



DETAILED PROJECT REPORT
GREEN CHILLI SAUCE UNIT
UNDER PMFME SCHEME



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1. PROJECT SUMMARY

1. Name of the proposed project	:	Green Chilli Sauce Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	456000 Kg/annum(40,45,50,55& 60% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Green Chilli, Onion Powder, Garlic Powder, Mustard, Sugar, Salt and Vinegar
5. Major product outputs	:	Green Chilli Sauce
6. Total project cost	:	Rs. 27.67 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 18.39 Lakh
• Miscellaneous Fixed Assets	:	Rs. 2.50 Lakh
• Working capital	:	Rs. 6.78 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 7.31 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.77 Lakh
• Term loan	:	Rs. 11.49 Lakh
• Working Capital Requirement	:	Rs. 6.10 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.97 Lakh
• 2 nd year	:	Rs. 4.22 Lakh
• 3 rd year	:	Rs. 6.36 Lakh
• 4 th year	:	Rs. 9.32 Lakh
• 5 th year	:	Rs. 12.10 Lakh
11. Average DSCR	:	Rs. 3.32
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Chilli (*Capsicum annum L.*), the most widely consumed vegetable spice and used in the cuisine of both the developing and developed countries. Annual trade of chilli in the world is 0.055-0.065 MT, which is 16.7% of total spice trade in the world. India ranks first in the production (0.691 MT) as well as in the export (0.033 MT) of chilli in the world. The wide popularity of chilli is due to its wide range of shapes and sizes and sensory attributes such as color, pungency and distinctive aroma that make generally insipid bulk nutritive flesh and cereals foods more appetizing. Therefore, chilli is an indispensable condiment as well as vegetable in every household in India.

Green chilli sauce is an inherent element of Indo-Chinese food culture. It is a hot condiment made primarily with freshly chopped green chillies and flavoured with vinegar and a dash of garlic. Green chilli sauce is so versatile that it can be used as a flavourful seasoning for noodles, a spicy dip for your crisps and a savory spread for the sandwich.

Increasing young population coupled with increasing globalization has led to an advent of diversity in food choices of young people, who are significantly proffering spices, thus fueling revenues in the global hot sauce market. Further rising consumption of fast food among busy city dwellers can be considered as another factor for the increasing demand for hot sauces, particularly in the developing countries of Asia. Moreover, improving life style has led people across the globe try different cuisines, which can be considered as another prominent factor driving the demand for hot sauces. Apart from this, increasing trends for food travelling across the globe is also escalating the demand for hot sauces.

2.2. MARKET POTENTIAL:

Fruit & vegetable processing is driven by growing consumer demand for healthy and fresh products that are easily available and require minimal preparation time. Processing of fruits & vegetables increases their shelf-life. Since they are traded on a large scale, processing ensures that market demand of fruits & vegetables with standard quality is met. The vast production base offers India tremendous opportunities for export. India's exports of Processed Food was Rs. 26,067.64 Crores in 2015-16.

The Hot and Barbeque Sauces Market is making place in Indian market with its ultimate taste and various application. Hot sauces and barbeque sauces are new in India but heartily welcomed by the Indian because of their taste. Indian Chinese, hot and barbeque sauces market consists of Chinese sauces like red chilli sauce, green chilli sauce, soya sauce and Schezwan sauce; hot sauces like chilli garlic sauce, hot chilli sauce, pepper sauce, salsa sauce, sweet chilli sauce and the like; and barbeque sauce. This market is expected register a CAGR of more than 15% from 2017-18 to 2022-23. The highest share is expected to be of Chinese sauces, which is more than 75% of the total Chinese, hot and barbeque sauces market, and it is expected to generate a revenue of around INR 500 crores in the year 2022-23.

2.3. RAW MATERIAL DESCRIPTION:

The traditional method of chilli paste processes essentially consists of two main unit operations, namely blending of raw ingredients and cooking of liquefied chilli paste, accompanied by manual stirring. The transferring of blended food for cooking adds clean-up work and tends to waste time and energy. Substantive continuous stirring during the cooking process is essential, but time and labour consuming

Key ingredients are listed below:

- Green Chilli
- Onion Powder
- Garlic Powder
- Mustard
- Sugar
- Salt
- Vinegar

S.N.	Particulars	Rate
1	Green Chilli	Rs. 25-30/kg
2	Onion Powder	Rs. 60-70/kg
3	Garlic Powder	Rs- 70-80/kg
4	Mustard (spice)	Rs. 65-75/kg
5	Sugar	Rs. 30-35/kg
6	Salt	Rs. 10-15/kg
7	Vinegar	Rs. 100-120/ltr.

Average raw material cost per bottle of 1 Kg: Rs. 40-50

3. PROCESS FLOW CHART

The traditional method of chilli paste processing consists essentially of two unit operations, which are mechanical and preservation carried out separately using different food processing equipment and cooking utensils. The mechanical separation involved is blending of raw solid ingredients, whereas the heat preservation is the cooking of liquefied chilli paste, or to be more precise, pan-frying together with manual stirring by hand. Usually, a food processor or a blender is used for liquefaction of the raw solid ingredients while cooking involves a conventional stove type heater.

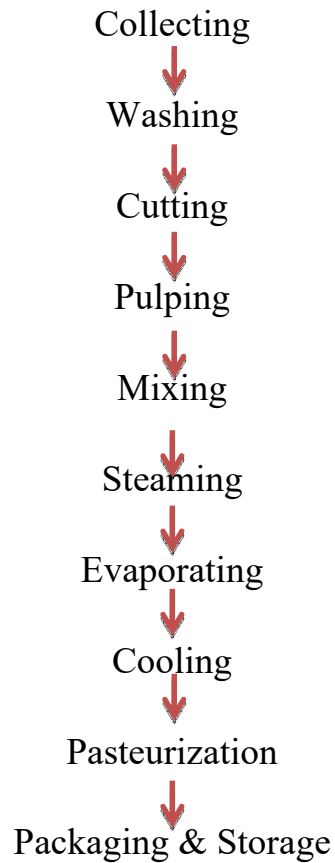
Substantial continuous stirring is required during the cooking process to avoid hot spots or burning of the chilli paste as well as to facilitate heat transfer during the cooking cycle.

Fresh Green chillies are procured from vendor and the raw material are brought to plant and then top edge (dandi) is to be removed from green chillies and sent for was Green chili sauce. After that following process is done:

- Raw materials are procured from the local vendor. All raw materials are placed in the inventory.
- Green Chillies are washed thoroughly to remove surface impurities. They are then fed to cutter, which cuts them in required sizes & removes stems
- Chopped Green Chillies are then fed to Pulper machine. It grinds them into pulp with some added RO-Purified Water.
- This pulp is fed to mixer vessel, where it's mixed with other raw materials. Pulp is simultaneously heated utilizing temperature from steam.
- Mixture is then fed to Evaporator which remove all excess water. It helps achieve desired concentration in Green Chilli Sauce. Green Chilli Sauce is now cooled & tested for quality & taste.

- The finished product is then fed to pasteurizer for pasteurization. After pasteurization product is filled in bottles in aseptic environment.
- Aseptic Bottle Filling & Capping Machine is used for the process. Product is now ready for sale.

Flow chart of Green Chilli Sauce



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Green Chilli Sauce is 200 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 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

COMPUTATION OF PRODUCTION OF GREEN CHILLI SAUCE		
Items to be Manufactured		
Green Chilli Sauce		
Machine capacity Per hour	200	Kg
Total working Hours	8	
Machine capacity Per Day	1,600	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	480000	Kg
Final Output per annum after wastage	456000	Kg
Final Product to be packed in 1 kg Bottle		
Number of packets per annum	456000	1 Kg Bottle

Production of Green Chilli Sauce		
Production	Capacity	KG
1st year	40%	1,82,400
2nd year	45%	2,05,200
3rd year	50%	2,28,000
4th year	55%	2,50,800
5th year	60%	2,73,600



Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	40%	40.00	76.80
2nd year	45%	42.00	90.72
3rd year	50%	44.00	105.60
4th year	55%	46.00	121.44
5th year	60%	48.00	138.24





COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	6,080	6,840	7,600	8,360
Production	1,82,400	2,05,200	2,28,000	2,50,800	2,73,600
Less : Closing Stock	6,080	6,840	7,600	8,360	9,120
Net Sale	1,76,320	2,04,440	2,27,240	2,50,040	2,72,840
Sale price per bottle	65.00	68.00	71.00	75.00	79.00
Sales (in Lacs)	114.61	139.02	161.34	187.53	215.54




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.
Boiler	It is a steam generating device which simply produces steam. It utilizes heat generated by burning appropriate fuel. Boiler along with supporting machines is considered a machine. But as such Boiler is as such an equipment.	
Rotary Fruit & Vegetable	It's water was Green chilly sauce class machine which utilizes mainly water. This machine	

	<p>utilizes rotating tumbler to enhance wasGreen chilly sauce. Consists of a motor that drives the tumbler. Also usually have an internal water pump.</p>	
<p>Steam Jacketed Mixer Vessel</p>	<p>It's a mixer class machine, used to mix solution with precision. Steam jackets provide appropriate temperature control. It requires boiler for normal operation. Also requires electrical power to drive the mixing blades.</p>	
<p>Continuous Evaporator</p>	<p>It's an evaporator class machine, used to reduce water content. In this case it's used to reduce water content of pulp. In this case uses steam to obtain required heat. Smaller systems may also use electrical heaters.</p>	
<p>Fruit & Vegetable Slicer</p>	<p>It's a Cutter class machine, used to slice given fruits & veggies. In this case is used to chop the Green Chilies for further process. Different blades are used for different vegetables. Available in reciprocating & rotary blade arrangements</p>	
<p>Pulping Machine</p>	<p>To extract chilli pulp from paste.</p>	

<p>Aseptic Bottle Filling & Capping Machine</p>	<p>It's basically a filling & capping machine to fill sauce in bottles. Aseptic environment prevents biological contamination. This machine requires its own heating system. Thus utilizes both steam & electrical power</p>	
<p>Tubular Pasteurizer</p>	<p>Pasteurization is a process of treating foods with mild heat. It basically eliminates pathogens & extends shelf life. These machines also utilize steam to thermal effect.</p>	
<p>Material handling Equipments & other equipments</p>	<p>These Equipments are used for material handling.</p>	

Machine	Unit	Rate	Price
Boiler (1-2 Tonne)	1	1,40,000	1,40,000
Rotary Fruit & Vegetable Washer (2-5 Ton)	1	2,00,000	2,00,000
Steam Jacketed Mixer Vessel (250 Ltr)	1	90,000	90,000
Continuous Evaporator (1 Ton)	1	1,50,000	1,50,000
Fruit & Vegetable Slicer (200 kg/hr)	1	24,000	24,000
Pulping Machine (200 kg/hr)	1	35,000	35,000

Aseptic Bottle Filling & Capping Machine (30 bottles per minute)	1	6,00,000	6,00,000
Tubular Pasteurizer (500 L/hr)	1	3,50,000	3,50,000
Material handling Equipments & other equipments	-	2,50,000	2,50,000

Note: Approx. Total Machinery cost shall be Rs 18.39 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	18.39
Miscellaneous Assets	2.50
Working capital	6.78
Total	27.67

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.77
Subsidy @35%(Max. Rs 10 Lac)	7.31
Term Loan @ 55%	11.49
Working Capital (Bank Finance)	6.10
Total	27.67

4.8. TERM LOAN: Term loan of Rs. 11.49 Lakh is required for project cost of Rs. 27.67 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	-	11.49	11.49	-	-	11.49	
	2nd month	11.49	-	11.49	0.11	-	11.49	
	3rd month	11.49	-	11.49	0.11	-	11.49	
	4th month	11.49	-	11.49	0.11	-	11.49	
	5th month	11.49	-	11.49	0.11	-	11.49	
	6th month	11.49	-	11.49	0.11	-	11.49	
	7th month	11.49	-	11.49	0.11	0.21	11.28	

PM FME- Detailed Project Report of Green Chilli Sauce Unit

8th month	11.28	-	11.28	0.10	0.21	11.06
9th month	11.06	-	11.06	0.10	0.21	10.85
10th month	10.85	-	10.85	0.10	0.21	10.64
11th month	10.64	-	10.64	0.10	0.21	10.43
12th month	10.43	-	10.43	0.10	0.21	10.21
				1.13	1.28	
2nd	Opening Balance					
1st month	10.21	-	10.21	0.09	0.21	10.00
2nd month	10.00	-	10.00	0.09	0.21	9.79
3rd month	9.79	-	9.79	0.09	0.21	9.57
4th month	9.57	-	9.57	0.09	0.21	9.36
5th month	9.36	-	9.36	0.09	0.21	9.15
6th month	9.15	-	9.15	0.08	0.21	8.94
7th month	8.94	-	8.94	0.08	0.21	8.72
8th month	8.72	-	8.72	0.08	0.21	8.51
9th month	8.51	-	8.51	0.08	0.21	8.30
10th month	8.30	-	8.30	0.08	0.21	8.09
11th month	8.09	-	8.09	0.07	0.21	7.87
12th month	7.87	-	7.87	0.07	0.21	7.66
				0.99	2.55	
3rd	Opening Balance					
1st month	7.66	-	7.66	0.07	0.21	7.45
2nd month	7.45	-	7.45	0.07	0.21	7.23
3rd month	7.23	-	7.23	0.07	0.21	7.02
4th month	7.02	-		0.06	0.21	6.81

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				7.02			
5th month	6.81	-	6.81	0.06	0.21	6.60	
6th month	6.60	-	6.60	0.06	0.21	6.38	
7th month	6.38	-	6.38	0.06	0.21	6.17	
8th month	6.17	-	6.17	0.06	0.21	5.96	
9th month	5.96	-	5.96	0.05	0.21	5.74	
10th month	5.74	-	5.74	0.05	0.21	5.53	
11th month	5.53	-	5.53	0.05	0.21	5.32	
12th month	5.32	-	5.32	0.05	0.21	5.11	
				0.71	2.55		
4th	Opening Balance						
1st month	5.11	-	5.11	0.05	0.21	4.89	
2nd month	4.89	-	4.89	0.04	0.21	4.68	
3rd month	4.68	-	4.68	0.04	0.21	4.47	
4th month	4.47	-	4.47	0.04	0.21	4.26	
5th month	4.26	-	4.26	0.04	0.21	4.04	
6th month	4.04	-	4.04	0.04	0.21	3.83	
7th month	3.83	-	3.83	0.04	0.21	3.62	
8th month	3.62	-	3.62	0.03	0.21	3.40	
9th month	3.40	-	3.40	0.03	0.21	3.19	
10th month	3.19	-	3.19	0.03	0.21	2.98	
11th month	2.98	-	2.98	0.03	0.21	2.77	
12th month	2.77	-	2.77	0.03	0.21	2.55	
				0.43	2.55		
5th	Opening Balance						

1st month	2.55	-	2.55	0.02	0.21	2.34
2nd month	2.34	-	2.34	0.02	0.21	2.13
3rd month	2.13	-	2.13	0.02	0.21	1.91
4th month	1.91	-	1.91	0.02	0.21	1.70
5th month	1.70	-	1.70	0.02	0.21	1.49
6th month	1.49	-	1.49	0.01	0.21	1.28
7th month	1.28	-	1.28	0.01	0.21	1.06
8th month	1.06	-	1.06	0.01	0.21	0.85
9th month	0.85	-	0.85	0.01	0.21	0.64
10th month	0.64	-	0.64	0.01	0.21	0.43
11th month	0.43	-	0.43	0.00	0.21	0.21
12th month	0.21	-	0.21	0.00	0.21	-
				0.15	2.55	
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>					
	3.43	4.02	4.62	5.30	6.02
<u>Raw Material</u>					
	2.56	3.02	3.52	4.05	4.61
Closing Stock	5.99	7.05	8.14	9.34	10.63

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	5.99				
Less : Creditors	1.79				
Paid stock	4.20	10%	0.42	90%	3.78
Sundry Debtors	2.67	10%	0.27	90%	2.41
	6.87		0.69		6.18
MPBF					6.18
WORKING CAPITAL LIMIT DEMAND (from Bank)					6.10
Working Capital Margin					0.68

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Machine Operator	10,000	2	20,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	12,000	4	48,000
Unskilled (in thousand rupees)	8,500	2	17,000
Total salary per month			1,05,000
Total annual labour charges	(in lacs)		12.60

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary Rs. per Month	No of Employees	Total Salary
Administrative Staff	8,000	2	16,000
Manager	20,000	1	20,000
Accountant	15,000	1	15,000
Total salary per month			51,000
Total annual Staff charges	(in lacs)		6.12

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	18.39	2.50	20.89
Total	18.39	2.50	20.89
Less : Depreciation	2.76	0.25	3.01
WDV at end of Year	15.63	2.25	17.88
Additions During The Year	-	-	-
Total	15.63	2.25	17.88
Less : Depreciation	2.34	0.23	2.57
WDV at end of Year	13.29	2.03	15.31
Additions During The Year	-	-	-
Total	13.29	2.03	15.31
Less : Depreciation	1.99	0.20	2.20
WDV at end of Year	11.29	1.82	13.12
Additions During The Year	-	-	-
Total	11.29	1.82	13.12
Less : Depreciation	1.69	0.18	1.88
WDV at end of Year	9.60	1.64	11.24
Additions During The Year	-	-	-
Total	9.60	1.64	11.24
Less : Depreciation	1.44	0.16	1.60
WDV at end of Year	8.16	1.48	9.64

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 %	40%	45%	50%	55%	60%	
<u>SALES</u>						
Gross Sale						
Green Chilli Sauce	114.61	139.02	161.34	187.53	215.54	
Total	114.61	139.02	161.34	187.53	215.54	
<u>COST OF SALES</u>						
Raw Material Consumed	76.80	90.72	105.60	121.44	138.24	
Electricity Expenses	2.40	2.76	3.17	3.65	4.02	
Depreciation	3.01	2.57	2.20	1.88	1.60	
Wages & labour	12.60	14.87	16.35	18.81	21.63	
Repair & maintenance	2.29	2.78	3.23	3.75	4.31	
Packaging	5.73	6.95	8.07	9.38	10.78	
Cost of Production	102.83	120.65	138.62	158.90	180.58	
Add: Opening Stock /WIP	-	3.43	4.02	4.62	5.30	
Less: Closing Stock /WIP	3.43	4.02	4.62	5.30	6.02	
Cost of Sales	99.40	120.06	138.02	158.23	179.85	
GROSS PROFIT	15.20	18.96	23.32	29.30	35.69	
	13.27%	13.64%	14.45%	15.63%	16.56%	
Salary to Staff	6.12	7.04	8.30	9.97	11.76	
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15	
Interest on working Capital	0.67	0.67	0.67	0.67	0.67	
Rent	3.60	3.96	4.36	4.79	5.27	
selling & adm exp	1.72	2.09	2.42	2.81	3.23	
TOTAL	13.24	14.75	16.47	18.67	21.09	
NET PROFIT	1.97	4.22	6.86	10.63	14.60	
	1.71%	3.03%	4.25%	5.67%	6.77%	
Taxation	-	-	0.50	1.31	2.51	
PROFIT (After Tax)	1.97	4.22	6.36	9.32	12.10	

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	114.61	139.02	161.34	187.53	215.54
Less : Op. WIP Goods	-	3.43	4.02	4.62	5.30
Add : Cl. WIP Goods	3.43	4.02	4.62	5.30	6.02
Total Sales	118.04	139.61	161.94	188.21	216.27
Variable & Semi Variable Exp.					
Raw Material Consumed	76.80	90.72	105.60	121.44	138.24
Electricity Exp/Coal Consumption at 85%	2.04	2.35	2.70	3.10	3.41
Wages & Salary at 60%	11.23	13.14	14.80	17.26	20.03
Selling & administrative Expenses 80%	1.38	1.67	1.94	2.25	2.59
Interest on working Capital	0.671	0.671	0.671	0.671	0.671
Repair & maintenance	2.29	2.78	3.23	3.75	4.31
Packaging	5.73	6.95	8.07	9.38	10.78
Total Variable & Semi Variable Exp	100.14	118.28	136.99	157.86	180.03
Contribution	17.89	21.33	24.94	30.35	36.23
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.36	0.41	0.48	0.55	0.60
Wages & Salary at 40%	7.49	8.76	9.86	11.51	13.36
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Depreciation	3.01	2.57	2.20	1.88	1.60
Selling & administrative Expenses 20%	0.34	0.42	0.48	0.56	0.65
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	15.93	17.12	18.09	19.72	21.63
Capacity Utilization	40%	45%	50%	55%	60%
OPERATING PROFIT	1.97	4.22	6.86	10.63	14.60
BREAK EVEN POINT	36%	36%	36%	36%	36%
BREAK EVEN SALES	105.07	112.03	117.43	122.29	129.11

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		10.04	11.76	13.62	15.93	
Add:- Own Capital	2.77					
Add:- Retained Profit	1.97	4.22	6.36	9.32	12.10	
Less:- Drawings	2.00	2.50	4.50	7.00	9.00	
Subsidy/grant	7.31					
Closing Balance	10.04	11.76	13.62	15.93	19.03	
Term Loan	10.21	7.66	5.11	2.55	-	
Working Capital Limit	6.10	6.10	6.10	6.10	6.10	
Sundry Creditors	1.79	2.12	2.46	2.83	3.23	
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86	
TOTAL :	28.55	28.14	27.89	28.14	29.22	
<u>Assets</u>						
Fixed Assets (Gross)	20.89	20.89	20.89	20.89	20.89	
Gross Dep.	3.01	5.58	7.77	9.65	11.25	
Net Fixed Assets	17.88	15.31	13.12	11.24	9.64	
Current Assets						
Sundry Debtors	2.67	3.24	3.76	4.38	5.03	
Stock in Hand	5.99	7.05	8.14	9.34	10.63	
Cash and Bank	2.01	2.53	2.87	3.18	3.93	
TOTAL :	28.55	28.14	27.89	28.14	29.22	

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	2.77				
Net Profit	1.97	4.22	6.86	10.63	14.60
Depriciation & Exp. W/off	3.01	2.57	2.20	1.88	1.60
Increase in Cash Credit	6.10	-	-	-	-
Increase In Term Loan	11.49	-	-	-	-
Increase in Creditors	1.79	0.32	0.35	0.37	0.39
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	7.31				
TOTAL :	34.83	7.21	9.50	13.00	16.74
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	20.89				
Increase in Stock	5.99	1.06	1.09	1.20	1.28
Increase in Debtors	2.67	0.57	0.52	0.61	0.65
Repayment of Term Loan	1.28	2.55	2.55	2.55	2.55
Drawings	2.00	2.50	4.50	7.00	9.00
Taxation	-	-	0.50	1.31	2.51
TOTAL :	32.83	6.68	9.17	12.68	16.00
Opening Cash & Bank Balance	-	2.01	2.53	2.87	3.18
Add : Surplus	2.01	0.53	0.33	0.31	0.75
Closing Cash & Bank Balance	2.01	2.53	2.87	3.18	3.93

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	4.97	6.78	8.55	11.19	13.70
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Total	6.10	7.78	9.27	11.63	13.85
<u>REPAYMENT</u>					
Instalment of Term Loan	1.28	2.55	2.55	2.55	2.55
Interest on Term Loan	1.13	0.99	0.71	0.43	0.15
Total	2.41	3.55	3.27	2.99	2.71
DEBT SERVICE COVERAGE RATIO	2.54	2.19	2.84	3.89	5.12
AVERAGE D.S.C.R.	3.32				