	7th month	2.38	-	2.38	0.02	0.13	2.25
	8th month	2.25	-	2.25	0.02	0.13	2.12
	9th month	2.12	-	2.12	0.02	0.13	1.99
	10th month	1.99	-	1.99	0.02	0.13	1.85
	11th month	1.85	-	1.85	0.02	0.13	1.72
	12th month	1.72	-	1.72	0.02	0.13	1.59
					0.27	1.59	
5th	Opening Balance						
	1st month	1.59	-	1.59	0.01	0.13	1.46
	2nd month	1.46	-	1.46	0.01	0.13	1.32
	3rd month	1.32	-	1.32	0.01	0.13	1.19
	4th month	1.19	-	1.19	0.01	0.13	1.06
	5th month	1.06	-	1.06	0.01	0.13	0.93
	6th month	0.93	-	0.93	0.01	0.13	0.79
	7th month	0.79	-	0.79	0.01	0.13	0.66
	8th month	0.66	-	0.66	0.01	0.13	0.53
	9th month	0.53	-	0.53	0.00	0.13	0.40
	10th month	0.40	-		0.00	0.13	0.26

			0.40			
11th month	0.26	-	0.26	0.00	0.13	0.13
12th month	0.13	-	0.13	0.00	0.13	-
			0.09		1.59	
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	
<u>Finished Goods</u>						
	4.30	4.88	5.50	6.16	6.85	
<u>Raw Material</u>						
	3.36	3.85	4.37	4.92	5.50	
Closing Stock	7.66	8.73	9.86	11.08	12.36	

COMPUTATION OF WORKING CAPITAL REQUIREMENT						
TRADITIONAL METHOD						(in Lacs)
Particulars	Amount	Own Margin		Bank Finance		
Finished Goods & Raw Material	7.66					
Less : Creditors	2.35					
Paid stock	5.31	10%	0.53	90%	4.78	
Sundry Debtors	3.30	10%	0.33	90%	2.97	
	8.61		0.86		7.74	
MPBF					7.74	
WORKING CAPITAL LIMIT DEMAND (from Bank)					7.70	
Working Capital Margin					0.86	

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages Rs. per Month	No of Employees	Total Salary
Machine Operator	15,000	3	45,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	12,000	4	48,000
Unskilled (in thousand rupees)	8,500	3	25,500
Total salary per month			1,38,500
Total annual labour charges	(in lacs)		16.62

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Administrative Staff	8,000	3	24,000
Manager	20,000	1	20,000
Accountant	15,000	1	15,000
Total salary per month			59,000
Total annual Staff charges	(in lacs)		7.08

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required		10 KWH
consumption per day		80 units
Consumption per month	2,000 units	
Rate per Unit	10 Rs.	
power Bill per month	20,000 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	11.00	2.00	13.00
Total	11.00	2.00	13.00
Less : Depreciation	1.65	0.20	1.85
WDV at end of Year	9.35	1.80	11.15
Additions During The Year	-	-	-
Total	9.35	1.80	11.15
Less : Depreciation	1.40	0.18	1.58
WDV at end of Year	7.95	1.62	9.57
Additions During The Year	-	-	-
Total	7.95	1.62	9.57
Less : Depreciation	1.19	0.16	1.35
WDV at end of Year	6.76	1.46	8.21
Additions During The Year	-	-	-
Total	6.76	1.46	8.21
Less : Depreciation	1.01	0.15	1.16
WDV at end of Year	5.74	1.31	7.05
Additions During The Year	-	-	-
Total	5.74	1.31	7.05
Less : Depreciation	0.86	0.13	0.99
WDV at end of Year	4.88	1.18	6.06

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 2.0% 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 %	60%	65%	70%	75%	80%
<u>SALES</u>					
Gross Sale					
Petha	141.29	165.56	187.71	211.21	236.05
Total	141.29	165.56	187.71	211.21	236.05
<u>COST OF SALES</u>					
Raw Material Consumed	100.80	115.44	131.04	147.60	165.12
Electricity Expenses	2.40	2.76	3.17	3.65	4.02
Depreciation	1.85	1.58	1.35	1.16	0.99
Wages & labour	16.62	18.61	20.29	22.32	24.10
Repair & maintenance	2.83	3.31	3.75	4.22	4.72
Packaging	4.52	4.64	5.26	5.91	6.61
Cost of Production	129.02	146.34	164.87	184.87	205.56
Add: Opening Stock /WIP	-	4.30	4.88	5.50	6.16
Less: Closing Stock /WIP	4.30	4.88	5.50	6.16	6.85
Cost of Sales	124.72	145.77	164.25	184.20	204.87
GROSS PROFIT	16.57	19.79	23.46	27.01	31.18
	11.73%	11.95%	12.50%	12.79%	13.21%
Salary to Staff	7.08	7.79	8.96	9.63	10.49
Interest on Term Loan	0.70	0.62	0.44	0.27	0.09
Interest on working Capital	0.85	0.85	0.85	0.85	0.85
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	2.54	2.98	3.38	3.80	4.25
TOTAL	14.77	16.19	17.98	19.34	20.96
NET PROFIT	1.80	3.60	5.48	7.67	10.22
	1.27%	2.17%	2.92%	3.63%	4.33%
Taxation	-	-	0.22	0.66	1.19
PROFIT (After Tax)	1.80	3.60	5.26	7.01	9.03

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	141.29	165.56	187.71	211.21	236.05
Less : Op. WIP Goods	-	4.30	4.88	5.50	6.16
Add : Cl. WIP Goods	4.30	4.88	5.50	6.16	6.85
Total Sales	145.59	166.14	188.33	211.88	236.74
Variable & Semi Variable Exp.					
Raw Material Consumed	100.80	115.44	131.04	147.60	165.12
Electricity Exp/Coal Consumption at 85%	2.04	2.35	2.70	3.10	3.41
Wages & Salary at 60%	14.22	15.84	17.55	19.17	20.76
Selling & administrative Expenses 80%	2.03	2.38	2.70	3.04	3.40
Interest on working Capital	0.847	0.847	0.847	0.847	0.847
Repair & maintenance	2.83	3.31	3.75	4.22	4.72
Packaging	4.52	4.64	5.26	5.91	6.61
Total Variable & Semi Variable Exp	127.29	144.81	163.85	183.90	204.87
Contribution	18.30	21.33	24.48	27.98	31.87
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.36	0.41	0.48	0.55	0.60
Wages & Salary at 40%	9.48	10.56	11.70	12.78	13.84
Interest on Term Loan	0.70	0.62	0.44	0.27	0.09
Depreciation	1.85	1.58	1.35	1.16	0.99
Selling & administrative Expenses 20%	0.51	0.60	0.68	0.76	0.85
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	16.50	17.73	19.00	20.31	21.65
Capacity Utilization	60%	65%	70%	75%	80%
OPERATING PROFIT	1.80	3.60	5.48	7.67	10.22
BREAK EVEN POINT	54%	54%	54%	54%	54%
BREAK EVEN SALES	131.28	138.11	146.18	153.77	160.81

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		7.00	8.60	10.36	12.37	
Add:- Own Capital	2.16					
Add:- Retained Profit	1.80	3.60	5.26	7.01	9.03	
Less:- Drawings	1.50	2.00	3.50	5.00	7.00	
Subsidy/grant	4.55					
Closing Balance	7.00	8.60	10.36	12.37	14.40	
Term Loan	6.36	4.77	3.18	1.59	-	
Working Capital Limit	7.70	7.70	7.70	7.70	7.70	
Sundry Creditors	2.35	2.69	3.06	3.44	3.85	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
TOTAL :	23.81	24.26	24.90	25.83	26.82	
<u>Assets</u>						
Fixed Assets (Gross)	13.00	13.00	13.00	13.00	13.00	
Gross Dep.	1.85	3.43	4.79	5.95	6.94	
Net Fixed Assets	11.15	9.57	8.21	7.05	6.06	
Current Assets						
Sundry Debtors	3.30	3.86	4.38	4.93	5.51	
Stock in Hand	7.66	8.73	9.86	11.08	12.36	
Cash and Bank	1.70	2.11	2.44	2.76	2.90	
TOTAL :	23.81	24.26	24.90	25.83	26.82	

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	2.16				
Net Profit	1.80	3.60	5.48	7.67	10.22
Depriciation & Exp. W/off	1.85	1.58	1.35	1.16	0.99
Increase in Cash Credit	7.70	-	-	-	-
Increase In Term Loan	7.15	-	-	-	-
Increase in Creditors	2.35	0.34	0.36	0.39	0.41
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	4.55				
TOTAL :	27.96	5.62	7.30	9.34	11.77
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	13.00				
Increase in Stock	7.66	1.07	1.14	1.22	1.27
Increase in Debtors	3.30	0.57	0.52	0.55	0.58
Repayment of Term Loan	0.79	1.59	1.59	1.59	1.59
Drawings	1.50	2.00	3.50	5.00	7.00
Taxation	-	-	0.22	0.66	1.19
TOTAL :	26.25	5.22	6.96	9.02	11.63
Opening Cash & Bank Balance	-	1.70	2.11	2.44	2.76
Add : Surplus	1.70	0.40	0.33	0.32	0.13
Closing Cash & Bank Balance	1.70	2.11	2.44	2.76	2.90

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	3.65	5.18	6.61	8.17	10.02
Interest on Term Loan	0.70	0.62	0.44	0.27	0.09
Total	4.35	5.80	7.06	8.44	10.12
<u>REPAYMENT</u>					
Instalment of Term Loan	0.79	1.59	1.59	1.59	1.59
Interest on Term Loan	0.70	0.62	0.44	0.27	0.09
Total	1.50	2.21	2.03	1.86	1.68
DEBT SERVICE COVERAGE RATIO	2.91	2.63	3.47	4.54	6.01
AVERAGE D.S.C.R.	3.91				