



DETAILED PROJECT REPORT

KATARNI 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	:	Katarni Rice Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	840000 Kg/annum (50,55,60,65&70% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Paddy grains of Katarni Rice.
5. Major product outputs	:	Katarni Rice
6. Total project cost	:	Rs. 21.49 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 10.80 Lakh
• Miscellaneous Fixed Assets	:	Rs. 3.50 Lakh
• Working capital	:	Rs. 7.19 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.01 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.14 Lakh
• Term loan	:	Rs.7.87 Lakh
• Working Capital Requirement	:	Rs. 6.47 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.81 Lakh
• 2 nd year	:	Rs. 3.87 Lakh
• 3 rd year	:	Rs. 5.63 Lakh
• 4 th year	:	Rs. 7.87Lakh
• 5 th year	:	Rs. 9.78 Lakh
11. Average DSCR	:	Rs. 3.85
12. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Rice is a good source of energy, particularly energy-giving carbohydrates, which the body uses for brain function, physical activity, bodily functions, and everyday growth and repair. Protein is the second most abundant component of rice, after carbohydrate. Rice protein is considered one of the highest quality proteins when compared to that of other grains. Rice is cholesterol-free and low in fat. The rich carbohydrates and essential vitamins in this ideal commodity, which is also the staple diet of over 70% of the world's population, are widely consumed.

Bhagalpur Basmati Katarni Rice, also known as Patna rice, is cultivated and processed in a good manner to ensure superior quality and freshness. Long white grains, enticing aroma, great flavor, high nutritional value, and low fat make Bhagalpur Basmati Katarni Rice a popular choice. Non-Basmati rice is used to make rice, pulao, biryani, kheer, upma, and other dishes at home, in hotels, and in restaurants. Katarni Rice is Bihar's most common, ceremonial, and high-quality scented rice. It's known for its aromatic flavor, palatability, and ability to make Chura (beaten rice). Katarni Rice is grown in districts of Bihar's Zone IIIA, which include Munger, Banka, and South Bhagalpur, as well as the south alluvial Gangetic plane of Munger, Banka, and South Bhagalpur. Only a few blocks in Bhagalpur District, namely Jagdishpur, Sanhaura, Sahkund, and Sultanganj; Munger District's Tarapur and Asharganj; and Banka District's Amarpur, Shambhuganj, Rajaun, Barahat, Chanan, and Katoria, develop the Katarni grain's distinct aroma.

PRODUCT USES

Rice can be cooked by boiling or ground to flour. It is eaten alone and in a wide variety of soups, side dishes, and main dishes in Asia, the Middle East, and many other cuisines. Other things that use rice are cereal breakfast, noodles, and alcoholic drinks like Japanese sake.

The various uses of rice are:

- Rice is a highly versatile grain that can also be used to prepare several dishes, sweet or savory, spicy and bland, to suit your taste.
- It can be used to make the popular Khichdi, which is a hot pot dish in which rice, lentils, spices, and seasonings are thrown into a pot and cooked.
- Rice is used in India in many dishes. Pulao, birianis, curd rice, and other flavored rice, including coconut rice and lemon rice can be produced. These dishes are an important part of everyday Indian cuisine.
- Not only in India, but rice is also a grain that is used all over the world. Rice is used in the everyday cooking of most South Asians. It is used for delightful foods such as Nasi Goreng, Fried, and Sushi, etc. Also popularly used are rice versions in the Middle East for the production of pilafs and risotto in Europe.
- Rice can be used to make gluten-free rice flour that people on a gluten-free diet are allowed to eat. In exchange, rice meal is used for fabulous dishes such as Khichuri and Panki. It is also used for crispy deep-fried snacks.
- Kheer is a popular Indian dish made of rice and milk with variations throughout India, Paal Payassam in the south and Payesh in the east. Rice is also used to make various types of desserts such as Meethe Chawal and rice pudding.

2.2. MARKET POTENTIAL:

Other aromatic short-grain varieties with similar starch content characteristics can be found in various states across the country. Katarni rice is grown in Bihar, Randhunipagal in West Bengal, and Bhadshahbhog in West Bengal, and each of these varieties commands a higher price in local markets. These varieties have a regional preference, and their popularity could not be spread widely elsewhere. Some of these have more aromas than the traditional basmati. The harmonious

combination of different factors determining the appearance, taste, quality of cooked rice texture, etc., and uniquely/popularizes the particular varieties in the domestic and international market.

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:

Katarni 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

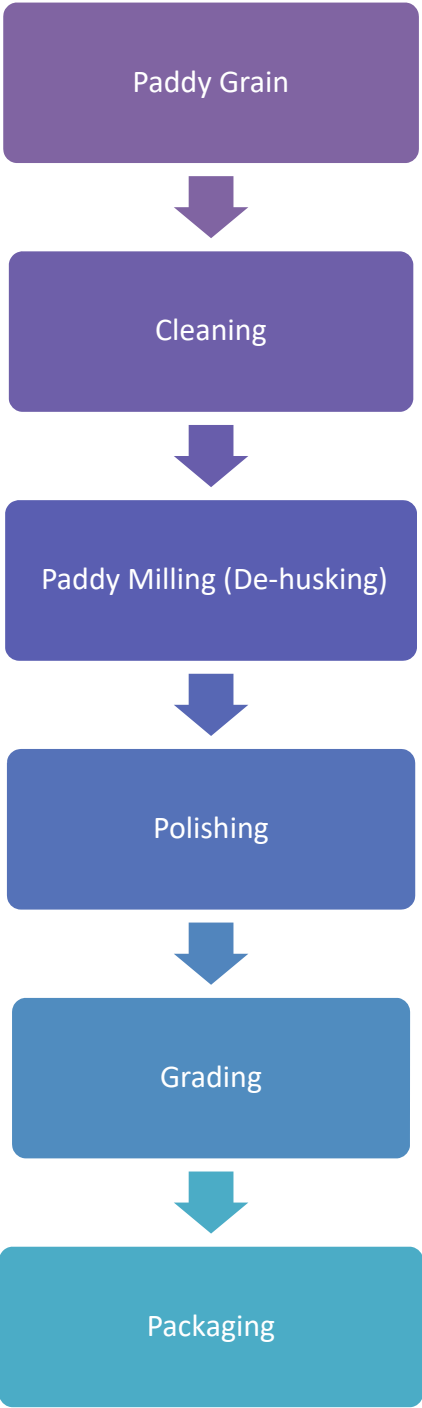
The method involves rubbing the rice surface with another rice surface with mystified air. The Mystified air act as a lubricant between the two surfaces. This process is used to make a superfluous silky finish on the rice surface.

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 labeled.



4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Katarni Rice is 500 kg per hr. First year, Capacity has been taken @ 50%.
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 14 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 KATARNI RICE</u>		
Items to be Manufactured		
Katarni Rice		
Machine capacity Per hour	500	Kg
Total working Hours	8	
Machine capacity Per Day	4,000	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	30%	
Raw material requirement	1200000	Kg
Final Output per annum after wastage	840000	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	840000	1 Kg Packet

Production of Katarni Rice		
Production	Capacity	KG
1st year	50%	4,20,000
2nd year	55%	4,62,000
3rd year	60%	5,04,000
4th year	65%	5,46,000
5th year	70%	5,88,000






Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	50%	16.00	96.00
2nd year	55%	17.00	112.20
3rd year	60%	18.00	129.60
4th year	65%	19.00	148.20
5th year	70%	20.00	168.00



COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	9,800	10,780	11,760	12,740
Production	4,20,000	4,62,000	5,04,000	5,46,000	5,88,000
Less : Closing Stock	9,800	10,780	11,760	12,740	13,720
Net Sale	4,10,200	4,61,020	5,03,020	5,45,020	5,87,020
Sale price per packet	32.00	34.00	36.00	38.00	40.00
Sales (in Lacs)	131.26	156.75	181.09	207.11	234.81

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.	
Silos	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.	
Bucket Elevator	A bucket lift is also a grain leg and is a device for vertical transport, often grain materials.	
Material handling and other Equipments	These Equipments are used for material handling. Other equipments like water pumps, weighing machine, etc are also used.	

Machine	Unit	Rate	Price
Paddy Pre Cleaning Machine	1	150000	150000
Compact Milling Machine	1	200000	200000
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 10.80 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	10.80
Miscellaneous Assets	3.50
Working capital	7.19
Total	21.49

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.14
Subsidy @35%(Max. Rs 10 Lac)	5.01
Term Loan @ 55%	7.87
Working Capital (Bank Finance)	6.47
Total	21.49

4.8. TERM LOAN: Term loan of Rs. 7.87 Lakh is required for project cost of Rs. 21.49 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	-	7.87	7.87	-	-	7.87
	2nd month	7.87	-	7.87	0.07	-	7.87
	3rd month	7.87	-	7.87	0.07	-	7.87
	4th month	7.87	-	7.87	0.07		7.87
	5th month	7.87	-	7.87	0.07		7.87
	6th month	7.87	-	7.87	0.07		7.87
	7th month	7.87	-	7.87	0.07	0.15	7.72
	8th month	7.72	-	7.72	0.07	0.15	7.57
	9th month	7.57	-	7.57	0.07	0.15	7.43
	10th month	7.43	-	7.43	0.07	0.15	7.28
	11th month	7.28	-	7.28	0.07	0.15	7.14
	12th month	7.14	-	7.14	0.07	0.15	6.99
					0.77	0.87	
2nd	Opening Balance						
	1st month	6.99	-	6.99	0.06	0.15	6.85
	2nd month	6.85	-	6.85	0.06	0.15	6.70
	3rd month	6.70	-	6.70	0.06	0.15	6.55

PM FME- Detailed Project Report of Katarni Rice Unit

4th month	6.55	-	6.55	0.06	0.15	6.41
5th month	6.41	-	6.41	0.06	0.15	6.26
6th month	6.26	-	6.26	0.06	0.15	6.12
7th month	6.12	-	6.12	0.06	0.15	5.97
8th month	5.97	-	5.97	0.05	0.15	5.83
9th month	5.83	-	5.83	0.05	0.15	5.68
10th month	5.68	-	5.68	0.05	0.15	5.53
11th month	5.53	-	5.53	0.05	0.15	5.39
12th month	5.39	-	5.39	0.05	0.15	5.24
				0.68	1.75	
3rd	Opening Balance					
1st month	5.24	-	5.24	0.05	0.15	5.10
2nd month	5.10	-	5.10	0.05	0.15	4.95
3rd month	4.95	-	4.95	0.05	0.15	4.81
4th month	4.81	-	4.81	0.04	0.15	4.66
5th month	4.66	-	4.66	0.04	0.15	4.52
6th month	4.52	-	4.52	0.04	0.15	4.37
7th month	4.37	-	4.37	0.04	0.15	4.22
8th month	4.22	-	4.22	0.04	0.15	4.08
9th month	4.08	-	4.08	0.04	0.15	3.93
10th month	3.93	-	3.93	0.04	0.15	3.79
11th month	3.79	-	3.79	0.03	0.15	3.64
12th month	3.64	-	3.64	0.03	0.15	3.50
				0.49	1.75	

PM FME- Detailed Project Report of Katarni Rice Unit

4th	Opening Balance						
	1st month	3.50	-	3.50	0.03	0.15	3.35
	2nd month	3.35	-	3.35	0.03	0.15	3.20
	3rd month	3.20	-	3.20	0.03	0.15	3.06
	4th month	3.06	-	3.06	0.03	0.15	2.91
	5th month	2.91	-	2.91	0.03	0.15	2.77
	6th month	2.77	-	2.77	0.03	0.15	2.62
	7th month	2.62	-	2.62	0.02	0.15	2.48
	8th month	2.48	-	2.48	0.02	0.15	2.33
	9th month	2.33	-	2.33	0.02	0.15	2.18
	10th month	2.18	-	2.18	0.02	0.15	2.04
	11th month	2.04	-	2.04	0.02	0.15	1.89
	12th month	1.89	-	1.89	0.02	0.15	1.75
					0.30	1.75	
5th	Opening Balance						
	1st month	1.75	-	1.75	0.02	0.15	1.60
	2nd month	1.60	-	1.60	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	0.87
	7th month	0.87	-	0.87	0.01	0.15	0.73
	8th month	0.73	-	0.73	0.01	0.15	0.58
	9th month	0.58	-	0.58	0.01	0.15	0.44
	10th month	0.44	-		0.00	0.15	0.29

			0.44			
11th month	0.29	-	0.29	0.00	0.15	0.15
12th month	0.15	-	0.15	0.00	0.15	-
			0.10		1.75	
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>					
	2.82	3.27	3.74	4.25	4.78
<u>Raw Material</u>					
	2.24	2.62	3.02	3.46	3.92
Closing Stock	5.06	5.88	6.76	7.71	8.70

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	5.06				
Less : Creditors	2.24				
Paid stock	2.82	10%	0.28	90%	2.54
Sundry Debtors	4.38	10%	0.44	90%	3.94
	7.19		0.72		6.47
MPBF					6.47
WORKING CAPITAL LIMIT DEMAND (from Bank)					6.47
Working Capital Margin					0.72

4.11. SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Plant Operator	15,000	3	45,000
Supervisor	18,000	1	18,000
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	8,500	3	25,500
Total salary per month			1,12,500
Total annual labour charges	(in lacs)		13.50

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Administrative Staff	6,500	1	6,500
Manager	18,000	1	18,000
Accountant	15,000	1	15,000
Total salary per month			39,500
Total annual Staff charges	(in lacs)		4.74

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	14	KWH
consumption per day	112	units
Consumption per month	2,800	units
Rate per Unit	10	Rs.
power Bill per month	28,000	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	10.80	3.50	14.30
Total	10.80	3.50	14.30
Less : Depreciation	1.62	0.35	1.97
WDV at end of Year	9.18	3.15	12.33
Additions During The Year	-	-	-
Total	9.18	3.15	12.33
Less : Depreciation	1.38	0.32	1.69
WDV at end of Year	7.80	2.84	10.64
Additions During The Year	-	-	-
Total	7.80	2.84	10.64
Less : Depreciation	1.17	0.28	1.45
WDV at end of Year	6.63	2.55	9.18
Additions During The Year	-	-	-
Total	6.63	2.55	9.18
Less : Depreciation	0.99	0.26	1.25
WDV at end of Year	5.64	2.30	7.93
Additions During The Year	-	-	-
Total	5.64	2.30	7.93
Less : Depreciation	0.85	0.23	1.08
WDV at end of Year	4.79	2.07	6.86

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 %	50%	55%	60%	65%	70%
<u>SALES</u>					
Gross Sale					
Katarni Rice	131.26	156.75	181.09	207.11	234.81
Total	131.26	156.75	181.09	207.11	234.81
COST OF SALES					
Raw Material Consumed	96.00	112.20	129.60	148.20	168.00
Electricity Expenses	3.36	3.86	4.44	5.11	5.62
Depreciation	1.97	1.69	1.45	1.25	1.08
Wages & labour	13.50	15.12	16.63	18.30	19.76
Repair & maintenance	3.28	3.92	4.53	5.18	5.87
Packaging	2.63	3.13	3.62	4.14	4.70
Cost of Production	120.74	139.93	160.28	182.18	205.02
Add: Opening Stock /WIP	-	2.82	3.27	3.74	4.25
Less: Closing Stock /WIP	2.82	3.27	3.74	4.25	4.78
Cost of Sales	117.92	139.48	159.80	181.66	204.49
GROSS PROFIT	13.34	17.27	21.28	25.44	30.32
	10.17%	11.01%	11.75%	12.29%	12.91%
Salary to Staff	4.74	5.69	7.05	7.76	8.69
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10
Interest on working Capital	0.71	0.71	0.71	0.71	0.71
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.71	2.35	2.72	3.11	4.23
TOTAL	11.53	13.39	15.33	16.67	19.00
NET PROFIT	1.81	3.87	5.96	8.78	11.32
	1.38%	2.47%	3.29%	4.24%	4.82%
Taxation	-	-	0.32	0.91	1.54
PROFIT (After Tax)	1.81	3.87	5.63	7.87	9.78

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	131.26	156.75	181.09	207.11	234.81
Less : Op. WIP Goods	-	2.82	3.27	3.74	4.25
Add : Cl. WIP Goods	2.82	3.27	3.74	4.25	4.78
Total Sales	134.08	157.19	181.56	207.62	235.34
Variable & Semi Variable Exp.					
Raw Material Consumed	96.00	112.20	129.60	148.20	168.00
Electricity Exp/Coal Consumption at 85%	2.86	3.28	3.78	4.34	4.78
Wages & Salary at 60%	10.94	12.48	14.21	15.63	17.07
Selling & administrative Expenses 80%	1.37	1.88	2.17	2.49	3.38
Interest on working Capital	0.712073	0.712073	0.712073	0.712073	0.712073
Repair & maintenance	3.28	3.92	4.53	5.18	5.87
Packaging	2.63	3.13	3.62	4.14	4.70
Total Variable & Semi Variable Exp	117.78	137.62	158.62	180.69	204.51
Contribution	16.30	19.58	22.94	26.93	30.83
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.50	0.58	0.67	0.77	0.84
Wages & Salary at 40%	7.30	8.32	9.47	10.42	11.38
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10
Depreciation	1.97	1.69	1.45	1.25	1.08
Selling & administrative Expenses 20%	0.34	0.47	0.54	0.62	0.85
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	14.48	15.71	16.98	18.15	19.52
Capacity Utilization	50%	55%	60%	65%	70%
OPERATING PROFIT	1.81	3.87	5.96	8.78	11.32
BREAK EVEN POINT	44%	44%	44%	44%	44%
BREAK EVEN SALES	119.17	126.10	134.41	139.93	148.97

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		6.96	8.33	9.96	11.83
Add:- Own Capital	2.14				
Add:- Retained Profit	1.81	3.87	5.63	7.87	9.78
Less:- Drawings	2.00	2.50	4.00	6.00	7.50
Subsidy/grant	5.01				
Closing Balance	6.96	8.33	9.96	11.83	14.11
Term Loan	6.99	5.24	3.50	1.75	-
Working Capital Limit	6.47	6.47	6.47	6.47	6.47
Sundry Creditors	2.24	2.62	3.02	3.46	3.92
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	23.06	23.16	23.56	24.23	25.37
<u>Assets</u>					
Fixed Assets (Gross)	14.30	14.30	14.30	14.30	14.30
Gross Dep.	1.97	3.66	5.12	6.37	7.44
Net Fixed Assets	12.33	10.64	9.18	7.93	6.86
Current Assets					
Sundry Debtors	4.38	5.22	6.04	6.90	7.83
Stock in Hand	5.06	5.88	6.76	7.71	8.70
Cash and Bank	1.30	1.42	1.57	1.68	1.98
TOTAL :	23.06	23.16	23.56	24.23	25.37

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	2.14				
Net Profit	1.81	3.87	5.96	8.78	11.32
Depriciation & Exp. W/off	1.97	1.69	1.45	1.25	1.08
Increase in Cash Credit	6.47	-	-	-	-
Increase In Term Loan	7.87	-	-	-	-
Increase in Creditors	2.24	0.38	0.41	0.43	0.46
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	5.01				
TOTAL :	27.91	6.04	7.92	10.58	13.00
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	14.30				
Increase in Stock	5.06	0.83	0.88	0.94	1.00
Increase in Debtors	4.38	0.85	0.81	0.87	0.92
Repayment of Term Loan	0.87	1.75	1.75	1.75	1.75
Drawings	2.00	2.50	4.00	6.00	7.50
Taxation	-	-	0.32	0.91	1.54
TOTAL :	26.61	5.92	7.76	10.47	12.70
Opening Cash & Bank Balance	-	1.30	1.42	1.57	1.68
Add : Surplus	1.30	0.12	0.15	0.11	0.30
Closing Cash & Bank Balance	1.30	1.42	1.57	1.68	1.98

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	3.78	5.56	7.09	9.12	10.86
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10
Total	4.56	6.25	7.58	9.41	10.96
<u>REPAYMENT</u>					
Instalment of Term Loan	0.87	1.75	1.75	1.75	1.75
Interest on Term Loan	0.77	0.68	0.49	0.30	0.10
Total	1.65	2.43	2.24	2.04	1.85
DEBT SERVICE COVERAGE RATIO	2.77	2.57	3.39	4.61	5.92
AVERAGE D.S.C.R.	3.85				