



DETAILED PROJECT REPORT

RED RICE FLAKES UNIT

UNDER PMFME SCHEME



National Institute of Food Technology Entrepreneurship and Management

Ministry of Food Processing Industries

Plot No.97, Sector-56, HSIIDC, Industrial Estate, Kundli, Sonipat, Haryana-131028

Website: <http://www.niftem.ac.in>

Email: pmfmecell@niftem.ac.in

Call: 0130-2281089

TABLE OF CONTENTS

S No.	Topic	Page Number
1.	Project Summary	3
2.	About the Product	4-6
3.	Process Flow Chart	6-8
4.	Economics of the Project	9-26
	4.1. Basis & Presumptions	9
	4.2. Capacity, Utilisation, Production & Output	10-11
	4.3. Premises/Infrastructure	11
	4.4. Machinery & Equipment's	12-14
	4.5. Misc. Fixed Assets	14
	4.6. Total Cost of Project	15
	4.7. Means of Finance	15
	4.8. Term Loan	15
	4.9. Term Loan repayment & interest schedule	16-19
	4.10. Working Capital Calculations	19
	4.11. Salaries/Wages	20
	4.12. Power Requirement	21
	4.13. Depreciation Calculation	21
	4.14. Repairs & Maintenance	22
	4.15. Projections of Profitability Analysis	22
	4.16. Break Even Point Analysis	23
	4.17. Projected Balance Sheet	24
	4.18. Cash- Flow Statement	25
	4.19. Debt-Service Coverage Ratio	26

1. PROJECT SUMMARY

1. Name of the proposed project	:	Red Rice Flakes Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	324000 Kg/annum (50,55,60,65&70% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Paddy grains
5. Major product outputs	:	Red Rice Flakes
6. Total project cost	:	Rs. 21.99 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 13.05 Lakh
• Miscellaneous Fixed Assets	:	Rs. 3.00 Lakh
• Working capital	:	Rs. 5.94 Lakh
7. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 5.62 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.19 Lakh
• Term loan	:	Rs.8.83 Lakh
• Working Capital Requirement	:	Rs. 5.35 Lakh
8. Profit after Depreciation, Interest & Tax		
• 1 st year	:	Rs. 1.83 Lakh
• 2 nd year	:	Rs. 3.54 Lakh
• 3 rd year	:	Rs. 5.26 Lakh
• 4 th year	:	Rs. 7.03Lakh
• 5 th year	:	Rs. 9.63 Lakh
9. Average DSCR	:	Rs. 3.35
10. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

2.1. PRODUCT INTRODUCTION:

Oryza sativa, the dominant rice species, is a member of the Poaceae family. Rice is the second largest cereal produced worldwide and is the source of carbohydrate and minor source of vitamins, proteins and minerals. Paddy comes in variety of colours, including brown, purple, red and even black. The structure of rice contains hull, outer covering and fruit or rice caryopsis. Vitamins and minerals are generally confined to germ and bran. The colourful varieties of rice viz red, purple, black, brown yellow and green are considered valuable for their health benefits. The coloured rice varieties are either semi polished or polished.

The kernel colour is formed by deposits of anthocyanins in different layers of pericarps, seed coat and aleurone layer. Rice with red bran is called red rice. Some Red rice variety is also called as 'weedy rice'. The colour of bran ranges from light to dark. Though the color is confined to the bran of grain, a tinge of red remains after milling. Red rice has number of nutritional properties over traditional white rice. It contains high content of protein, minerals and vitamins. Red rice contains 2 -3 times more zinc and iron as compared to traditional white rice. Red rice possesses antioxidant properties. Red rice can be eaten after steaming, can be used for preparation of bread and chapati.

Red rice is rice which has red colour due to anthocyanin content in the rice. Red rice can be consumed with hulls or partially hulled form have nutty taste. Red rice has higher nutritional value than the usual polished rice. There are different varieties of red rice such as Thai red cargo rice, rakthashali, Camargue red rice and Bhutanese red rice etc.

2.2. MARKET POTENTIAL:

The major driving force for red rice market is due to presence of high amount of fibers, minerals and vitamins. Growing focus for maintaining healthy lifestyle is the key factor in development of red rice products. Traditional rice-based snacks are high calories as compared to red rice-based snacks. Red rice also helps in lowering cholesterol and blood glucose.

Red rice is increasingly used in various cosmetic products like moisturizers, lipsticks, serums, tanning cream, soaps, conditioners, oils, hair mask, face mask, shampoos etc. which cause rapid growth of red rice in market.

Present day scenario requires the incorporation of novel ingredients in conventional foods. Rice products are consumed widely because of their cheap cost, longer shelf life and good sensory attributes. Incorporation of red rice in rice-based snacks produces novel products with more health benefits.

There is a greater attraction towards local grains as through research now people are aware of goodness of these grain and nutritional abode due to the presence of high phytochemical properties and traces minerals as compared to usual white rice. Increasing demand for local grains increases the market for Red Rice based products.

The government is now introducing initiatives due to a particular nutrient deficiency in various demographic. These initiatives are creating awareness in consumers as well as producers for use of functional products in our daily life to full fill the daily requirement of nutrients which result in wider acceptance of these innovative products.

2.3. RAW MATERIAL DESCRIPTION:

The only raw material required for production of red rice flakes is the particular variety of paddy.

3. PROCESS FLOW CHART

Receiving of raw material

Before paddy is unloaded, some samples are taken to check quality of raw material to determine whether it is suitable for end product. Based on these tests, the storage condition of kernels is determined. The right heat, relative humidity and air must be maintained to prevent rice from sprouting or fermenting.

Cleaning and grading

The objective of cleaning is to eliminate foreign material such as stones, husk, stick, metals, plastics, threads and unwanted grain particles. Air current act as a vacuum cleaner. It removes anything lighter than kernel required weight like dust and other impurities.

Soaking

Graded and sorted paddy is soaked in hot water 24 – 26 hours. The objective of this step is to soften the grain to achieve maximum recovery and minimize breakage during flaking. Draining in the excess water next morning.

Drying and roasting

The paddy after soaking is dried. The final moisture content after drying 16 – 17 % and tempered for 3 – 4hours. The paddy after drying is roasted to remove remaining moisture and improve crispiness.

Flaking

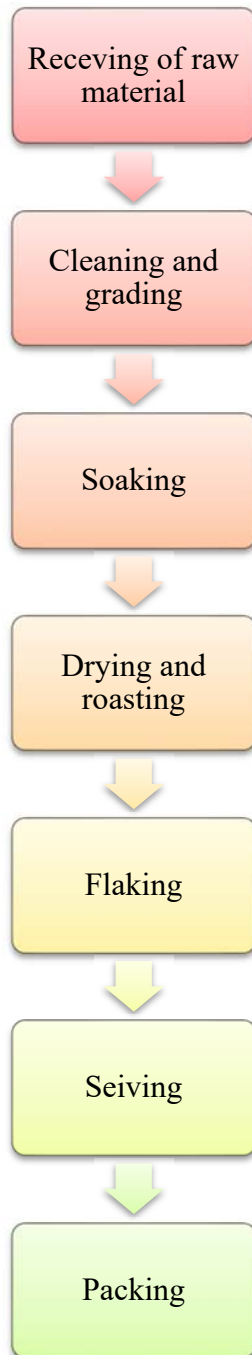
The paddy is fed into flaking machine after removal of sand. The rollers of flaking machine are adjusted according to the fineness of flake desired. Paddy is pressed in fine flakes in short time. By pressing scrapers against the rim all flakes are collected near the centre of the drum and are removed by hand.

Sieving

The flakes are passed through sieves to remove uneven and unwanted material and to segregate flakes of even size. Finally, they are packed. During this process the average yield of even sizes flakes is around 80%, 10% is the in-process waste and 10% is the bran which has a separate market.

Packing

The sorted and graded flakes thus obtained are packed in suitable polythene lined bags and pouches.



Flow chart of red rice flakes

4. ECONOMICS OF THE PROJECT

4.1. BASIS & PRESUMPTIONS

1. Production Capacity of Red Rice Flakes is 150 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 15 days and Finished goods Closing Stock has been taken for 15 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

COMPUTATION OF PRODUCTION OF RED RICE FLAKES		
Items to be Manufactured		
Red Rice Flakes		
Machine capacity Per hour	150	Kg
Total working Hours	8	
Machine capacity Per Day	1,200	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	10%	
Raw material requirement	360000	Kg
Final Output per annum after wastage	324000	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	324000	1 Kg Packet

Production of Red Rice Flakes		
Production	Capacity	KG
1st year	50%	1,62,000
2nd year	55%	1,78,200
3rd year	60%	1,94,400
4th year	65%	2,10,600
5th year	70%	2,26,800


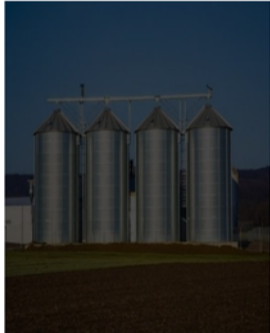

Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	50%	18.00	32.40
2nd year	55%	19.00	37.62
3rd year	60%	20.00	43.20
4th year	65%	21.00	49.14
5th year	70%	22.00	55.44

COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	8,100	8,910	9,720	10,530
Production	1,62,000	1,78,200	1,94,400	2,10,600	2,26,800
Less : Closing Stock	8,100	8,910	9,720	10,530	11,340
Net Sale	1,53,900	1,77,390	1,93,590	2,09,790	2,25,990
Sale price per packet	44.00	46.00	48.00	50.00	53.00
Sales (in Lacs)	67.72	81.60	92.92	104.90	119.77


4.3. PREMISES/INFRASTRUCTURE

The approximate total area required for complete factory setup is 2500-3000 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.
Vibrating grain separator	<p>A vibrating grain separator is a multifunctional machinery used for pre-treatment and cleaning. Adopting high frequency and small vibrating amplitude motor, it can efficiently separate and clean impurities of different sizes. The outlet is equipped with a circulation air separator to remove dust and light impurities.</p>	
Silos or storage bin	<p>Silos are used for the storage of grain and flour in the mill. The material of silo should protect the grains from the harsh environment of outside. There will be one or more discharge hole in the bottom depending on the different material and storage capacity.</p>	
Tray dryer	<p>Industrial tray drying machine / Hot air-drying machine is made with stainless steel and equipped with plastic, stainless steel and customized drying racks. The drying method can be co current or counter current air flow. The temperature is controlled and speed of the conveyor can be adjusted according to the drying time required. The heating source is electricity to generate hot air.</p>	

<p>Paddy roasting machine</p>	<p>Hot air as the drying medium, the heat energy works on roasted paddy, which is constantly propelled by propulsion device in roasting process and also lower production costs. Principle of adopting rotary drum, heat conduction and heat radiation. It also consists of dust fog exhaust fan system.</p>	
<p>Flaking machine</p>	<p>The flaking machine consists of two rollers. The speed ratio of flaking rolls can be set precisely via control system. this drive principle as well as the automatic roll adjustment with spindle, instead of hydraulics, improves food safety.</p>	
<p>Packaging machine</p>	<p>Packaging machine is used for filling, sealing, cutting, heating packets of rice flakes. packaging speed can be changed according to the speed of production. It involves setting up of parameters such as bag length and weight followed by sealing of bag and final product delivered by conveyor.</p>	

Material handling and other Equipment's	These Equipment's are used for material handling. Other equipment's like water pumps, weighing machine, etc are also used.	
---	--	---

Machine	Unit	Rate	Price
Vibrating grain separator	1	145000	145000
Tray dryer	1	90000	90000
Paddy roasting machine	1	140000	140000
Flaking machine	1	350000	350000
Packaging machine	1	280000	280000
Material handling and other equipment's (Bins, trolley, conveyor, silos, weighing machine, etc.)	-	300000	300000

Note: Total Machinery cost shall be Rs 13.05 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	13.05
Miscellaneous Assets	3.00
Working capital	5.94
Total	21.99

4.7. MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	2.19
Subsidy @35%(Max. Rs 10 Lac)	5.62
Term Loan @ 55%	8.83
Working Capital (Bank Finance)	5.35
Total	21.99

4.8. TERM LOAN: Term loan of Rs. 8.83 Lakh is required for project cost of Rs. 21.99 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	
	4th month	6.78	-	6.78	0.06	0.15	6.63	

PM FME- Detailed Project Report of Red Rice Flakes Unit

	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	
4th	Opening Balance						
	1st month	3.62	-		0.03	0.15	3.47

PM FME- Detailed Project Report of Red Rice Flakes Unit

				3.62			
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	-	0.45	0.00	0.15	0.30	
11th month	0.30	-		0.00	0.15	0.15	

			0.30			
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
Finished Goods					
	2.82	3.22	3.64	4.07	4.56
Raw Material					
	1.62	1.88	2.16	2.46	2.77
Closing Stock	4.44	5.11	5.80	6.53	7.33

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	4.44				
Less : Creditors	0.76				
Paid stock	3.69	10%	0.37	90%	3.32
Sundry Debtors	2.26	10%	0.23	90%	2.03
	5.94		0.59		5.35
MPBF					5.35
WORKING CAPITAL LIMIT DEMAND (from Bank)					5.35
Working Capital Margin					0.59

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)	8,000	3	24,000
Total salary per month			1,06,000
Total annual labour charges	(in lacs)		12.72

<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	13.05	3.00	16.05
Total	13.05	3.00	16.05
Less : Depreciation	1.96	0.30	2.26
WDV at end of Year	11.09	2.70	13.79
Additions During The Year	-	-	-
Total	11.09	2.70	13.79
Less : Depreciation	1.66	0.27	1.93
WDV at end of Year	9.43	2.43	11.86
Additions During The Year	-	-	-
Total	9.43	2.43	11.86
Less : Depreciation	1.41	0.24	1.66
WDV at end of Year	8.01	2.19	10.20
Additions During The Year	-	-	-
Total	8.01	2.19	10.20
Less : Depreciation	1.20	0.22	1.42
WDV at end of Year	6.81	1.97	8.78
Additions During The Year	-	-	-
Total	6.81	1.97	8.78
Less : Depreciation	1.02	0.20	1.22
WDV at end of Year	5.79	1.77	7.56

4.14. REPAIR & MAINTENANCE: Repair & Maintenance is 3.0% 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					
Red Rice Flakes	67.72	81.60	92.92	104.90	119.77
Total	67.72	81.60	92.92	104.90	119.77
COST OF SALES					
Raw Material Consumed	32.40	37.62	43.20	49.14	55.44
Electricity Expenses	4.32	4.97	5.71	6.57	7.23
Depreciation	2.26	1.93	1.66	1.42	1.22
Wages & labour	12.72	14.25	15.67	16.92	18.96
Repair & maintenance	2.03	2.45	2.79	3.15	3.59
Packaging	2.71	3.26	3.72	4.20	4.79
Cost of Production	56.44	64.48	72.75	81.40	91.23
Add: Opening Stock /WIP	-	2.82	3.22	3.64	4.07
Less: Closing Stock /WIP	2.82	3.22	3.64	4.07	4.56
Cost of Sales	53.62	64.08	72.33	80.97	90.73
GROSS PROFIT	14.10	17.52	20.59	23.93	29.04
	20.82%	21.47%	22.16%	22.81%	24.25%
Salary to Staff	5.52	6.62	7.29	7.87	8.97
Interest on Term Loan	0.87	0.76	0.55	0.33	0.12
Interest on working Capital	0.59	0.59	0.59	0.59	0.59
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.69	2.04	2.32	2.62	2.99
TOTAL	12.27	13.98	15.10	16.20	17.94
NET PROFIT	1.83	3.54	5.49	7.72	11.10
	2.70%	4.34%	5.91%	7.36%	9.27%
Taxation	-	-	0.23	0.69	1.47
PROFIT (After Tax)	1.83	3.54	5.26	7.03	9.63

4.16. BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	67.72	81.60	92.92	104.90	119.77
Less : Op. WIP Goods	-	2.82	3.22	3.64	4.07
Add : Cl. WIP Goods	2.82	3.22	3.64	4.07	4.56
Total Sales	70.54	82.00	93.34	105.33	120.27
Variable & Semi Variable Exp.					
Raw Material Consumed	32.40	37.62	43.20	49.14	55.44
Electricity Exp/Coal Consumption at 85%	3.67	4.22	4.86	5.58	6.14
Wages & Salary at 60%	10.94	12.52	13.77	14.88	16.76
Selling & administrative Expenses 80%	1.35	1.63	1.86	2.10	2.40
Interest on working Capital	0.588365	0.588365	0.588365	0.588365	0.588365
Repair & maintenance	2.03	2.45	2.79	3.15	3.59
Packaging	2.71	3.26	3.72	4.20	4.79
Total Variable & Semi Variable Exp	53.70	62.30	70.78	79.63	89.71
Contribution	16.84	19.70	22.55	25.70	30.56
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.65	0.75	0.86	0.99	1.08
Wages & Salary at 40%	7.30	8.35	9.18	9.92	11.17
Interest on Term Loan	0.87	0.76	0.55	0.33	0.12
Depreciation	2.26	1.93	1.66	1.42	1.22
Selling & administrative Expenses 20%	0.34	0.41	0.46	0.52	0.60
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	15.01	16.16	17.07	17.97	19.46
Capacity Utilization	50%	55%	60%	65%	70%
OPERATING PROFIT	1.83	3.54	5.49	7.72	11.10
BREAK EVEN POINT	45%	45%	45%	45%	45%
BREAK EVEN SALES	62.87	67.25	70.63	73.67	76.59

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		7.64	8.68	9.94	11.48
Add:- Own Capital	2.19				
Add:- Retained Profit	1.83	3.54	5.26	7.03	9.63
Less:- Drawings	2.00	2.50	4.00	5.50	7.50
Subsidy/grant	5.62				
Closing Balance	7.64	8.68	9.94	11.48	13.61
Term Loan	7.85	5.89	3.92	1.96	-
Working Capital Limit	5.35	5.35	5.35	5.35	5.35
Sundry Creditors	0.76	0.88	1.01	1.15	1.29
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	21.99	21.29	20.82	20.65	21.11
<u>Assets</u>					
Fixed Assets (Gross)	16.05	16.05	16.05	16.05	16.05
Gross Dep.	2.26	4.19	5.85	7.27	8.49
Net Fixed Assets	13.79	11.86	10.20	8.78	7.56
Current Assets					
Sundry Debtors	2.26	2.72	3.10	3.50	3.99
Stock in Hand	4.44	5.11	5.80	6.53	7.33
Cash and Bank	1.50	1.61	1.73	1.85	2.23
TOTAL :	21.99	21.29	20.82	20.65	21.11

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	2.19				
Net Profit	1.83	3.54	5.49	7.72	11.10
Depriciation & Exp. W/off	2.26	1.93	1.66	1.42	1.22
Increase in Cash Credit	5.35	-	-	-	-
Increase In Term Loan	8.83	-	-	-	-
Increase in Creditors	0.76	0.12	0.13	0.14	0.15
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	5.62				
TOTAL :	27.23	5.70	7.38	9.40	12.61
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	16.05				
Increase in Stock	4.44	0.66	0.69	0.73	0.81
Increase in Debtors	2.26	0.46	0.38	0.40	0.50
Repayment of Term Loan	0.98	1.96	1.96	1.96	1.96
Drawings	2.00	2.50	4.00	5.50	7.50
Taxation	-	-	0.23	0.69	1.47
TOTAL :	25.73	5.59	7.26	9.28	12.23
Opening Cash & Bank Balance	-	1.50	1.61	1.73	1.85
Add : Surplus	1.50	0.11	0.12	0.12	0.38
Closing Cash & Bank Balance	1.50	1.61	1.73	1.85	2.23

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	4.09	5.48	6.92	8.45	10.85
Interest on Term Loan	0.87	0.76	0.55	0.33	0.12
Total	4.96	6.24	7.47	8.79	10.97
<u>REPAYMENT</u>					
Instalment of Term Loan	0.98	1.96	1.96	1.96	1.96
Interest on Term Loan	0.87	0.76	0.55	0.33	0.12
Total	1.85	2.73	2.51	2.29	2.08
DEBT SERVICE COVERAGE RATIO	2.68	2.29	2.97	3.83	5.28
AVERAGE D.S.C.R.	3.35				