



**DETAILED PROJECT REPORT**

**RTE SNACKS MAKING 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](mailto:pmfmecell@niftem.ac.in)

Call: 0130-2281089

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**1. PROJECT SUMMARY**

1. Name of the proposed project	:	RTE Snacks Making Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	228000 Kg/annum (35,40,45,50&55% capacity utilization in 1 <sup>st</sup> to 5 <sup>th</sup> Year respectively)
4. Raw material	:	Starch (Corn, Wheat, Rice, Oats, etc.) and other sources includes whole grains, mixture of grains roots, etc.
5. Major product outputs	:	Extruded Snacks
6. Total project cost	:	Rs. 24.36 Lakh
• Land development, building & Civil Construction	:	Nil
• Machinery and equipment's	:	Rs. 17.30 Lakh
• Miscellaneous Fixed Assets	:	Rs. 3.00 Lakh
• Working capital	:	Rs. 4.06 Lakh
7. Means of Finance		
• Subsidy (max 10lakhs)	:	Rs. 7.11 Lakh
• Promoter's contribution (min10%)	:	Rs. 2.43 Lakh
• Term loan	:	Rs. 11.17 Lakh
• Working Capital Requirement	:	Rs. 3.65 Lakh
8. Profit after Depreciation, Interest & Tax		
• 1 <sup>st</sup> year	:	Rs. 1.70 Lakh
• 2 <sup>nd</sup> year	:	Rs. 4.05 Lakh
• 3 <sup>rd</sup> year	:	Rs. 6.48 Lakh
• 4 <sup>th</sup> year	:	Rs. 8.48Lakh
• 5 <sup>th</sup> year	:	Rs. 10.20 Lakh
9. Average DSCR	:	Rs. 3.11
10. Term loan repayment	:	5 Years with 6 months grace period

## **2. ABOUT THE PRODUCT**

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

In recent times, changes in eating pattern and urbanization increased the demand for snack food. Snacks are not primarily consumed for their nutrition but now days more and more snacks are made with nutrition perspective. Producing a successful snack is a balance between consumer's needs and interest versus manufacturer's economics, quality control and production ability. Extrusion technology is applied for preparation of snacks, supplements, pasta, macaroni., breakfast cereal and confectionary products. Several different shape, appearance, color and texture can be obtained through extrusion technology. Extrusion technology involves use of High Temperature Short Time cooking to gelatinize starch and form dough which is forced through die to obtain desirable shape of product. The product obtained after extrusion are either ready to fry or ready to eat. one of the most desirable physical properties in extruded snacks is the degree of expansion because it determines their structure and quality. Expansion of extrudates can vary considerably depending on both processing conditions and feed composition.

Presently extruded snacks are made from variety on ingredients such as corn, rice, wheat, potato, tapioca, soy flour and oats. Extruded RTE snacks are rich in starch low in protein and low biological value. Different source of raw material can be used which are high in protein high in fiber and lower in calories to increase nutritional properties of snacks.

## **2.2. MARKET POTENTIAL:**

Savory snacks products with salty and spicy taste. They are manufactured using grains flours, starch source, vegetables, vegetable oil and seasoning. Consumption of ready to eat snacks at formal gatherings, picnic and parties have become a trend, these aid the growth of market of global snacks industry. Presence of retail sector along with the demand for evening snacks contributes to the growth of RTE snack industry. Presence of local vendor has also added advantage in growth of RTE snacks industry.

There has been a rise in the consumption of high protein, low calories, high fiber and non fried snacks. There is increased use of flour and local grain ingredients for the development of RTE snacks as people are aware of the goodness of these grains and their nutritional value due to the presence of high phytochemical properties and trace minerals as compared to other cereal grains. The presence of snacks with innovative flavors helps in attracting a large consumer base for the global RTE snack industry.

RTE snacks are recording higher demand in metros where there is a rise in urbanization and more working people do not have enough time to cook a meal where snacks are used for meal replacement. Additionally, longer shelf life and increased convenience also contribute to the demand for RTE snack food industry.

The Indian government is introducing initiatives for the development of traditional RTE snacks. These initiatives are creating awareness in consumers as well as producers for the use of traditional ingredients and traditional snacks to fully meet the daily requirement of nutrients which result in wider acceptance of these products.

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

The major ingredient for snack formulation is starch. The most common sources of starch are corn, wheat, rice, potato, tapioca, oats etc. the other sources include whole grains &/or mixture of grains, roots and tubers.

## **3. PROCESS FLOW CHART**

Following are the general steps for RTE Snacks manufacturing process

### **Raw material receiving**

Raw material such as corn grits, flour and flakes are received. Raw materials are transported to the cleaning and grading equipment.

### **Cleaning and grading**

Removes dirt, just, leaves, wood pieces, husks, plastic, stones and other contaminants. Equipment used for cleaning and grading can be vibrating screener. The quality control process will ensure the efficacy of cleaning process.

### **Blending of raw material and conditioning**

The raw material is mixed thoroughly to get homogenous mixture. The material is tempered by addition of water to adjust moisture content to 17 – 20%.

### **Extrusion**

The preconditioned material was fed into extruder through the screw feeder. Extrusion cooking is the high temperature short time process. During food extrusion the food is exposed to temperature as high as 200°C. However, the duration of food extrusion is as low as few seconds to few minutes. HTST brings gelatinization, denaturation of proteins, modification of lipid inactivation of enzymes, reduction in antinutritional factors and reduces microbial

contamination. Extruder is used for the production of multigrain snacks, breakfast cereals, confectionary products, pasta products and meat analogs.

### **Drying**

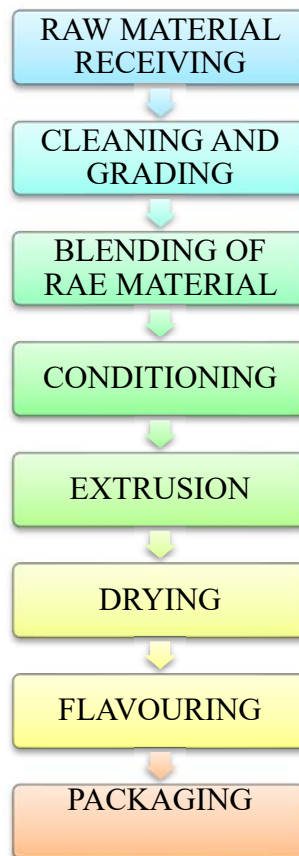
The extrudate is then dried at 70°C for 15 minutes to remove remaining moisture from product and improve crispiness. The dried products are allowed to cool to room temperature.

### **Flavouring**

After thorough mixing of extrudates with oil, the product is mixed with flavorings to enhance the taste of the product.

### **Packaging**

The product is packaged in LDPE bags and stored at room temperature.



**FLOW CHART OF RTE SNACKS MANUFACTURING**

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

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

1. Production Capacity of Extruded Snacks is 100 kg per hr. First year, Capacity has been taken @ 35%.
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 16 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.



**4.2. CAPACITY, UTILIZATION, PRODUCTION & OUTPUT**

<b>COST OF PROJECT</b>	
	(in Lacs)
<b>PARTICULARS</b>	<b>Amount</b>
Land & Building	Owned/Rented
Plant & Machinery	17.30
Miscellaneous Assets	3.00
Working capital	4.06
<b>Total</b>	<b>24.36</b>

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	2.43
Subsidy @35%(Max. Rs 10 Lac)	7.11
Term Loan @ 55%	11.17
Working Capital (Bank Finance)	3.65
<b>Total</b>	<b>24.36</b>



<b><u>COMPUTATION OF PRODUCTION OF EXTRUDED SNACKS</u></b>		
<b>Items to be Manufactured</b>		
Extruded Snacks		
Machine capacity Per hour	100	Kg
Total working Hours	8	
Machine capacity Per Day	800	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	240000	Kg
Final Output per annum after wastage	228000	Kg
Final Product to be packed in 100 gm packet		
Number of Packets per annum	2280000	100 gm packet



<b>Production of Extruded Snacks</b>		
<b>Production</b>	<b>Capacity</b>	<b>Packets</b>
1st year	35%	7,98,000
2nd year	40%	9,12,000
3rd year	45%	10,26,000
4th year	50%	11,40,000
5th year	55%	12,54,000


### 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	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.	
Homogenizer	Homogenizer or grinder is used to form uniform a molecular structure. It consists of mixing tank body, agitator and shaft sealing device. The product will be mixed, homogenized and dispersed by agitator action. The speed of shaft can be controlled according to the consistency required of product.	
Single screw extruder	The single screw extruder consists of feed section which accepts the food material. The feed section assures sufficient material conveyed to the screw. Compression section is portion in extruder between feed section and metering section is called compression	

	<p>section. In this section raw material are heated and worked into a dough mass. The dough is transported further by metering section and pushed through die opening.</p>	
<p>Tray dryer</p>	<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>Packaging machine</p>	<p>Packaging machine is used for filling, sealing, cutting, heating packets of RTE Snacks. packaging speed can be changed according to the speed of production. It involves setting up of parameter such as bag length and weight followed by sealing of bag and final product delivered by conveyor.</p>	

<p>Material handling and other Equipment's</p>	<p>These Equipment's are used for material handling. Other equipment's like water pumps, weighing machine, etc are also used.</p>	
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Machine	Unit	Rate	Price
Vibrating grain separator	1	145000	145000
Homogenizer	1	180000	180000
Single screw extruder	1	900000	900000
Tray dryer	1	125000	125000
Packaging machine	1	180000	180000
Material handling and other equipment's (Bins, trolley, weighing machine, etc.)	-	200000	200000

**Note:** Total Machinery cost shall be Rs 17.30 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**

<b>COST OF PROJECT</b>	
	(in Lacs)
<b>PARTICULARS</b>	<b>Amount</b>
Land & Building	Owned/Rented
Plant & Machinery	17.30
Miscellaneous Assets	3.00
Working capital	4.06
<b>Total</b>	<b>24.36</b>

**4.7. MEANS OF FINANCE**

<b>MEANS OF FINANCE</b>	
<b>PARTICULARS</b>	<b>AMOUNT</b>
Own Contribution (min 10%)	2.43
Subsidy @35%(Max. Rs 10 Lac)	7.11
Term Loan @ 55%	11.17
Working Capital (Bank Finance)	3.65
<b>Total</b>	<b>24.36</b>

**4.8. TERM LOAN:** Term loan of Rs.11.17 Lakh is required for project cost of Rs. 24.36 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	10.75	
	9th month	10.75	-	10.75	0.10	0.21	10.54	
	10th month	10.54	-	10.54	0.10	0.21	10.34	
	11th month	10.34	-	10.34	0.09	0.21	10.13	
	12th month	10.13	-	10.13	0.09	0.21	9.92	
					1.10	1.24		
<b>2nd</b>	Opening Balance							
	1st month	9.92	-	9.92	0.09	0.21	9.72	
	2nd month	9.72	-	9.72	0.09	0.21	9.51	
	3rd month	9.51	-	9.51	0.09	0.21	9.30	
	4th month	9.30	-	9.30	0.09	0.21	9.10	

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	5th month	9.10	-	9.10	0.08	0.21	8.89
	6th month	8.89	-	8.89	0.08	0.21	8.68
	7th month	8.68	-	8.68	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	8.06
	10th month	8.06	-	8.06	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	7.44
					<b>0.97</b>	<b>2.48</b>	
<b>3rd</b>	Opening Balance						
	1st month	7.44	-	7.44	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	6.82
	4th month	6.82	-	6.82	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	6.20
	7th month	6.20	-	6.20	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	5.58
	10th month	5.58	-	5.58	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



PM FME- Detailed Project Report of RTE Snacks Making Unit

				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	3.51	
8th month	3.51	-	3.51	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	2.89	
11th month	2.89	-	2.89	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	2.27	
2nd month	2.27	-	2.27	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				
	6	MONTHS				
REPAYMENT PERIOD	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>					
	1.46	1.81	2.16	2.56	2.98
<b>Raw Material</b>					
	0.74	0.89	1.06	1.23	1.42
<b>Closing Stock</b>	<b>2.21</b>	<b>2.70</b>	<b>3.21</b>	<b>3.79</b>	<b>4.41</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	2.21				
Less : Creditors	0.74				
<b>Paid stock</b>	<b>1.46</b>	<b>10%</b>	<b>0.15</b>	<b>90%</b>	<b>1.32</b>
<b>Sundry Debtors</b>	<b>2.60</b>	<b>10%</b>	<b>0.26</b>	<b>90%</b>	<b>2.34</b>
	<b>4.06</b>		<b>0.41</b>		<b>3.65</b>
<b>MPBF</b>					<b>3.65</b>
<b>WORKING CAPITAL LIMIT DEMAND ( from Bank)</b>					<b>3.65</b>
<b>Working Capital Margin</b>					<b>0.41</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	16,000	3	48,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	15,000	3	45,000
Unskilled (in thousand rupees)	8,500	4	34,000
<b>Total salary per month</b>			<b>1,47,000</b>
<b>Total annual labour charges</b>	<b>(in lacs)</b>		<b>17.64</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	3	24,000
Manager	25,000	1	25,000
Accountant	20,000	1	20,000
<b>Total salary per month</b>			<b>69,000</b>
<b>Total annual Staff charges</b>	<b>(in lacs)</b>		<b>8.28</b>

#### 4.12 POWER REQUIREMENT

<b>Utility Charges (per month)</b>		
<b>Particulars</b>	<b>value</b>	<b>Description</b>
Power connection required	16	KWH
consumption per day	128	units
Consumption per month	3,200	units
Rate per Unit	10	Rs.
power Bill per month	32,000	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	17.30	3.00	20.30
Total	17.30	3.00	20.30
Less : Depreciation	2.60	0.30	2.90
<b>WDV at end of Year</b>	<b>14.71</b>	<b>2.70</b>	<b>17.41</b>
Additions During The Year	-	-	-
Total	14.71	2.70	17.41
Less : Depreciation	2.21	0.27	2.48
<b>WDV at end of Year</b>	<b>12.50</b>	<b>2.43</b>	<b>14.93</b>
Additions During The Year	-	-	-
Total	12.50	2.43	14.93
Less : Depreciation	1.87	0.24	2.12
<b>WDV at end of Year</b>	<b>10.62</b>	<b>2.19</b>	<b>12.81</b>
Additions During The Year	-	-	-
Total	10.62	2.19	12.81
Less : Depreciation	1.59	0.22	1.81
<b>WDV at end of Year</b>	<b>9.03</b>	<b>1.97</b>	<b>11.00</b>
Additions During The Year	-	-	-
Total	9.03	1.97	11.00
Less : Depreciation	1.35	0.20	1.55
<b>WDV at end of Year</b>	<b>7.68</b>	<b>1.77</b>	<b>9.45</b>

**4.14. REPAIR & MAINTENANCE:** Repair & Maintenance is 4.0% 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>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>
<b><u>SALES</u></b>					
<b>Gross Sale</b>					
Extruded Snacks	77.94	100.03	122.80	147.85	175.19
<b>Total</b>	<b>77.94</b>	<b>100.03</b>	<b>122.80</b>	<b>147.85</b>	<b>175.19</b>
<b>COST OF SALES</b>					
Raw Material Consumed	31.92	38.30	45.25	52.78	60.94
Electricity Expenses	3.84	4.42	5.08	5.84	6.42
Depreciation	2.90	2.48	2.12	1.81	1.55
Wages & labour	17.64	21.17	26.46	33.08	39.69
Repair & maintenance	3.12	5.00	6.14	7.39	8.76
Packaging	3.27	6.00	7.37	8.87	10.51
<b>Cost of Production</b>	<b>62.69</b>	<b>77.37</b>	<b>92.41</b>	<b>109.77</b>	<b>127.88</b>
<b>Add: Opening Stock /WIP</b>	<b>-</b>	<b>1.46</b>	<b>1.81</b>	<b>2.16</b>	<b>2.56</b>
<b>Less: Closing Stock /WIP</b>	<b>1.46</b>	<b>1.81</b>	<b>2.16</b>	<b>2.56</b>	<b>2.98</b>
Cost of Sales	61.22	77.02	92.06	109.37	127.46
<b>GROSS PROFIT</b>	<b>16.71</b>	<b>23.00</b>	<b>30.74</b>	<b>38.49</b>	<b>47.73</b>
	<b>21.45%</b>	<b>23.00%</b>	<b>25.03%</b>	<b>26.03%</b>	<b>27.24%</b>
Salary to Staff	8.28	10.76	13.99	18.19	23.65
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
Interest on working Capital	0.40	0.40	0.40	0.40	0.40
Rent	3.60	4.32	5.18	6.22	7.15
selling & adm exp	1.64	2.50	3.44	3.70	4.38
<b>TOTAL</b>	<b>15.02</b>	<b>18.95</b>	<b>23.71</b>	<b>28.93</b>	<b>35.73</b>
<b>NET PROFIT</b>	<b>1.70</b>	<b>4.05</b>	<b>7.03</b>	<b>9.55</b>	<b>12.00</b>
	<b>2.18%</b>	<b>4.05%</b>	<b>5.72%</b>	<b>6.46%</b>	<b>6.85%</b>
Taxation	-	-	0.55	1.08	1.79
<b>PROFIT (After Tax)</b>	<b>1.70</b>	<b>4.05</b>	<b>6.48</b>	<b>8.48</b>	<b>10.20</b>

#### 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>	77.94	100.03	122.80	147.85	175.19
Less : Op. WIP Goods	-	1.46	1.81	2.16	2.56
Add : Cl. WIP Goods	1.46	1.81	2.16	2.56	2.98
<b>Total Sales</b>	<b>79.40</b>	<b>100.37</b>	<b>123.15</b>	<b>148.26</b>	<b>175.61</b>
<b>Variable &amp; Semi Variable Exp.</b>					
Raw Material Consumed	31.92	38.30	45.25	52.78	60.94
Electricity Exp/Coal Consumption at 85%	3.26	3.75	4.32	4.96	5.46
Wages & Salary at 60%	15.55	19.16	24.27	30.76	38.00
Selling & administrative Expenses 80%	1.31	2.00	2.75	2.96	3.50
Interest on working Capital	0.402	0.402	0.402	0.402	0.402
Repair & maintenance	3.12	5.00	6.14	7.39	8.76
Packaging	3.27	6.00	7.37	8.87	10.51
<b>Total Variable &amp; Semi Variable Exp</b>	<b>58.84</b>	<b>74.62</b>	<b>90.50</b>	<b>108.13</b>	<b>127.58</b>
<b>Contribution</b>	<b>20.56</b>	<b>25.75</b>	<b>32.66</b>	<b>40.13</b>	<b>48.03</b>
<b>Fixed &amp; Semi Fixed Expenses</b>					
Electricity Exp/Coal Consumption at 15%	0.58	0.66	0.76	0.88	0.96
Wages & Salary at 40%	10.37	12.77	16.18	20.51	25.34
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
Depreciation	2.90	2.48	2.12	1.81	1.55
Selling & administrative Expenses 20%	0.33	0.50	0.69	0.74	0.88
Rent	3.60	4.32	5.18	6.22	7.15
<b>Total Fixed Expenses</b>	<b>18.86</b>	<b>21.70</b>	<b>25.63</b>	<b>30.58</b>	<b>36.03</b>
<b>Capacity Utilization</b>	<b>35%</b>	<b>40%</b>	<b>45%</b>	<b>50%</b>	<b>55%</b>
<b>OPERATING PROFIT</b>	<b>1.70</b>	<b>4.05</b>	<b>7.03</b>	<b>9.55</b>	<b>12.00</b>
<b>BREAK EVEN POINT</b>	<b>32%</b>	<b>34%</b>	<b>35%</b>	<b>38%</b>	<b>41%</b>
<b>BREAK EVEN SALES</b>	<b>72.84</b>	<b>84.58</b>	<b>96.64</b>	<b>112.96</b>	<b>131.74</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		8.23	8.78	10.26	11.73
Add:- Own Capital	2.43				
Add:- Retained Profit	1.70	4.05	6.48	8.48	10.20
Less:- Drawings	3.00	3.50	5.00	7.00	8.00
Subsidy/grant	7.11				
Closing Balance	8.23	8.78	10.26	11.73	13.94
Term Loan	9.92	7.44	4.96	2.48	-
Working Capital Limit	3.65	3.65	3.65	3.65	3.65
Sundry Creditors	0.74	0.89	1.06	1.23	1.42
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
<b>TOTAL :</b>	<b>22.95</b>	<b>21.27</b>	<b>20.53</b>	<b>19.82</b>	<b>19.88</b>
<b><u>Assets</u></b>					
<b>Fixed Assets ( Gross)</b>	20.30	20.30	20.30	20.30	20.30
Gross Dep.	2.90	5.37	7.49	9.30	10.85
<b>Net Fixed Assets</b>	<b>17.41</b>	<b>14.93</b>	<b>12.81</b>	<b>11.00</b>	<b>9.45</b>
<b>Current Assets</b>					
Sundry Debtors	2.60	3.33	4.09	4.93	5.84
Stock in Hand	2.21	2.70	3.21	3.79	4.41
Cash and Bank	0.74	0.31	0.41	0.10	0.19
<b>TOTAL :</b>	<b>22.95</b>	<b>21.27</b>	<b>20.53</b>	<b>19.82</b>	<b>19.88</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	2.43				
Net Profit	1.70	4.05	7.03	9.55	12.00
Depriciation & Exp. W/off	2.90	2.48	2.12	1.81	1.55
Increase in Cash Credit	3.65	-	-	-	-
Increase In Term Loan	11.17	-	-	-	-
Increase in Creditors	0.74	0.15	0.16	0.18	0.19
Increase in Provisions & Oth lib	0.40	0.10	0.10	0.12	0.14
Sunsidy/grant	7.11				
<b>TOTAL :</b>	<b>30.09</b>	<b>6.77</b>	<b>9.41</b>	<b>11.66</b>	<b>13.88</b>
<b><u>APPLICATION OF FUND</u></b>					
Increase in Fixed Assets	20.30				
Increase in Stock	2.21	0.49	0.51	0.58	0.61
Increase in Debtors	2.60	0.74	0.76	0.84	0.91
Repayment of Term Loan	1.24	2.48	2.48	2.48	2.48
Drawings	3.00	3.50	5.00	7.00	8.00
Taxation	-	-	0.55	1.08	1.79
<b>TOTAL :</b>	<b>29.35</b>	<b>7.21</b>	<b>9.31</b>	<b>11.97</b>	<b>13.80</b>
Opening Cash & Bank Balance	-	0.74	0.31	0.41	0.10
Add : Surplus	0.74	-0.43	0.10	-0.31	0.08
<b>Closing Cash &amp; Bank Balance</b>	<b>0.74</b>	<b>0.31</b>	<b>0.41</b>	<b>0.10</b>	<b>0.19</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	4.59	6.53	8.60	10.29	11.76
Interest on Term Loan	1.10	0.97	0.69	0.42	0.15
<b>Total</b>	<b>5.69</b>	<b>7.49</b>	<b>9.29</b>	<b>10.71</b>	<b>11.90</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>3.17</b>	<b>2.90</b>	<b>2.63</b>
<b>DEBT SERVICE COVERAGE RATIO</b>	<b>2.43</b>	<b>2.17</b>	<b>2.93</b>	<b>3.69</b>	<b>4.53</b>
<b>AVERAGE D.S.C.R.</b>	<b>3.11</b>				