



## **DETAILED PROJECT REPORT**

### **COOKIES 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	:	Cookies Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	116400 Kg/annum(55,60,65,70,&75% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw materials	:	Wheat Flour, Sugar, Oil, Chemicals, Flavours
5. Major product outputs	:	Cookies
6. Total project cost	:	Rs.16.79 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs.11.35 Lakh
• Miscellaneous Fixed Assets	:	Rs.1.00 Lakh
• Working capital	:	Rs. 4.44 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs.4.32 Lakh
• Promoter's contribution (min10%)	:	Rs.1.67 Lakh
• Term loan	:	Rs.6.79 Lakh
• Working Capital Requirement	:	Rs.4.00 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs.1.18 Lakh
• 2 <sup>nd</sup> year	:	Rs.2.30 Lakh
• 3 <sup>rd</sup> year	:	Rs.3.37 Lakh
• 4 <sup>th</sup> year	:	Rs.5.25 Lakh
• 5th year	:	Rs.7.17 Lakh
11. Average DSCR	:	3.24
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

A cookie is a baked or cooked food that is typically small, flat and sweet. It usually contains flour, sugar and some type of oil or fat. It may include other ingredients such as raisins, oats, chocolate chips, nuts, etc.

Cookies are often served with beverages such as milk, coffee or tea and sometimes "dunked", an approach which releases more flavour from confections by dissolving the sugars, while also softening their texture.

Cookies are most commonly baked until crisp or just long enough that they remain soft, but some kinds of cookies are not baked at all. Cookies are made in a wide variety of styles, using an array of ingredients including sugars, spices, chocolate, butter, peanut butter, nuts, or dried fruits. The softness of the cookie may depend on how long it is baked

### **2.2 MARKET POTENTIAL:**

India biscuit market stood at \$ 3.9 billion in 2016, and is projected to grow at a CAGR of 11.27%, in value terms, during 2017-2022, to reach \$ 7.25 billion by 2022. Rising number of health-conscious consumers, expanding working population and increasing urbanization are boosting the country's biscuit market. Moreover, augmenting disposable income along with changing lifestyle, increasing awareness regarding healthy diet and change in food consumption pattern are some of the other factors expected to propel demand for biscuits over the course of next five years.

The global cookies market size was valued at USD 30.62 billion in 2018 and is projected to expand at a CAGR of 5.3% from 2019 to 2025. Growing product popularity, especially in emerging regions, is expected to be the key factor fueling the market growth. Moreover, high demand for chocolate cookies in developed economies like U.S., Germany, and U.K. will boost the market further. Bakery manufacturers attract customers with innovative packaging solutions and by launching new flavor variants, such as pineapple.

## **2.2. RAW MATERIAL DESCRIPTION:**

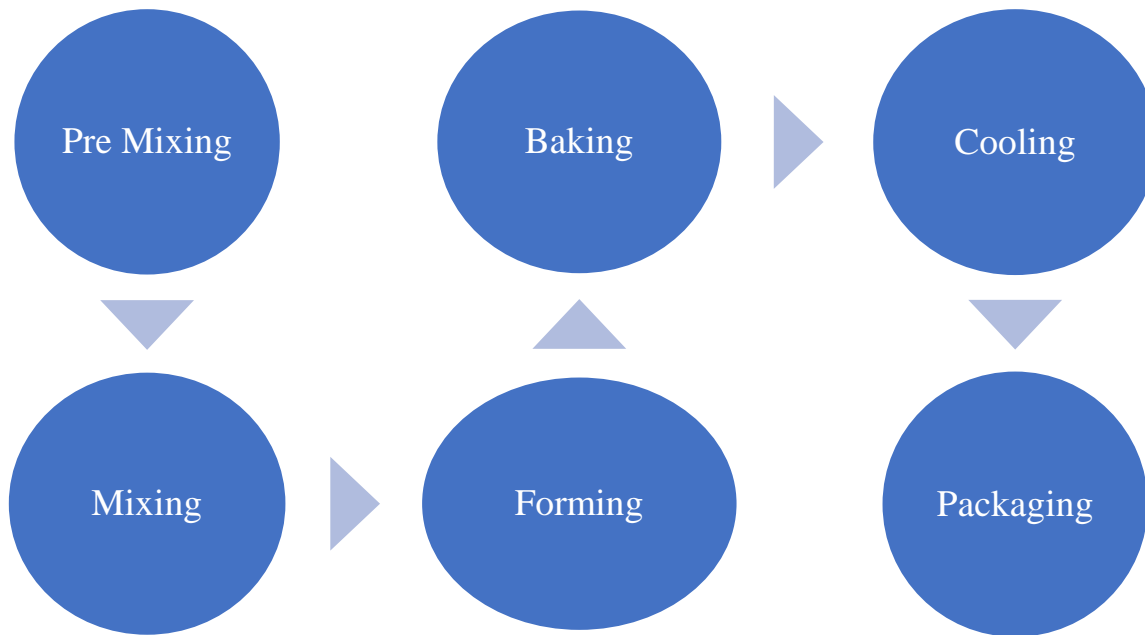
Following raw material is required as the major raw material for the manufacturing of cookies.

- Wheat Flour
- Sugar
- Flavours
- Oil
- Chemicals

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

- First of all, as a raw material bakery shortening is kept at a temperature of 8 degree Celsius to 10 degree Celsius to Colden its raw material, so that there will be no lumps issue arise at the time of mixing.
- After that sugar is grinded with the help of Sugar grinder.
- Then mix well the grinded sugar and bakery shortening together & for mixing use filtered water according to the season type.
- After preparation of mixture add refined wheat flour and flavours as required in it.
- Then keep ready mixture near dropping machine, where cookies are designed according to size, type by the operator.
- Trays are then loaded to the back of machine, in which cookies start coming on the conveyer drop by drop.
- After that these trays are loaded on trolley and cookies are kept in the open for baking process at 180 degree Celsius for 25 minutes.
- After baking process cookies are send to packaging department.

## FLOW CHART OF COOKIES MAKING PROCESS



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

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

1. Production Capacity of Cookies taken 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 15 days and Finished goods Closing Stock has been taken for 10 days.
4. Credit period to Sundry Debtors has been given for 10 days.
5. Credit period by the Sundry Creditors has been provided for 8 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. 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 COOKIES****Items to be Manufactured**

Cookies

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	3%	
Raw material requirement	120000	Kg
Final Output per annum after wastage	116400	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	116400	Kg

**Production of Cookies**

<b>Production</b>	<b>Capacity</b>	<b>KG</b>
1st year	55%	64,020
2nd year	60%	69,840
3rd year	65%	75,660
4th year	70%	81,480
5th year	75%	87,300

<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	55%	60.00	39.60
2nd year	60%	63.00	45.36
3rd year	65%	66.00	51.48
4th year	70%	69.00	57.96
5th year	75%	72.00	64.80

<b><u>COMPUTATION OF SALE</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>
Op Stock	-	2,134	2,328	2,522	2,716
Production	64,020	69,840	75,660	81,480	87,300
Less : Closing Stock	2,134	2,328	2,522	2,716	2,910
<b>Net Sale</b>	<b>61,886</b>	<b>69,646</b>	<b>75,466</b>	<b>81,286</b>	<b>87,106</b>
sale price per packet	100.00	105.00	110.00	116.00	122.00
<b>Sales (in Lacs)</b>	<b>61.89</b>	<b>73.13</b>	<b>83.01</b>	<b>94.29</b>	<b>106.27</b>

### 4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete factory setup is 1200-1500 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

### 4.4. MACHINERY & EQUIPMENTS

S.N.	Item Description	Image
1	Planetary mixture	
2	Baking Oven	
3	Dropping machine	

4	Sugar mixture	
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Machine	Unit	Rate	Price
Planetary mixture (Bowl Capacity – 30 Kg)	2	85,000	1,70,000
Baking Oven (40-50 kg/hr)	1	5,00,000	5,00,000
Dropping machine (40-50 kg/hr)	1	3,90,000	3,90,000
Sugar <b>Mixture</b> Grinder (100 kg/hr)	1	75,000	75,000

Note: cost of the machinery is approx. Rs. 11.35 lakhs excluding GST and other transportation cost.

#### 4.5. MISCELLANEOUS FIXED ASSETS

- Electricity connection
- Other equipment's & fixture
- Storage tank etc.

#### 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	11.35
Miscellaneous Assets	1.00
Working capital	4.44
<b>Total</b>	<b>16.79</b>

**4.7. MEANS OF FINANCE**

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	1.67
Subsidy @35%(Max. Rs 10 Lac)	4.32
Term Loan @ 55%	6.79
Working Capital (Bank Finance)	4.00
<b>Total</b>	<b>16.79</b>

**4.8. TERM LOAN:** Term loan of Rs. 6.79 Lakh is required for project cost of Rs. 16.79 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	-	6.79	6.79	-	-	6.79	
	2nd month	6.79	-	6.79	0.06	-	6.79	
	3rd month	6.79	-	6.79	0.06	-	6.79	

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4th month	6.79	-	6.79	0.06		6.79
5th month	6.79	-	6.79	0.06		6.79
6th month	6.79	-	6.79	0.06		6.79
7th month	6.79	-	6.79	0.06	0.13	6.67
8th month	6.67	-	6.67	0.06	0.13	6.54
9th month	6.54	-	6.54	0.06	0.13	6.42
10th month	6.42	-	6.42	0.06	0.13	6.29
11th month	6.29	-	6.29	0.06	0.13	6.16
12th month	6.16	-	6.16	0.06	0.13	6.04
				0.67	0.75	
<b>2nd</b>	Opening Balance					
1st month	6.04	-	6.04	0.06	0.13	5.91
2nd month	5.91	-	5.91	0.05	0.13	5.79
3rd month	5.79	-	5.79	0.05	0.13	5.66
4th month	5.66	-	5.66	0.05	0.13	5.53
5th month	5.53	-	5.53	0.05	0.13	5.41
6th month	5.41	-	5.41	0.05	0.13	5.28
7th month	5.28	-	5.28	0.05	0.13	5.16
8th month	5.16	-	5.16	0.05	0.13	5.03
9th month	5.03	-	5.03	0.05	0.13	4.91
10th month	4.91	-	4.91	0.04	0.13	4.78
11th month	4.78	-	4.78	0.04	0.13	4.65
12th month	4.65	-	4.65	0.04	0.13	4.53
				<b>0.59</b>	<b>1.51</b>	
<b>3rd</b>	Opening Balance					

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1st month	4.53	-	4.53	0.04	0.13	4.40
2nd month	4.40	-	4.40	0.04	0.13	4.28
3rd month	4.28	-	4.28	0.04	0.13	4.15
4th month	4.15	-	4.15	0.04	0.13	4.03
5th month	4.03	-	4.03	0.04	0.13	3.90
6th month	3.90	-	3.90	0.04	0.13	3.77
7th month	3.77	-	3.77	0.03	0.13	3.65
8th month	3.65	-	3.65	0.03	0.13	3.52
9th month	3.52	-	3.52	0.03	0.13	3.40
10th month	3.40	-	3.40	0.03	0.13	3.27
11th month	3.27	-	3.27	0.03	0.13	3.14
12th month	3.14	-	3.14	0.03	0.13	3.02
				<b>0.42</b>	<b>1.51</b>	
<b>4th</b>	<b>Opening Balance</b>					
1st month	3.02	-	3.02	0.03	0.13	2.89
2nd month	2.89	-	2.89	0.03	0.13	2.77
3rd month	2.77	-	2.77	0.03	0.13	2.64
4th month	2.64	-	2.64	0.02	0.13	2.52
5th month	2.52	-	2.52	0.02	0.13	2.39
6th month	2.39	-	2.39	0.02	0.13	2.26
7th month	2.26	-	2.26	0.02	0.13	2.14
8th month	2.14	-	2.14	0.02	0.13	2.01
9th month	2.01	-	2.01	0.02	0.13	1.89
10th month	1.89	-	1.89	0.02	0.13	1.76
11th month	1.76	-	1.76	0.02	0.13	1.64



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	12th month	1.64	-	1.64	0.01	0.13	1.51
					<b>0.26</b>	<b>1.51</b>	
<b>5th</b>	Opening Balance						
	1st month	1.51	-	1.51	0.01	0.13	1.38
	2nd month	1.38	-	1.38	0.01	0.13	1.26
	3rd month	1.26	-	1.26	0.01	0.13	1.13
	4th month	1.13	-	1.13	0.01	0.13	1.01
	5th month	1.01	-	1.01	0.01	0.13	0.88
	6th month	0.88	-	0.88	0.01	0.13	0.75
	7th month	0.75	-	0.75	0.01	0.13	0.63
	8th month	0.63	-	0.63	0.01	0.13	0.50
	9th month	0.50	-	0.50	0.00	0.13	0.38
	10th month	0.38	-	0.38	0.00	0.13	0.25
	11th month	0.25	-	0.25	0.00	0.13	0.13
	12th month	0.13	-	0.13	0.00	0.13	-
					<b>0.09</b>	<b>1.51</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>Finished Goods</b>					
	1.81	2.07	2.33	2.60	2.89
<b>Raw Material</b>					
	1.98	2.27	2.57	2.90	3.24
<b>Closing Stock</b>	<b>3.79</b>	<b>4.34</b>	<b>4.90</b>	<b>5.50</b>	<b>6.13</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	3.79				
Less : Creditors	1.06				
<b>Paid stock</b>	<b>2.73</b>	<b>10%</b>	<b>0.27</b>	<b>90%</b>	<b>2.46</b>
<b>Sundry Debtors</b>	<b>2.06</b>	<b>10%</b>	<b>0.21</b>	<b>90%</b>	<b>1.86</b>
	<b>4.80</b>		<b>0.48</b>		<b>4.32</b>
<b>MPBF</b>					<b>4.32</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>4.00</b>
<b>Working Capital Margin</b>					<b>0.44</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>
Skilled (in thousand rupees)	14,000	2	28,000
Unskilled (in thousand rupees)	8,500	2	17,000
<b>Total salary per month</b>			<b>45,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>5.40</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>
Helper	7,000	1	7,000
Accountant	12,000	1	12,000
<b>Total salary per month</b>			<b>19,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>2.28</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	11.35	1.00	12.35
Total	11.35	1.00	12.35
Less : Depreciation	1.70	0.10	1.80
<b>WDV at end of Year</b>	<b>9.65</b>	<b>0.90</b>	<b>10.55</b>
Additions During The Year	-	-	-
Total	9.65	0.90	10.55
Less : Depreciation	1.45	0.09	1.54
<b>WDV at end of Year</b>	<b>8.20</b>	<b>0.81</b>	<b>9.01</b>
Additions During The Year	-	-	-
Total	8.20	0.81	9.01
Less : Depreciation	1.23	0.08	1.31
<b>WDV at end of Year</b>	<b>6.97</b>	<b>0.73</b>	<b>7.70</b>
Additions During The Year	-	-	-
Total	6.97	0.73	7.70
Less : Depreciation	1.05	0.07	1.12
<b>WDV at end of Year</b>	<b>5.92</b>	<b>0.66</b>	<b>6.58</b>
Additions During The Year	-	-	-
Total	5.92	0.66	6.58
Less : Depreciation	0.89	0.07	0.95
<b>WDV at end of Year</b>	<b>5.04</b>	<b>0.59</b>	<b>5.63</b>

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 2.5% of Gross Sale.

**4.15. PROJECTIONS OF PROFITABILITY ANALYSIS**

<b>PROJECTED PROFITABILITY STATEMENT</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>
Capacity Utilisation %	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Cookies	61.89	73.13	83.01	94.29	106.27
<b>Total</b>	<b>61.89</b>	<b>73.13</b>	<b>83.01</b>	<b>94.29</b>	<b>106.27</b>
<b>COST OF SALES</b>					
Raw Material Consumed	39.60	45.36	51.48	57.96	64.80
Electricity Expenses	1.92	2.21	2.54	2.92	3.21
Depreciation	1.80	1.54	1.31	1.12	0.95
Wages & labour	5.40	5.94	6.53	7.06	7.62
Repair & maintenance	1.55	1.83	2.08	2.36	2.66
Packaging	4.02	5.27	5.81	6.60	7.44
<b>Cost of Production</b>	<b>54.29</b>	<b>62.14</b>	<b>69.75</b>	<b>78.01</b>	<b>86.68</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.81</b>	<b>2.07</b>	<b>2.33</b>	<b>2.60</b>
<b>Less: Closing Stock /WIP</b>	<b>1.81</b>	<b>2.07</b>	<b>2.33</b>	<b>2.60</b>	<b>2.89</b>
Cost of Sales	52.48	61.88	69.50	77.74	86.39
<b>GROSS PROFIT</b>	<b>9.40</b>	<b>11.25</b>	<b>13.52</b>	<b>16.55</b>	<b>19.88</b>
	<b>15.19%</b>	<b>15.39%</b>	<b>16.28%</b>	<b>17.56%</b>	<b>18.70%</b>
Salary to Staff	2.28	2.64	3.23	3.71	4.08
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
Interest on working Capital	0.44	0.44	0.44	0.44	0.44
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.24	1.32	1.66	1.89	2.13
<b>TOTAL</b>	<b>8.23</b>	<b>8.95</b>	<b>10.10</b>	<b>11.08</b>	<b>12.01</b>
NET PROFIT	1.18	2.30	3.41	5.47	7.87
	<b>1.90%</b>	<b>3.15%</b>	<b>4.11%</b>	<b>5.80%</b>	<b>7.40%</b>
Taxation	-	-	0.05	0.22	0.70
PROFIT (After Tax)	1.18	2.30	3.37	5.25	7.17

**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>	61.89	73.13	83.01	94.29	106.27
Less : Op. WIP Goods	-	1.81	2.07	2.33	2.60
Add : Cl. WIP Goods	1.81	2.07	2.33	2.60	2.89
<b>Total Sales</b>	<b>63.70</b>	<b>73.39</b>	<b>83.27</b>	<b>94.57</b>	<b>106.56</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	39.60	45.36	51.48	57.96	64.80
Electricity Exp/Coal Consumption at 85%	1.63	1.88	2.16	2.48	2.73
Wages & Salary at 60%	4.61	5.15	5.86	6.46	7.02
Selling & administrative Expenses 80%	0.99	1.05	1.33	1.51	1.70
Interest on working Capital	0.44	0.44	0.44	0.44	0.44
Repair & maintenance	1.55	1.83	2.08	2.36	2.66
Packaging	4.02	5.27	5.81	6.60	7.44
<b>Total Variable &amp; Semi Variable Exp</b>	<b>52.84</b>	<b>60.97</b>	<b>69.15</b>	<b>77.81</b>	<b>86.79</b>
<b>Contribution</b>	<b>10.86</b>	<b>12.42</b>	<b>14.12</b>	<b>16.76</b>	<b>19.77</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%	3.07	3.43	3.90	4.31	4.68
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
Depreciation	1.80	1.54	1.31	1.12	0.95
Selling & administrative Expenses 20%	0.25	0.26	0.33	0.38	0.43
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>9.68</b>	<b>10.11</b>	<b>10.71</b>	<b>11.29</b>	<b>11.90</b>
<b>Capacity Utilization</b>	<b>55%</b>	<b>60%</b>	<b>65%</b>	<b>70%</b>	<b>75%</b>
<b>OPERATING PROFIT</b>	<b>1.18</b>	<b>2.30</b>	<b>3.41</b>	<b>5.47</b>	<b>7.87</b>
<b>BREAK EVEN POINT</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>	<b>47%</b>	<b>45%</b>
<b>BREAK EVEN SALES</b>	<b>56.78</b>	<b>59.78</b>	<b>63.15</b>	<b>63.70</b>	<b>64.16</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		7.17	8.97	10.84	14.09	
Add:- Own Capital	1.67					
Add:- Retained Profit	1.18	2.30	3.37	5.25	7.17	
Less:- Drawings	-	0.50	1.50	2.00	3.50	
Subsidy/grant	4.32					
Closing Balance	7.17	8.97	10.84	14.09	17.76	
Term Loan	6.04	4.53	3.02	1.51	-	
Working Capital Limit	4.00	4.00	4.00	4.00	4.00	
Sundry Creditors	1.06	1.21	1.37	1.55	1.73	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
<b>TOTAL :</b>	<b>18.66</b>	<b>19.21</b>	<b>19.83</b>	<b>21.86</b>	<b>24.35</b>	
<b><u>Assets</u></b>						
<b>Fixed Assets ( Gross)</b>	12.35	12.35	12.35	12.35	12.35	
Gross Dep.	1.80	3.34	4.65	5.77	6.72	
<b>Net Fixed Assets</b>	<b>10.55</b>	<b>9.01</b>	<b>7.70</b>	<b>6.58</b>	<b>5.63</b>	
<b>Current Assets</b>						
Sundry Debtors	2.06	2.44	2.77	3.14	3.54	
Stock in Hand	3.79	4.34	4.90	5.50	6.13	
Cash and Bank	2.26	3.42	4.46	6.64	9.05	
<b>TOTAL :</b>	<b>18.66</b>	<b>19.21</b>	<b>19.83</b>	<b>21.86</b>	<b>24.35</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	1.67				
Net Profit	1.18	2.30	3.41	5.47	7.87
Depriciation & Exp. W/off	1.80	1.54	1.31	1.12	0.95
Increase in Cash Credit	4.00	-	-	-	-
Increase In Term Loan	6.79	-	-	-	-
Increase in Creditors	1.06	0.15	0.16	0.17	0.18
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	4.32				
<b>TOTAL :</b>	<b>21.22</b>	<b>4.09</b>	<b>4.99</b>	<b>6.88</b>	<b>9.15</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	12.35				
Increase in Stock	3.79	0.55	0.56	0.60	0.63
Increase in Debtors	2.06	0.37	0.33	0.38	0.40
Repayment of Term Loan	0.75	1.51	1.51	1.51	1.51
Drawings	-	0.50	1.50	2.00	3.50
Taxation	-	-	0.05	0.22	0.70
<b>TOTAL :</b>	<b>18.96</b>	<b>2.93</b>	<b>3.94</b>	<b>4.70</b>	<b>6.74</b>
Opening Cash & Bank Balance	-	2.26	3.42	4.46	6.64
Add : Surplus	2.26	1.16	1.04	2.18	2.41
Closing Cash & Bank Balance	<b>2.26</b>	<b>3.42</b>	<b>4.46</b>	<b>6.64</b>	<b>9.05</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	2.98	3.84	4.68	6.37	8.12
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
<b>Total</b>	<b>3.65</b>	<b>4.43</b>	<b>5.10</b>	<b>6.63</b>	<b>8.21</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	0.75	1.51	1.51	1.51	1.51
Interest on Term Loan	0.67	0.59	0.42	0.26	0.09
<b>Total</b>	<b>1.42</b>	<b>2.10</b>	<b>1.93</b>	<b>1.77</b>	<b>1.60</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.56</b>	<b>2.11</b>	<b>2.64</b>	<b>3.75</b>	<b>5.14</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.24</b>				