



## **DETAILED PROJECT REPORT**

### **KHOYA MAKING UNIT**

### **UNDER PMFME SCHEME**



National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

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**TABLE OF CONTENTS**

<b>S No.</b>	<b>Topic</b>	<b>Page Number</b>
1.	Project Summary	3
2.	About the Product	4-5
3.	Process Flow Chart	6-7
4.	Economics of the Project	8-25
	4.1. Basis & Presumptions	8
	4.2. Capacity, Utilisation, Production & Output	9-10
	4.3. Premises/Infrastructure	10
	4.4. Machinery & Equipment's	11-13
	4.5. Misc. Fixed Assets	13
	4.6. Total Cost of Project	14
	4.7. Means of Finance	14
	4.8. Term Loan	14
	4.9. Term Loan repayment & interest schedule	15-18
	4.10. Working Capital Calculations	18
	4.11. Salaries/Wages	19
	4.12. Power Requirement	20
	4.13. Depreciation Calculation	20
	4.14. Repairs & Maintenance	21
	4.15. Projections of Profitability Analysis	21
	4.16. Break Even Point Analysis	22
	4.17. Projected Balance Sheet	23
	4.18. Cash- Flow Statement	24
	4.19. Debt-Service Coverage Ratio	25

## 1. PROJECT SUMMARY

1. Name of the proposed project	:	Khoya Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	108000 Kg/annum(40,45,50,55&60% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Buffalo Milk
5. Major product outputs	:	Khoya
6. Total project cost	:	Rs. 27.45 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 16.81 Lakh
• Miscellaneous Fixed Assets	:	Rs. 3.50 Lakh
• Working capital	:	Rs. 7.14 Lakh
8. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 7.11 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.74 Lakh
• Term loan	:	Rs.11.17 Lakh
• Working Capital Requirement	:	Rs. 6.43 Lakh
9. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 1.83 Lakh
• 2 <sup>nd</sup> year	:	Rs. 4.05 Lakh
• 3 <sup>rd</sup> year	:	Rs. 6.05 Lakh
• 4 <sup>th</sup> year	:	Rs. 8.34Lakh
• 5th year	:	Rs. 10.79 Lakh
11. Average DSCR	:	Rs. 3.16
12. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

Milk plays an important role in the vegetarian diet of Indian dishes as animal carbohydrate, protein, fat. In the Indian subcontinent, due to the higher air temperatures, the ancient Indians developed more stable dairy products to preserve their nutritional quality. Khoa is a prominent part of indigenous dairy products as it forms the basis of a number of sweet delicacies. Khoa is a popular product across India and is known to be khoya, mawa, kava, pavlova, etc in different regions. Khoa is a concentrated whole milk product produced pan condensing milk. Under the Food Safety and Standard Regulations 2011, Khoya means a product derived either from cow, buffalo, goat, or sheep's milk or from milk solids or from a quick-drying combination, by any variety of names it is sold like Pindi, Danedar, Dhap, Mawa or Kava.

#### **Uses:**

Khoya also called mawa or Khoa is dried milk solids that have been evaporated by drying. Khoya forms a foundation of almost all sweets in Indian cuisine, particularly in the northern part of India. Khoya is mainly used to make a variety of sweets. It is also used for payasam and many forms of halva.

## **2.2. MARKET POTENTIAL:**

India has the largest bovine population in the world. However, the milk production per animal is significantly low as compared to the other major dairy producers. Moreover, nearly all of the dairy products in India are consumed domestically, with the majority of them being sold as fluid milk. The Indian dairy industry, therefore, has tremendous value-adding and overall development potential. The Indian milk market reached a value of 11,360 billion INR by 2020 in terms of market size, growth, prices, segments, co-operatives, private dairy, procurement, and distribution. The milk industry in India serves as a tool for socio-economic development and offers profitable business opportunities. In view of this, the Government of India has introduced different schemes and initiatives for the development of the country's dairy sector.

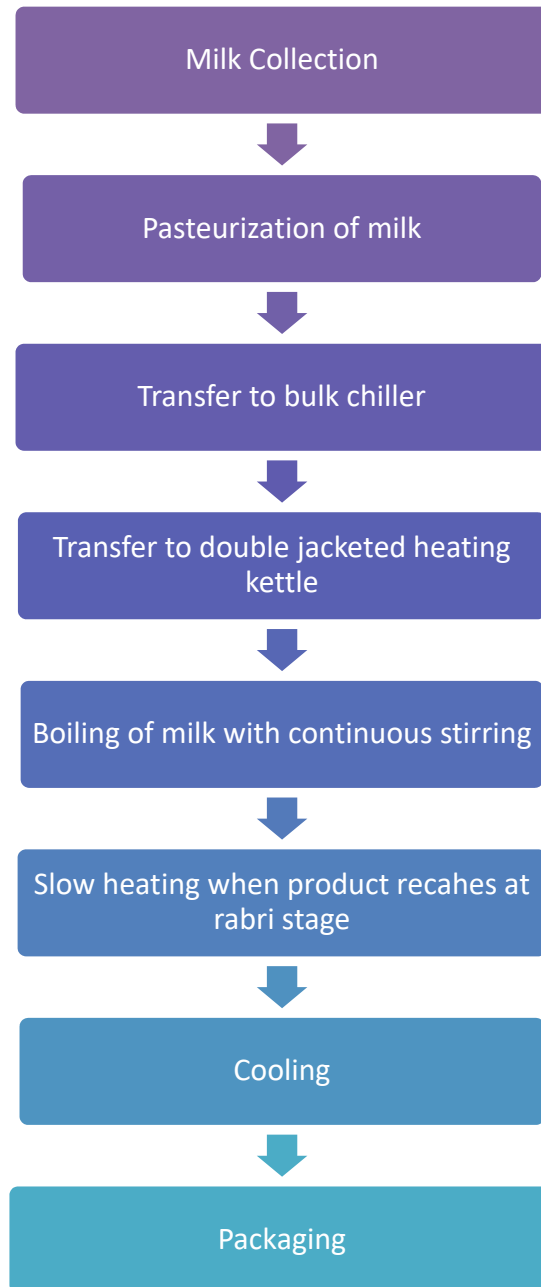
On the other hand, private participation in the Indian dairy sector has also increased over the past few years. The milk industry, attracted by the size and potential of the Indian market, enter both national and international players. Valuable products like, cheese, yoghurt, probiotic drinks, etc. are the focus. They are also introducing innovative products keeping in mind the specific requirements of the Indian consumers. These players are also improving their milk procurement network which is further facilitating the development of the dairy industry in India. Looking forward, the Indian dairy market is expected to exhibit strong growth during the next five years.

## **2.3. RAW MATERIAL DESCRIPTION:**

The only raw material that is required for Khoya making unit is Milk and is easily available in the local market.

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

- Raw milk brings to the processing plant after collection from different Milk collection units.
- The collected milk is pasteurized in order to eliminate the microbial and other contaminant to prevent milk from spoilage.
- Now this milk is transferred in the bulk chiller to cool milk at 4°C and to maintain the freshness of milk.
- 100 liter of standard cow milk with 4.5 percent fat or 80 liters of standardized buffalo milk with 5.5 percent fat is taken in batches and the milk is brought to a boil in the jacketed kettle.
- In order to ensure more control over the heating process and non-smoking heating, a double jacketed kettle, steam-heated pan, or kettle is used.
- To avoid burning milk solids, the bottom and sides of the kettle are scraped and the milk is vigorously stirred with a stainless steel stirrer while it is boiling.
- Boiling milk is done at a pressure of about 2 kg/cm<sup>2</sup>.
- Slow heating is required when the milk reaches the rabri stage to avoid solids burning on the surface, discoloration of the product, development of burnt flavor and hard body, and coarse texture.
- To obtain a good quality product, the rate of stirring should be increased during the final stages.
- The final product is ready when it shows signs of sticking together
- Heating is stopped as soon as the product begins to leave the sides of the kettle and accumulates in a pat form in the center.
- This method takes about 20-25 minutes to prepare a batch of Khoa (20 kg).
- The Khoa is now ready for packaging, marketing and further processing.



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

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

1. Production Capacity of Khoya is 50 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 2 days and Finished goods Closing Stock has been taken for 5 days.
4. Credit period to Sundry Debtors has been given for 20 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

<b>COMPUTATION OF PRODUCTION OF KHOYA</b>		
<b>Items to be Manufactured</b>		
Khoya		
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	10%	
Raw material requirement	120000	Kg
Final Output per annum after wastage	108000	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	108000	1 Kg Packet

<b>Production of Khoya</b>		
<b>Production</b>	<b>Capacity</b>	<b>KG</b>
1st year	40%	43,200
2nd year	45%	48,600
3rd year	50%	54,000
4th year	55%	59,400
5th year	60%	64,800





<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	40%	140.00	67.20
2nd year	45%	147.00	79.38
3rd year	50%	154.00	92.40
4th year	55%	162.00	106.92
5th year	60%	170.00	122.40


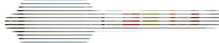



<b>COMPUTATION OF SALE</b>					
<b>Particulars</b>	<b>1st year</b>	<b>2nd year</b>	<b>3rd year</b>	<b>4th year</b>	<b>5th year</b>
Op Stock	-	720	810	900	990
Production	43,200	48,600	54,000	59,400	64,800
Less : Closing Stock	720	810	900	990	1,080
<b>Net Sale</b>	<b>42,480</b>	<b>48,510</b>	<b>53,910</b>	<b>59,310</b>	<b>64,710</b>
Sale price per packet	240.00	252.00	265.00	278.00	292.00
<b>Sales (in Lacs)</b>	<b>101.95</b>	<b>122.25</b>	<b>142.86</b>	<b>164.88</b>	<b>188.95</b>


### 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.
Milk reception system	This system is used for collection milk in order to maintain freshness of milk	
Bulk chiller	The Bulk Milk Chiller is used to keep milk cool and fresh by cooling it to 4°C. For Dairy/Milk Collection Centers, the Bulk Milk Chiller is the solution for bacteria-free milk storage.	
Milk Pasteurizer	Pasteurizer is used for killing pathogenic microorganisms by heating milk or milk products to a specific temperature for a set period of time without allowing recontamination.	
Khoya Making Machine	This machine is used to make delectable Khoya using steam as heating sources.	
Vacuum	Vacuum packaging refers to the	

<p>packaging machine</p>	<p>technique of removing air from a pack prior to sealing and it predates the use of gases as a means of food preservation. Its principal purpose is to remove oxygen by pulling the packaging material into intimate contact with the product.</p>	
<p>Lactometer</p>	<p>A Lactometer is used to find out the amount of water, It works on the principle of specific gravity of milk</p>	
<p>Boiler</p>	<p>Boiler is used for producing steam which is used by Khoa making machines</p>	
<p>Milk Analyzer</p>	<p>This is complete milk testing kit used for test milk Quality i.e. SNF, Total fat etc.</p>	
<p>Industrial milk Pump</p>	<p>This equipment is used for transfer milk from one place to another places.</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>	
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Machine	Unit	Rate	Price
Milk reception system (Capacity 1000 Ltr.)	1	160000	160000
Bulk chiller (Capacity 1000 Ltr.)	1	250000	250000
Milk Pasteurizer	1	275000	275000
Khoya Making Machine (Capacity 250 Ltr.)	2	135000	270000
Vacuum packaging machine	1	131000	131000
Boiler (Capacity 500-1000 Ltr.)	1	180000	180000
Milk Analyzer	1	40000	40000
Industrial milk Pump	2	12500	25000
Material handling and other Equipment's (water pumps, trolleys, trays, bins, lactometer, weighing machine, etc.)	-	350000	350000

**Note:** Total Machinery cost shall be Rs16.81 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

<b>COST OF PROJECT</b>	
	(in Lacs)
<b>PARTICULARS</b>	<b>Amount</b>
Land & Building	Owned/Rented
Plant & Machinery	16.81
Miscellaneous Assets	3.50
Working capital	7.14
<b>Total</b>	<b>27.45</b>

#### 4.7. MEANS OF FINANCE

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	2.74
Subsidy @35%(Max. Rs 10 Lac)	7.11
Term Loan @ 55%	11.17
Working Capital (Bank Finance)	6.43
<b>Total</b>	<b>27.45</b>

**4.8. TERM LOAN:** Term loan of Rs. 11.17 Lakh is required for project cost of Rs. 27.45 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	-	11.17	11.17	-	-	11.17	
	2nd month	11.17	-	11.17	0.10	-	11.17	
	3rd month	11.17	-	11.17	0.10	-	11.17	
	4th month	11.17	-	11.17	0.10		11.17	
	5th month	11.17	-	11.17	0.10		11.17	
	6th month	11.17	-	11.17	0.10		11.17	
	7th month	11.17	-	11.17	0.10	0.21	10.96	
	8th month	10.96	-	10.96	0.10	0.21	10.76	
	9th month	10.76	-	10.76	0.10	0.21	10.55	
	10th month	10.55	-	10.55	0.10	0.21	10.34	
	11th month	10.34	-	10.34	0.09	0.21	10.14	
	12th month	10.14	-	10.14	0.09	0.21	9.93	
					1.10	1.24		
<b>2nd</b>	Opening Balance							
	1st month	9.93	-	9.93	0.09	0.21	9.72	
	2nd month	9.72	-	9.72	0.09	0.21	9.52	
	3rd month	9.52	-	9.52	0.09	0.21	9.31	
	4th month	9.31	-	9.31	0.09	0.21	9.10	

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	5th month	9.10	-	9.10	0.08	0.21	8.90
	6th month	8.90	-	8.90	0.08	0.21	8.69
	7th month	8.69	-	8.69	0.08	0.21	8.48
	8th month	8.48	-	8.48	0.08	0.21	8.27
	9th month	8.27	-	8.27	0.08	0.21	8.07
	10th month	8.07	-	8.07	0.07	0.21	7.86
	11th month	7.86	-	7.86	0.07	0.21	7.65
	12th month	7.65	-	7.65	0.07	0.21	7.45
					<b>0.97</b>	<b>2.48</b>	
<b>3rd</b>	Opening Balance						
	1st month	7.45	-	7.45	0.07	0.21	7.24
	2nd month	7.24	-	7.24	0.07	0.21	7.03
	3rd month	7.03	-	7.03	0.06	0.21	6.83
	4th month	6.83	-	6.83	0.06	0.21	6.62
	5th month	6.62	-	6.62	0.06	0.21	6.41
	6th month	6.41	-	6.41	0.06	0.21	6.21
	7th month	6.21	-	6.21	0.06	0.21	6.00
	8th month	6.00	-	6.00	0.05	0.21	5.79
	9th month	5.79	-	5.79	0.05	0.21	5.59
	10th month	5.59	-	5.59	0.05	0.21	5.38
	11th month	5.38	-	5.38	0.05	0.21	5.17
	12th month	5.17	-	5.17	0.05	0.21	4.96
					<b>0.69</b>	<b>2.48</b>	
<b>4th</b>	Opening Balance						
	1st month	4.96	-		0.05	0.21	4.76



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				4.96			
2nd month	4.76	-	4.76	0.04	0.21	4.55	
3rd month	4.55	-	4.55	0.04	0.21	4.34	
4th month	4.34	-	4.34	0.04	0.21	4.14	
5th month	4.14	-	4.14	0.04	0.21	3.93	
6th month	3.93	-	3.93	0.04	0.21	3.72	
7th month	3.72	-	3.72	0.03	0.21	3.52	
8th month	3.52	-	3.52	0.03	0.21	3.31	
9th month	3.31	-	3.31	0.03	0.21	3.10	
10th month	3.10	-	3.10	0.03	0.21	2.90	
11th month	2.90	-	2.90	0.03	0.21	2.69	
12th month	2.69	-	2.69	0.02	0.21	2.48	
				<b>0.42</b>	<b>2.48</b>		
<b>5th</b>	<b>Opening Balance</b>						
1st month	2.48	-	2.48	0.02	0.21	2.28	
2nd month	2.28	-	2.28	0.02	0.21	2.07	
3rd month	2.07	-	2.07	0.02	0.21	1.86	
4th month	1.86	-	1.86	0.02	0.21	1.65	
5th month	1.65	-	1.65	0.02	0.21	1.45	
6th month	1.45	-	1.45	0.01	0.21	1.24	
7th month	1.24	-	1.24	0.01	0.21	1.03	
8th month	1.03	-	1.03	0.01	0.21	0.83	
9th month	0.83	-	0.83	0.01	0.21	0.62	
10th month	0.62	-	0.62	0.01	0.21	0.41	
11th month	0.41	-		0.00	0.21	0.21	

			0.41			
12th month	0.21	-	0.21	0.00	0.21	-
				<b>0.15</b>	<b>2.48</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>					
	1.47	1.71	1.97	2.26	2.58
<b>Raw Material</b>					
	0.45	0.53	0.62	0.71	0.82
<b>Closing Stock</b>	<b>1.92</b>	<b>2.24</b>	<b>2.59</b>	<b>2.98</b>	<b>3.40</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	1.92				
Less : Creditors	1.57				
<b>Paid stock</b>	<b>0.35</b>	<b>10%</b>	<b>0.03</b>	<b>90%</b>	<b>0.31</b>
<b>Sundry Debtors</b>	<b>6.80</b>	<b>10%</b>	<b>0.68</b>	<b>90%</b>	<b>6.12</b>
	<b>7.14</b>		<b>0.71</b>		<b>6.43</b>
<b>MPBF</b>					<b>6.43</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>6.43</b>
<b>Working Capital Margin</b>					<b>0.71</b>

**4.11. SALARY & WAGES**

<b><u>BREAK UP OF LABOUR CHARGES</u></b>			
<b>Particulars</b>	<b>Wages</b>	<b>No of</b>	<b>Total</b>
	<b>Rs. per Month</b>	<b>Employees</b>	<b>Salary</b>
Plant Operator	14,000	2	28,000
Supervisor	16,000	1	16,000
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	7,000	2	14,000
<b>Total salary per month</b>			<b>82,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>9.84</b>

<b><u>BREAK UP OF STAFF SALARY CHARGES</u></b>			
<b>Particulars</b>	<b>Salary</b>	<b>No of</b>	<b>Total</b>
	<b>Rs. per Month</b>	<b>Employees</b>	<b>Salary</b>
Administrative Staff	8,000	2	16,000
Manager	18,000	1	18,000
Accountant	15,000	1	15,000
<b>Total salary per month</b>			<b>49,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>5.88</b>

## 4.12 POWER REQUIREMENT

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
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

<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	16.81	3.50	20.31
Total	16.81	3.50	20.31
Less : Depreciation	2.52	0.35	2.87
<b>WDV at end of Year</b>	<b>14.29</b>	<b>3.15</b>	<b>17.44</b>
Additions During The Year	-	-	-
Total	14.29	3.15	17.44
Less : Depreciation	2.14	0.32	2.46
<b>WDV at end of Year</b>	<b>12.15</b>	<b>2.84</b>	<b>14.98</b>
Additions During The Year	-	-	-
Total	12.15	2.84	14.98
Less : Depreciation	1.82	0.28	2.11
<b>WDV at end of Year</b>	<b>10.32</b>	<b>2.55</b>	<b>12.87</b>
Additions During The Year	-	-	-
Total	10.32	2.55	12.87
Less : Depreciation	1.55	0.26	1.80
<b>WDV at end of Year</b>	<b>8.77</b>	<b>2.30</b>	<b>11.07</b>
Additions During The Year	-	-	-
Total	8.77	2.30	11.07
Less : Depreciation	1.32	0.23	1.55
<b>WDV at end of Year</b>	<b>7.46</b>	<b>2.07</b>	<b>9.53</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>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Khoya	101.95	122.25	142.86	164.88	188.95
<b>Total</b>	<b>101.95</b>	<b>122.25</b>	<b>142.86</b>	<b>164.88</b>	<b>188.95</b>
<b>COST OF SALES</b>					
Raw Material Consumed	67.20	79.38	92.40	106.92	122.40
Electricity Expenses	3.36	3.86	4.44	5.11	5.62
Depreciation	2.87	2.46	2.11	1.80	1.55
Wages & labour	9.84	11.32	12.90	14.58	16.76
Repair & maintenance	2.55	3.06	3.57	4.12	4.72
Packaging	2.24	2.44	2.86	3.30	3.78
<b>Cost of Production</b>	<b>88.06</b>	<b>102.52</b>	<b>118.28</b>	<b>135.83</b>	<b>154.83</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.47</b>	<b>1.71</b>	<b>1.97</b>	<b>2.26</b>
<b>Less: Closing Stock /WIP</b>	<b>1.47</b>	<b>1.71</b>	<b>1.97</b>	<b>2.26</b>	<b>2.58</b>
Cost of Sales	86.60	102.28	118.02	135.54	154.52
<b>GROSS PROFIT</b>	<b>15.36</b>	<b>19.97</b>	<b>24.85</b>	<b>29.34</b>	<b>34.44</b>
	<b>15.06%</b>	<b>16.33%</b>	<b>17.39%</b>	<b>17.80%</b>	<b>18.22%</b>
Salary to Staff	5.88	7.11	8.89	9.78	10.96
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
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	2.24	3.17	3.71	4.27	4.57
<b>TOTAL</b>	<b>13.53</b>	<b>15.92</b>	<b>18.37</b>	<b>19.97</b>	<b>21.66</b>
NET PROFIT	1.83	4.05	6.48	9.37	12.78
	<b>1.79%</b>	<b>3.31%</b>	<b>4.54%</b>	<b>5.68%</b>	<b>6.76%</b>
Taxation	-	-	0.43	1.03	1.99
PROFIT (After Tax)	1.83	4.05	6.05	8.34	10.79

#### 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>	101.95	122.25	142.86	164.88	188.95
Less : Op. WIP Goods	-	1.47	1.71	1.97	2.26
Add : Cl. WIP Goods	1.47	1.71	1.97	2.26	2.58
<b>Total Sales</b>	<b>103.42</b>	<b>122.49</b>	<b>143.12</b>	<b>165.17</b>	<b>189.27</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	67.20	79.38	92.40	106.92	122.40
Electricity Exp/Coal Consumption at 85%	2.86	3.28	3.78	4.34	4.78
Wages & Salary at 60%	9.43	11.06	13.08	14.62	16.63
Selling & administrative Expenses 80%	1.79	2.53	2.97	3.42	3.66
Interest on working Capital	0.707308	0.707308	0.707308	0.707308	0.707308
Repair & maintenance	2.55	3.06	3.57	4.12	4.72
Packaging	2.24	2.44	2.86	3.30	3.78
<b>Total Variable &amp; Semi Variable Exp</b>	<b>86.78</b>	<b>102.46</b>	<b>119.36</b>	<b>137.42</b>	<b>156.68</b>
<b>Contribution</b>	<b>16.64</b>	<b>20.02</b>	<b>23.76</b>	<b>27.75</b>	<b>32.59</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.50	0.58	0.67	0.77	0.84
Wages & Salary at 40%	6.29	7.37	8.72	9.74	11.09
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
Depreciation	2.87	2.46	2.11	1.80	1.55
Selling & administrative Expenses 20%	0.45	0.63	0.74	0.85	0.91
Rent	3.60	3.96	4.36	4.79	5.27
<b>Total Fixed Expenses</b>	<b>14.81</b>	<b>15.97</b>	<b>17.28</b>	<b>18.38</b>	<b>19.81</b>
<b>Capacity Utilization</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>	<b>60%</b>
<b>OPERATING PROFIT</b>	<b>1.83</b>	<b>4.05</b>	<b>6.48</b>	<b>9.37</b>	<b>12.78</b>
<b>BREAK EVEN POINT</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>
<b>BREAK EVEN SALES</b>	<b>92.06</b>	<b>97.70</b>	<b>104.09</b>	<b>109.40</b>	<b>115.05</b>

**4.17. PROJECTED BALANCE SHEET**

<b>PROJECTED BALANCE SHEET</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		9.67	11.22	13.27	15.61
Add:- Own Capital	2.74				
Add:- Retained Profit	1.83	4.05	6.05	8.34	10.79
Less:- Drawings	2.00	2.50	4.00	6.00	8.00
Subsidy/grant	7.11				
Closing Balance	9.67	11.22	13.27	15.61	18.40
Term Loan	9.93	7.45	4.96	2.48	-
Working Capital Limit	6.43	6.43	6.43	6.43	6.43
Sundry Creditors	1.57	1.85	2.16	2.49	2.86
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
<b>TOTAL :</b>	<b>28.00</b>	<b>27.45</b>	<b>27.42</b>	<b>27.74</b>	<b>28.55</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	20.31	20.31	20.31	20.31	20.31
Gross Dep.	2.87	5.33	7.44	9.24	10.78
<b>Net Fixed Assets</b>	<b>17.44</b>	<b>14.98</b>	<b>12.87</b>	<b>11.07</b>	<b>9.53</b>
<b>Current Assets</b>					
Sundry Debtors	6.80	8.15	9.52	10.99	12.60
Stock in Hand	1.92	2.24	2.59	2.98	3.40
Cash and Bank	1.85	2.09	2.44	2.70	3.03
<b>TOTAL :</b>	<b>28.00</b>	<b>27.45</b>	<b>27.42</b>	<b>27.74</b>	<b>28.55</b>

**4.18. CASH FLOW STATEMENT**

<b>PROJECTED CASH FLOW STATEMENT</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	2.74				
Net Profit	1.83	4.05	6.48	9.37	12.78
Depriciation & Exp. W/off	2.87	2.46	2.11	1.80	1.55
Increase in Cash Credit	6.43	-	-	-	-
Increase In Term Loan	11.17	-	-	-	-
Increase in Creditors	1.57	0.28	0.30	0.34	0.36
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	7.11				
<b>TOTAL :</b>	<b>34.11</b>	<b>6.89</b>	<b>8.99</b>	<b>11.63</b>	<b>14.83</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	20.31				
Increase in Stock	1.92	0.32	0.35	0.39	0.42
Increase in Debtors	6.80	1.35	1.37	1.47	1.60
Repayment of Term Loan	1.24	2.48	2.48	2.48	2.48
Drawings	2.00	2.50	4.00	6.00	8.00
Taxation	-	-	0.43	1.03	1.99
<b>TOTAL :</b>	<b>32.26</b>	<b>6.66</b>	<b>8.64</b>	<b>11.37</b>	<b>14.50</b>
Opening Cash & Bank Balance	-	1.85	2.09	2.44	2.70
Add : Surplus	1.85	0.24	0.35	0.26	0.33
Closing Cash & Bank Balance	<b>1.85</b>	<b>2.09</b>	<b>2.44</b>	<b>2.70</b>	<b>3.03</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	4.70	6.51	8.15	10.14	12.33
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
<b>Total</b>	<b>5.80</b>	<b>7.48</b>	<b>8.85</b>	<b>10.56</b>	<b>12.48</b>
<b><u>REPAYMENT</u></b>					
Instalment of Term Loan	1.24	2.48	2.48	2.48	2.48
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
<b>Total</b>	<b>2.34</b>	<b>3.45</b>	<b>3.18</b>	<b>2.90</b>	<b>2.63</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.48</b>	<b>2.17</b>	<b>2.79</b>	<b>3.64</b>	<b>4.75</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.16</b>				