



DETAILED PROJECT REPORT

KALA NAMAK RICE 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	:	Kala Namak Rice Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	504000 Kg/annum (40,45,50,55&60% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Paddy grains of Kala Namak Rice.
5. Major product outputs	:	Kala Namak Rice
6. Total project cost	:	Rs. 20.11 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 11.30 Lakh
• Miscellaneous Fixed Assets	:	Rs. 3.50 Lakh
• Working capital	:	Rs. 5.31 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.18 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.00 Lakh
• Term loan	:	Rs.8.14 Lakh
• Working Capital Requirement	:	Rs. 4.78 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.51 Lakh
• 2 nd year	:	Rs. 3.92 Lakh
• 3 rd year	:	Rs. 6.32 Lakh
• 4 th year	:	Rs. 9.11Lakh
• 5 th year	:	Rs. 12.31 Lakh
11. Average DSCR	:	Rs. 4.16
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Kalanamak is one of India's finest scented quality rice. Its name comes from the black husk (Kala=black; namak means salt). Since Buddhist times this variety is being cultivated (600 BC). It is also well known as the scented black pearl of Uttar Pradesh, in Himalayan Tarai in eastern Uttar Pradesh. It was featured by the Food and Agriculture Organization of the United Nations as part of the book 'Specialty rice of the world.

In 2012 the Government of India granted Kalanamak Rice the Geographical Index (GI) Tag and the geographical area was defined to allow for the production of Kalanamak Rice. In this defined area, only Kalanamak rice can be labeled as Kalanamak rice. The area of Kalanamak rice is situated in the state of Uttar Pradesh between 27°28' North Latitude and 82°45" Eastern Longitude. Geographical Area of production of Kalanamak Rice is Bazardeeh, Bazahaw, Dubaripur, Dewra, Mohanjot, Siyao, Niyao Ramwapur, Doharia Khurd, Doharia-Bujurg, Naugarh & Aligarahawa villages of Siddharthnagar District.

Even the most exclusive Basmati rice with all qualities, except for grain length, is said to have outshined kalanamak rice. Kalanamak is short- to medium-length non-basmati rice. The aroma is more powerful than any of the Basmati variants and the Kalanamak rice is said to be the gift of Gautama Buddha. Elongation after cooking, after cooking is 40 percent more than the Basmati rice which is one of the most important quality features on the international rice market. Cooked kalanamak is softer and fluffier than other types of rice. The amylose content in Basmati is almost 20% higher compared to 24%. High levels of amylose make the cook of rice firm and dry. The rice is generally softer with medium amylose content between 16 and 22% and the grain sticks easier.

Kalanamak rice, like iron or zinc, is rich in micro-nutrients. This rice is thus said to prevent iron and zinc-sufficient diseases. It is said that kalanamak rice can be consumed regularly to prevent the disease of Alzheimer's. In 2013 the government of India adopted the Nutri-Farm program with the aim of promoting food crops with critical micronutrients in order to combat malnutrition and improve the nutritional status of the society's vulnerable section. Kalanamak was nutrient cultivation chosen for this scheme.

2.2. MARKET POTENTIAL:

India has an enormous abundance of aromatic rice varieties and landraces of Basmati and non-Basmati that show wide variability in their grain quality and cooking characteristics. Kalanamak is an important and popular aromatic rice species cultivated in East Uttar Pradesh, among non-basmati aromas.

Their taste and aroma are renowned. It is cooked in eastern India or given as a present to a guest. While Kalanamak is rapidly abandoned, if it is promoted properly, this is an Indigenous Aromatic Rice Species that offers a huge promise not only on the internal market but also as a commodity for exports. It may be a boon to Eastern Uttar Pradesh farmers and the Bihar Tarai region.

In recent years, the organized industry has begun to make a name for it by focusing on Tier 1 and Tier 2 cities where urbanization has increased. The report includes various segments of the Indian rice market, such as basmati and packed rice, which is further divided into types. Complete trade analysis is included, as well as current market trends. This will aid in gaining a market share of the competition's best-performing companies. India's rice production and consumption have increased over the years, and the organized rice industry has benefited from the involvement of many top companies. Along with production, India is the world's leading rice exporter, accounting for nearly 25% of global rice exports. Because India is the world's largest producer of basmati rice, basmati rice dominates India's rice exports.

Iran and Saudi Arabia are India's largest basmati rice importers, accounting for the majority of the country's overall basmati rice export value. In the last five years, the Indian domestic rice market has grown at a CAGR of over 4%. Non-basmati rice holds a larger share of the Indian rice market than basmati rice because basmati rice production is limited to only a few states and is considered premium rice. Increased urbanization is playing an important role in developing India's packed rice market, which is shifting from an unorganized to an organized market that is growing at a CAGR of nearly 12% consumer awareness. Basmati rice dominates the packed rice market in India, as do new healthy rice segments such as brown rice and organic rice, whose demand has risen in recent years.

2.3. RAW MATERIAL DESCRIPTION:

Kala Namak rice varieties are the only raw material required for the milling plant. It is easily available in the market.

3. PROCESS FLOW CHART

Paddy Cleaning

In order to ensure the correct functioning of the rice milling machinery, paddy cleaning is necessary for the removal of unwanted foreign matter. Stones and other heavy impurities, being heavier, foreign matters are separated in this process.

Paddy De-husking

A streamlined paddy flow is sent into a pair of rubber rolls, rotating at different speeds, in opposite directions. The husk is actually extracted with friction to allow paddy grain to move between two abrasive surfaces at different speeds. It is easy to cut the husk. The husk is removed after dehusking and transported outside the mill to a storage dump. Husk represents 20% of the paddy weight and an effective husker can take away 90% of the husk in one pass.

Polishing

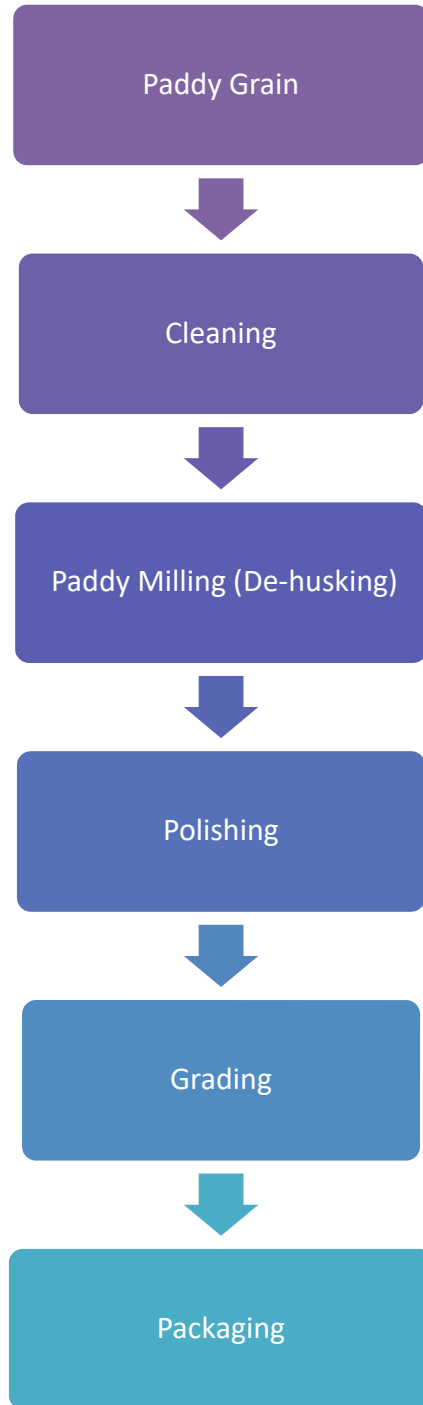
The method involves rubbing the rice surface with another rice surface with mystified air. The Mystified air act as a lubricant between the two surfaces. This process is used to make a superfluous silky finish on the rice surface.

Rice Grading

Broken rice is removed from whole rice. After polishing, white rice is separated into head rice, large and small broken rice, and “brewers”.

Packaging

Rice is now packed in the appropriate package which must be accurately weighed and labelled.



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Kala Namak Rice is 300 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 7 days and Finished goods Closing Stock has been taken for 7 days.
4. Credit period to Sundry Debtors has been given for 10 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 18 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 KALA NAMAK RICE</u>		
Items to be Manufactured		
Kala Namak Rice		
Machine capacity Per hour	300	Kg
Total working Hours	8	
Machine capacity Per Day	2,400	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	30%	
Raw material requirement	720000	Kg
Final Output per annum after wastage	504000	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	504000	1 Kg Packet

Production of Kala Namak Rice		
Production	Capacity	KG
1st year	40%	2,01,600
2nd year	45%	2,26,800
3rd year	50%	2,52,000
4th year	55%	2,77,200
5th year	60%	3,02,400

Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	40%	22.00	63.36
2nd year	45%	23.00	74.52
3rd year	50%	24.00	86.40
4th year	55%	25.00	99.00
5th year	60%	26.00	112.32




COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	4,704	5,292	5,880	6,468
Production	2,01,600	2,26,800	2,52,000	2,77,200	3,02,400
Less : Closing Stock	4,704	5,292	5,880	6,468	7,056
Net Sale	1,96,896	2,26,212	2,51,412	2,76,612	3,01,812
Sale price per packet	50.00	53.00	56.00	59.00	62.00
Sales (in Lacs)	98.45	119.89	140.79	163.20	187.12

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.
Paddy Pre Cleaning Machine	A Paddy Cleaner is an effective machine designed to clean unwanted paddy materials.	
Compact Milling Machine	A Rice milling machine is a machine used for removing the outer husks, Rice polishing, and grading of rice grains.	
Packaging machine	This automatic rice packing machine is mainly used for the automatic quantitative packaging of rice.	
Unloading Bins	These are large bins designed for unloading of grains & similar product; they are equipped with large rod mess to prevent big impurities from entering system.	

<p>Silos</p>	<p>This Equipment are class of storage Equipment which are specifically designed for dry grain raw material of small granule composition. Usually used to store grains but can also be used to store cement & aggregate.</p>	
<p>Bucket Elevator</p>	<p>A bucket lift is also a grain leg and is a device for vertical transport, often grain materials.</p>	
<p>Material handling and other Equipments</p>	<p>These Equipments are used for material handling. Other equipments like water pumps, weighing machine, etc are also used.</p>	

Machine	Unit	Rate	Price
Paddy Pre Cleaning Machine	1	180000	180000
Compact Milling Machine	1	220000	220000
Packaging machine	1	380000	380000
Material handling and other equipment's (Bins, trolley, conveyor, silos, weighing machine, bucket elevator etc.)	-	350000	350000

Note: Total Machinery cost shall be Rs 11.30 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	11.30
Miscellaneous Assets	3.50
Working capital	5.31
Total	20.11

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.00
Subsidy @35%(Max. Rs 10 Lac)	5.18
Term Loan @ 55%	8.14
Working Capital (Bank Finance)	4.78
Total	20.11

4.8. TERM LOAN: Term loan of Rs. 8.14 Lakh is required for project cost of Rs. 20.11 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	-	8.14	8.14	-	-	8.14
	2nd month	8.14	-	8.14	0.07	-	8.14
	3rd month	8.14	-	8.14	0.07	-	8.14
	4th month	8.14	-	8.14	0.07		8.14
	5th month	8.14	-	8.14	0.07		8.14
	6th month	8.14	-	8.14	0.07		8.14
	7th month	8.14	-	8.14	0.07	0.15	7.99
	8th month	7.99	-	7.99	0.07	0.15	7.84
	9th month	7.84	-	7.84	0.07	0.15	7.69
	10th month	7.69	-	7.69	0.07	0.15	7.54
	11th month	7.54	-	7.54	0.07	0.15	7.39
	12th month	7.39	-	7.39	0.07	0.15	7.24
					0.80	0.90	
2nd	Opening Balance						
	1st month	7.24	-	7.24	0.07	0.15	7.08
	2nd month	7.08	-	7.08	0.06	0.15	6.93
	3rd month	6.93	-	6.93	0.06	0.15	6.78

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4th month	6.78	-	6.78	0.06	0.15	6.63
5th month	6.63	-	6.63	0.06	0.15	6.48
6th month	6.48	-	6.48	0.06	0.15	6.33
7th month	6.33	-	6.33	0.06	0.15	6.18
8th month	6.18	-	6.18	0.06	0.15	6.03
9th month	6.03	-	6.03	0.06	0.15	5.88
10th month	5.88	-	5.88	0.05	0.15	5.73
11th month	5.73	-	5.73	0.05	0.15	5.58
12th month	5.58	-	5.58	0.05	0.15	5.43
				0.70	1.81	
3rd	Opening Balance					
1st month	5.43	-	5.43	0.05	0.15	5.28
2nd month	5.28	-	5.28	0.05	0.15	5.13
3rd month	5.13	-	5.13	0.05	0.15	4.97
4th month	4.97	-	4.97	0.05	0.15	4.82
5th month	4.82	-	4.82	0.04	0.15	4.67
6th month	4.67	-	4.67	0.04	0.15	4.52
7th month	4.52	-	4.52	0.04	0.15	4.37
8th month	4.37	-	4.37	0.04	0.15	4.22
9th month	4.22	-	4.22	0.04	0.15	4.07
10th month	4.07	-	4.07	0.04	0.15	3.92
11th month	3.92	-	3.92	0.04	0.15	3.77
12th month	3.77	-	3.77	0.03	0.15	3.62
				0.51	1.81	

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4th	Opening Balance						
	1st month	3.62	-	3.62	0.03	0.15	3.47
	2nd month	3.47	-	3.47	0.03	0.15	3.32
	3rd month	3.32	-	3.32	0.03	0.15	3.17
	4th month	3.17	-	3.17	0.03	0.15	3.01
	5th month	3.01	-	3.01	0.03	0.15	2.86
	6th month	2.86	-	2.86	0.03	0.15	2.71
	7th month	2.71	-	2.71	0.02	0.15	2.56
	8th month	2.56	-	2.56	0.02	0.15	2.41
	9th month	2.41	-	2.41	0.02	0.15	2.26
	10th month	2.26	-	2.26	0.02	0.15	2.11
	11th month	2.11	-	2.11	0.02	0.15	1.96
	12th month	1.96	-	1.96	0.02	0.15	1.81
					0.31	1.81	
5th	Opening Balance						
	1st month	1.81	-	1.81	0.02	0.15	1.66
	2nd month	1.66	-	1.66	0.02	0.15	1.51
	3rd month	1.51	-	1.51	0.01	0.15	1.36
	4th month	1.36	-	1.36	0.01	0.15	1.21
	5th month	1.21	-	1.21	0.01	0.15	1.06
	6th month	1.06	-	1.06	0.01	0.15	0.90
	7th month	0.90	-	0.90	0.01	0.15	0.75
	8th month	0.75	-	0.75	0.01	0.15	0.60
	9th month	0.60	-	0.60	0.01	0.15	0.45
	10th month	0.45	-		0.00	0.15	0.30

			0.45			
11th month	0.30	-	0.30	0.00	0.15	0.15
12th month	0.15	-	0.15	0.00	0.15	-
			0.11	1.81		
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>					
	2.02	2.38	2.75	3.15	3.56
<u>Raw Material</u>					
	1.48	1.74	2.02	2.31	2.62
Closing Stock	3.50	4.12	4.76	5.46	6.18

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	3.50				
Less : Creditors	1.48				
Paid stock	2.02	10%	0.20	90%	1.82
Sundry Debtors	3.28	10%	0.33	90%	2.95
	5.31		0.53		4.78
MPBF					4.78
WORKING CAPITAL LIMIT DEMAND (from Bank)					4.78
Working Capital Margin					0.53

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Plant Operator	14,000	3	42,000
Supervisor	16,000	1	16,000
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	9,000	3	27,000
Total salary per month			1,09,000
Total annual labour charges	(in lacs)		13.08

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Administrative Staff	6,500	2	13,000
Manager	18,000	1	18,000
Accountant	15,000	1	15,000
Total salary per month			46,000
Total annual Staff charges	(in lacs)		5.52

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	18	KWH
consumption per day	144	units
Consumption per month	3,600	units
Rate per Unit	10	Rs.
power Bill per month	36,000	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	11.30	3.50	14.80
Total	11.30	3.50	14.80
Less : Depreciation	1.70	0.35	2.05
WDV at end of Year	9.61	3.15	12.76
Additions During The Year	-	-	-
Total	9.61	3.15	12.76
Less : Depreciation	1.44	0.32	1.76
WDV at end of Year	8.16	2.84	11.00
Additions During The Year	-	-	-
Total	8.16	2.84	11.00
Less : Depreciation	1.22	0.28	1.51
WDV at end of Year	6.94	2.55	9.49
Additions During The Year	-	-	-
Total	6.94	2.55	9.49
Less : Depreciation	1.04	0.26	1.30
WDV at end of Year	5.90	2.30	8.20
Additions During The Year	-	-	-
Total	5.90	2.30	8.20
Less : Depreciation	0.88	0.23	1.11
WDV at end of Year	5.01	2.07	7.08

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 %	40%	45%	50%	55%	60%
<u>SALES</u>					
Gross Sale					
Kala Namak Rice	98.45	119.89	140.79	163.20	187.12
Total	98.45	119.89	140.79	163.20	187.12
COST OF SALES					
Raw Material Consumed	63.36	74.52	86.40	99.00	112.32
Electricity Expenses	4.32	4.97	5.71	6.57	7.23
Depreciation	2.05	1.76	1.51	1.30	1.11
Wages & labour	13.08	15.96	18.51	21.75	24.36
Repair & maintenance	2.46	3.00	3.52	4.08	4.68
Packaging	1.48	1.80	2.11	2.45	2.81
Cost of Production	86.74	102.00	117.76	135.14	152.51
Add: Opening Stock /WIP	-	2.02	2.38	2.75	3.15
Less: Closing Stock /WIP	2.02	2.38	2.75	3.15	3.56
Cost of Sales	84.72	101.64	117.40	134.74	152.10
GROSS PROFIT	13.73	18.25	23.39	28.46	35.02
	13.95%	15.22%	16.62%	17.44%	18.72%
Salary to Staff	5.52	6.62	7.62	8.38	9.38
Interest on Term Loan	0.80	0.70	0.51	0.31	0.11
Interest on working Capital	0.53	0.53	0.53	0.53	0.53
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.77	2.52	3.56	4.11	4.73
TOTAL	12.22	14.33	16.57	18.12	20.02
NET PROFIT	1.51	3.92	6.83	10.35	15.00
	1.54%	3.27%	4.85%	6.34%	8.02%
Taxation	-	-	0.51	1.23	2.68
PROFIT (After Tax)	1.51	3.92	6.32	9.11	12.31

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	98.45	119.89	140.79	163.20	187.12
Less : Op. WIP Goods	-	2.02	2.38	2.75	3.15
Add : Cl. WIP Goods	2.02	2.38	2.75	3.15	3.56
Total Sales	100.47	120.25	141.16	163.61	187.53
Variable & Semi Variable Exp.					
Raw Material Consumed	63.36	74.52	86.40	99.00	112.32
Electricity Exp/Coal Consumption at 85%	3.67	4.22	4.86	5.58	6.14
Wages & Salary at 60%	11.16	13.55	15.68	18.08	20.25
Selling & administrative Expenses 80%	1.42	2.01	2.85	3.29	3.79
Interest on working Capital	0.525255	0.525255	0.525255	0.525255	0.525255
Repair & maintenance	2.46	3.00	3.52	4.08	4.68
Packaging	1.48	1.80	2.11	2.45	2.81
Total Variable & Semi Variable Exp	84.07	99.63	115.94	133.01	150.51
Contribution	16.40	20.62	25.22	30.60	37.02
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.65	0.75	0.86	0.99	1.08
Wages & Salary at 40%	7.44	9.03	10.45	12.05	13.50
Interest on Term Loan	0.80	0.70	0.51	0.31	0.11
Depreciation	2.05	1.76	1.51	1.30	1.11
Selling & administrative Expenses 20%	0.35	0.50	0.71	0.82	0.95
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	14.89	16.70	18.39	20.25	22.02
Capacity Utilization	40%	45%	50%	55%	60%
OPERATING PROFIT	1.51	3.92	6.83	10.35	15.00
BREAK EVEN POINT	36%	36%	36%	36%	36%
BREAK EVEN SALES	91.21	97.39	102.94	108.29	111.55

4.17. PROJECTED BALANCE SHEET

PROJECTED BALANCE SHEET					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>Liabilities</u>					
Capital					
opening balance		6.69	8.11	9.43	11.55
Add:- Own Capital	2.00				
Add:- Retained Profit	1.51	3.92	6.32	9.11	12.31
Less:- Drawings	2.00	2.50	5.00	7.00	10.00
Subsidy/grant	5.18				
Closing Balance	6.69	8.11	9.43	11.55	13.86
Term Loan	7.24	5.43	3.62	1.81	-
Working Capital Limit	4.78	4.78	4.78	4.78	4.78
Sundry Creditors	1.48	1.74	2.02	2.31	2.62
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	20.58	20.55	20.44	21.16	22.12
<u>Assets</u>					
Fixed Assets (Gross)	14.80	14.80	14.80	14.80	14.80
Gross Dep.	2.05	3.80	5.31	6.60	7.72
Net Fixed Assets	12.76	11.00	9.49	8.20	7.08
Current Assets					
Sundry Debtors	3.28	4.00	4.69	5.44	6.24
Stock in Hand	3.50	4.12	4.76	5.46	6.18
Cash and Bank	1.04	1.44	1.50	2.06	2.62
TOTAL :	20.58	20.55	20.44	21.16	22.12

4.18. CASH FLOW STATEMENT

PROJECTED CASH FLOW STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
<u>SOURCES OF FUND</u>					
Own Margin	2.00				
Net Profit	1.51	3.92	6.83	10.35	15.00
Depriciation & Exp. W/off	2.05	1.76	1.51	1.30	1.11
Increase in Cash Credit	4.78	-	-	-	-
Increase In Term Loan	8.14	-	-	-	-
Increase in Creditors	1.48	0.26	0.28	0.29	0.31
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	5.18				
TOTAL :	25.53	6.04	8.71	12.06	16.57
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	14.80				
Increase in Stock	3.50	0.62	0.65	0.70	0.72
Increase in Debtors	3.28	0.71	0.70	0.75	0.80
Repayment of Term Loan	0.90	1.81	1.81	1.81	1.81
Drawings	2.00	2.50	5.00	7.00	10.00
Taxation	-	-	0.51	1.23	2.68
TOTAL :	24.49	5.64	8.66	11.49	16.01
Opening Cash & Bank Balance	-	1.04	1.44	1.50	2.06
Add : Surplus	1.04	0.40	0.06	0.57	0.56
Closing Cash & Bank Balance	1.04	1.44	1.50	2.06	2.62

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	3.56	5.68	7.83	10.41	13.43
Interest on Term Loan	0.80	0.70	0.51	0.31	0.11
Total	4.36	6.38	8.34	10.72	13.54
<u>REPAYMENT</u>					
Instalment of Term Loan	0.90	1.81	1.81	1.81	1.81
Interest on Term Loan	0.80	0.70	0.51	0.31	0.11
Total	1.70	2.51	2.31	2.12	1.92
DEBT SERVICE COVERAGE RATIO	2.56	2.54	3.60	5.07	7.06
AVERAGE D.S.C.R.	4.10				