

PM Formalisation of Micro Food Processing Enterprises Scheme

DETAILED PROJECT REPORT FOR BYADGI CHILLI PROCESSING UNIT



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1. PROJECT SUMMARY

1. Name of the proposed project	:	Byadgi Chilli Powder Unit
2. Nature of proposed project	:	Proprietorship/Company/Partnership
3. Proposed project capacity	:	91200 Kg/annum (40,45,50,55&60% capacity utilization in 1 st to 5 th Year respectively)
4. Raw material	:	Byadgi Chillies with stem
5. Major product outputs	:	Byadgi Chilli Powder
6. Total project cost	:	Rs. 14.13 Lakh
<ul style="list-style-type: none"> • Land development, building & Civil Construction 	:	Nil
<ul style="list-style-type: none"> • Machinery and equipment's 	:	Rs. 7.30 Lakh
<ul style="list-style-type: none"> • Miscellaneous Fixed Assets 	:	Rs. 3.00 Lakh
<ul style="list-style-type: none"> • Working capital 	:	Rs. 3.83 Lakh
7. Means of Finance		
<ul style="list-style-type: none"> • Subsidy (max 10lakhs) 	:	Rs. 3.61 Lakh
<ul style="list-style-type: none"> • Promoter's contribution (min10%) 	:	Rs. 1.40 Lakh
<ul style="list-style-type: none"> • Term loan 	:	Rs. 5.67 Lakh
<ul style="list-style-type: none"> • Working Capital Requirement 	:	Rs. 3.45 Lakh
8. Profit after Depreciation, Interest & Tax		
<ul style="list-style-type: none"> • 1st year 	:	Rs. 1.36 Lakh
<ul style="list-style-type: none"> • 2nd year 	:	Rs. 3.48 Lakh
<ul style="list-style-type: none"> • 3rd year 	:	Rs. 5.66 Lakh
<ul style="list-style-type: none"> • 4th year 	:	Rs. 7.77 Lakh
<ul style="list-style-type: none"> • 5th year 	:	Rs. 10.27 Lakh
9. Average DSCR	:	Rs. 4.83
10. Term loan repayment	:	5 Years with 6 months grace period

2. ABOUT THE PRODUCT

PRODUCT INTRODUCTION:

Chilli (*Capsicum annum L.*, *Capsicum frutescens L.*), also known as red pepper, is a member of the solanaceae family and belongs to the genus *Capsicum*. Chillies come in over 400 different varieties and are known by common names such as chillies, chile, chilli peppers, bell peppers, red peppers, pod peppers, cayenne peppers, paprika, pimento, and capsicum in various parts of the world. Among the spices, dried chilli accounts for the bulk of intake. The dye 'capsanthin' is responsible for the red colour of chillies. The alkaloid 'capsaicin' contained in the pericarp and placenta of chillies gives them their biting pungency. Vitamins (especially A and C), potassium, magnesium, and iron are all abundant in chillies. Chillies are used to alleviate discomfort and have the capacity to raise the immune system, reduce cholesterol, and assist in the removal of gut parasites.

The Byadgi (or Byadagi) chilli is a well-known chilli variety grown in Karnataka. It is named after Byadgi, the Taluk (tehsil) headquarters in the Karnataka district of Haveri. The Byadagi chilli is a long (12-15 cm) and small, bright red variety of chilli with wrinkled pods. The fragrance and deep red colour of Byadgi chillies are well-known. The highest colour values are found in Byadagi chillies, which range from 150000 to 250000 CU (Colour Units) or 80-130 ASTA colour units. The pungency of Byadgi chillies is mild, and the seed content is moderate. Byadgi chillies have a capsaicin content ranging from 0.8 to 1.3 percent, and their pungency ranges from 8000 to 15000 SHU (Scoville Heat Units). Byadgi chillies have been designated as a Karnataka Geographical Indication (GI application No. 129) commodity. In Karnataka, the Byadgi chilli is cultivated in the rainfed districts of Dharwad, Gadag, and Haveri.

Chilli yields in these districts range from 0.5 to 1.25 MT/ha. Other districts where Guntur variety chillies were previously cultivated, such as Bellary, Raichur, and Gulbarga, have switched to growing Byadgi variety chillies, which have a higher oleoresin content and an optimum yield of 3.75-5.00 MT/ha. It is grown in the districts of Karnool and Adhoni in the neighbouring state of Andhra Pradesh. In cuisine, Byadgi chilli is often used as a ground spice powder. Byadgi chilli is preferred in the manufacture of pickles, masala products, and chilli powder because it helps them to obtain the best colour naturally while preventing their products being too pungent for use. Because of its bright red colour, the Byadgi chilli is also useful as a colouring agent. Byadgi chilli is commonly used in the extraction of oleoresin, a form of oil.

MARKET POTENTIAL:

Dry chilli farming is more lucrative than green chilli farming because there is still a strong market demand for it. Producers will make a lot of money from it. Byadgi chillies are typically sold in gunny bags weighing 30-40 kg. Chillies are dried and processed in gunny bags by growers. Dried Byadgi chillies are available in a variety of types in the market, including Byadgi chillies with stems, Byadgi chillies without stems, crushed dried red chilli flakes, and dried red chilli powder. The dried whole chilli (with and without stem), chilli powder (ground and crushed), chilli paste, chilly chutney, and chilli seeds are all products of the Byadagi chilli. It's still in high demand in the oleoresin industry, and the oleoresin derived from it is used to make food and cosmetic products.

Due to its use as a natural red colour in the food industry, the market for Byadgi chilli is skyrocketing. Byadgi chillies are used as a replacement for paprika by oleoresin producers in the international market (Sri Lanka, Bangladesh, America, Europe, Nepal, Indonesia, Mexico).

Byadgi chilli traders primarily supply Byadgi chilli to leading exporters in Cochin (Kerala), Tamil Nadu, and West Bengal, who then value-add the commodity and export it as Paprika Oleoresin

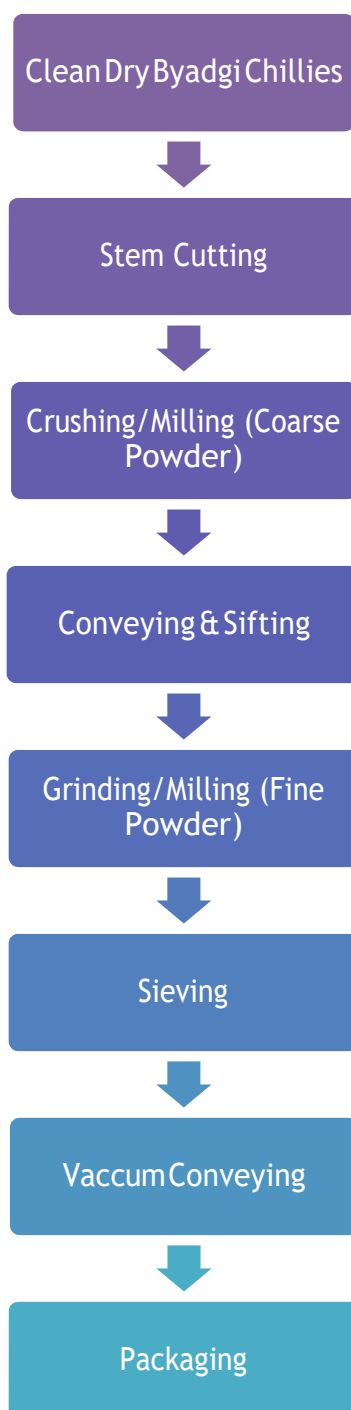
RAW MATERIAL DESCRIPTION:

The clean and dried Byadgi chillies with stem obtained after primary processing is used as the raw material for the production of Byadgi Chilli Powder.

3. PROCESS FLOW CHART

- Raw Material Procurement: Raw materials should be received & stored in hygienic condition. The quality of the raw material should be checked carefully.
- The stems of the clean, dry Byadgi chillies are sliced with a knife or a chilli stem cutting unit. In general, using a stem cutting system saves time and resources.
- The milling method is also known as the grinding process. For grinding, a hammer mill is commonly used. To produce the fine chilli powder, either the crushed material is moved 2-3 times through small hammer mills with centrifugal blowers, cyclone separators, and sifting machines, as well as a lump breaker between the hammer mills, or a big hammer mill is used.

- Chilli powder with conventional fragrance and consistency is obtained using an electric motor-driven kandap system that works on the principle of traditional pounding of chillies.
- Sieving is achieved using a fine mesh centrifugal sifter. Internal shaft with rubber blades rotates to crack lumps as it moves through fine mesh of ideal size to yield smooth fine chilli powder.
- The fine red chilli powder is vacuum-transported from one location to another inside the premises. For healthy packing, red chilli powder with a moisture content of less than 8% is recommended. Printed disposable pouches, pouches in mono-carton cases, high density polyethylene and Saran / Cello / Saran poly laminate pouches, and composite, rubber, and glass jars are used to package the chilli powder.



4. ECONOMICS OF THE PROJECT

BASIS & PRESUMPTIONS

1. Production Capacity of Byadgi Chilli Powder is 40 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 15 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 10 KW.
10. Increase in sales and raw material costing has been taken @ 5% on a yearly basis.

CAPACITY, UTILIZATION, PRODUCTION & OUTPUT

COMPUTATION OF PRODUCTION OF BYADGI CHILLI POWDER		
Items to be Manufactured		
Byadgi Chilli Powder		
Machine capacity Per hour	40	Kg
Total working Hours	8	
Machine capacity Per Day	320	Kg
Working days in a month	25	Days
Working days per annum	300	
Wastage Considered	5%	
Raw material requirement	96000	Kg
Final Output per annum after wastage	91200	Kg
Final Product to be packed in 1 kg Packet		
Number of Packets per annum	91200	1 Kg Packet

Production of Byadgi Chilli Powder		
Production	Capacity	KG
1st year	40%	36,480
2nd year	45%	41,040
3rd year	50%	45,600
4th year	55%	50,160
5th year	60%	54,720





Raw Material Cost			
Year	Capacity Utilisation	Rate (per Kg)	Amount (Rs. in lacs)
1st year	40%	75.00	28.80
2nd year	45%	79.00	34.13
3rd year	50%	83.00	39.84
4th year	55%	87.00	45.94
5th year	60%	91.00	52.42


COMPUTATION OF SALE					
Particulars	1st year	2nd year	3rd year	4th year	5th year
Op Stock	-	851	958	1,064	1,170
Production	36,480	41,040	45,600	50,160	54,720
Less : Closing Stock	851	958	1,064	1,170	1,277
Net Sale	35,629	40,934	45,494	50,054	54,614
Sale price perpacket	165.00	173.00	182.00	191.00	201.00
Sales (in Lacs)	58.79	70.82	82.80	95.60	109.77

PREMISES/INFRASTRUCTURE

The approximate total area required for complete factory setup is 1500-2000 Sq. ft. for smooth production including storage area. It is expected that the premises will be on rental.

MACHINERY & EQUIPMENTS

Machine Name	Description	Machine Image.
Hammer Mill	Hammer mill is commonly used for grinding. Either the crushed material is passed 2-3 times through the small hammer mills with centrifugal blowers.	
Kandap Machine	Electric motor operated kandap machine which work on the principle of traditional pounding of chillies is used obtain the chilli powder with traditional aroma and quality.	
Sifting Machine	These machines are used to chop given vegetables in required shape & size as per requirement.	
Packaging Machine	This machine is used to pack the finished grinded chilly powder for market sale.	

Material handling and other Equipments	These Equipments are used for material handling. Other equipments like water pumps, weighing machine, kitchen tools etc are also used.	
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Machine	Unit	Rate	Price
Hammer Mill	1	105000	105000
Kandap Machine	1	125000	125000
Sifting Machine	1	80000	80000
Packaging Machine	1	180000	180000
Material handling and other equipment's (Bins, trolley, weighing machine, kitchen tools etc.)	-	240000	240000

Note: Total Machinery cost shall be Rs 7.30 lakh including equipment's but excluding GST and Transportation Cost.

MISCELLANEOUS FIXED ASSETS

- Water Supply Arrangements
- Furniture & Fixtures
- Computers & Printers

TOTAL COST OF PROJECT

COST OF PROJECT	
	(in Lacs)
PARTICULARS	Amount
Land & Building	Owned/Rented
Plant & Machinery	7.30
Miscellaneous Assets	3.00
Working capital	3.83
Total	14.13

MEANS OF FINANCE

MEANS OF FINANCE	
PARTICULARS	AMOUNT
Own Contribution (min 10%)	1.40
Subsidy @35%(Max. Rs 10 Lac)	3.61
Term Loan @ 55%	5.67
Working Capital (Bank Finance)	3.45
Total	14.13

TERM LOAN: Term loan of Rs. 5.67 Lakh is required for project cost of Rs. 14.13 Lakh

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	-	5.67	5.67	-	-	5.67
	2nd month	5.67	-	5.67	0.05	-	5.67
	3rd month	5.67	-	5.67	0.05	-	5.67
	4th month	5.67	-	5.67	0.05	-	5.67
	5th month	5.67	-	5.67	0.05	-	5.67
	6th month	5.67	-	5.67	0.05	-	5.67
	7th month	5.67	-	5.67	0.05	0.10	5.56
	8th month	5.56	-	5.56	0.05	0.10	5.46
	9th month	5.46	-	5.46	0.05	0.10	5.35
	10th month	5.35	-	5.35	0.05	0.10	5.25
	11th month	5.25	-	5.25	0.05	0.10	5.14
	12th month	5.14	-	5.14	0.05	0.10	5.04
					0.56	0.63	
2nd	Opening Balance						
	1st month	5.04	-	5.04	0.05	0.10	4.93
	2nd month	4.93	-	4.93	0.05	0.10	4.83
	3rd month	4.83	-	4.83	0.04	0.10	4.72

4th month	4.72	-	4.72	0.04	0.10	4.62
5th month	4.62	-	4.62	0.04	0.10	4.51
6th month	4.51	-	4.51	0.04	0.10	4.41
7th month	4.41	-	4.41	0.04	0.10	4.30
8th month	4.30	-	4.30	0.04	0.10	4.20
9th month	4.20	-	4.20	0.04	0.10	4.09
10th month	4.09	-	4.09	0.04	0.10	3.99
11th month	3.99	-	3.99	0.04	0.10	3.88
12th month	3.88	-	3.88	0.04	0.10	3.78
				0.49	1.26	
3rd	Opening Balance					
1st month	3.78	-	3.78	0.03	0.10	3.67
2nd month	3.67	-	3.67	0.03	0.10	3.57
3rd month	3.57	-	3.57	0.03	0.10	3.46
4th month	3.46	-	3.46	0.03	0.10	3.36
5th month	3.36	-	3.36	0.03	0.10	3.25
6th month	3.25	-	3.25	0.03	0.10	3.15
7th month	3.15	-	3.15	0.03	0.10	3.04
8th month	3.04	-	3.04	0.03	0.10	2.94
9th month	2.94	-	2.94	0.03	0.10	2.83
10th month	2.83	-	2.83	0.03	0.10	2.73
11th month	2.73	-	2.73	0.03	0.10	2.62
12th month	2.62	-	2.62	0.02	0.10	2.52
				0.35	1.26	

4th	Opening Balance						
	1st month	2.52	-	2.52	0.02	0.10	2.41
	2nd month	2.41	-	2.41	0.02	0.10	2.31
	3rd month	2.31	-	2.31	0.02	0.10	2.20
	4th month	2.20	-	2.20	0.02	0.10	2.10
	5th month	2.10	-	2.10	0.02	0.10	1.99
	6th month	1.99	-	1.99	0.02	0.10	1.89
	7th month	1.89	-	1.89	0.02	0.10	1.78
	8th month	1.78	-	1.78	0.02	0.10	1.68
	9th month	1.68	-	1.68	0.02	0.10	1.57
	10th month	1.57	-	1.57	0.01	0.10	1.47
	11th month	1.47	-	1.47	0.01	0.10	1.36
	12th month	1.36	-	1.36	0.01	0.10	1.26
					0.21	1.26	
5th	Opening Balance						
	1st month	1.26	-	1.26	0.01	0.10	1.15
	2nd month	1.15	-	1.15	0.01	0.10	1.05
	3rd month	1.05	-	1.05	0.01	0.10	0.94
	4th month	0.94	-	0.94	0.01	0.10	0.84
	5th month	0.84	-	0.84	0.01	0.10	0.73
	6th month	0.73	-	0.73	0.01	0.10	0.63
	7th month	0.63	-	0.63	0.01	0.10	0.52
	8th month	0.52	-	0.52	0.00	0.10	0.42
	9th month	0.42	-	0.42	0.00	0.10	0.31
	10th month	0.31	-		0.00	0.10	0.21

			0.31			
11th month	0.21	-	0.21	0.00	0.10	0.10
12th month	0.10	-	0.10	0.00	0.10	-
			0.08	1.26		
DOOR TO DOOR MORATORIUM PERIOD	60	MONTHS				
REPAYMENT PERIOD	6	MONTHS				
	54	MONTHS				

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>					
	1.10	1.29	1.47	1.68	1.88
<u>Raw Material</u>					
	1.44	1.71	1.99	2.30	2.62
Closing Stock	2.54	2.99	3.46	3.97	4.50

COMPUTATION OF WORKING CAPITAL REQUIREMENT					
TRADITIONAL METHOD					(in Lacs)
Particulars	Amount	Own Margin		Bank Finance	
Finished Goods & Raw Material	2.54				
Less : Creditors	0.67				
Paid stock	1.87	10%	0.19	90%	1.68
Sundry Debtors	1.96	10%	0.20	90%	1.76
	3.83		0.38		3.45
MPBF					3.45
WORKING CAPITAL LIMIT DEMAND (from Bank)					3.45
Working Capital Margin					0.38

SALARY & WAGES

<u>BREAK UP OF LABOUR CHARGES</u>			
Particulars	Wages	No of	Total
	Rs. per Month	Employees	Salary
Plant Operator	15,000	2	30,000
Supervisor	20,000	1	20,000
Skilled (in thousand rupees)	12,000	2	24,000
Unskilled (in thousand rupees)	8,500	3	25,500
Total salary per month			99,500
Total annual labour charges	(in lacs)		11.94

<u>BREAK UP OF STAFF SALARY CHARGES</u>			
Particulars	Salary	No of	Total
	Rs. per Month	Employees	Salary
Administrative Staff	7,000	2	14,000
Manager	18,000	1	18,000
Accountant	15,000	1	15,000
Total salary per month			47,000
Total annual Staff charges	(in lacs)		5.64

4.12 POWER REQUIREMENT

Utility Charges (per month)		
Particulars	value	Description
Power connection required	10	KWH
consumption per day	80	units
Consumption per month	2,000	units
Rate per Unit	10	Rs.
power Bill per month	20,000	Rs.

DEPRECIATION CALCULATION

COMPUTATION OF DEPRECIATION			(in Lacs)
Description	Plant & Machinery	Miss. Assets	TOTAL
Rate of Depreciation	15.00%	10.00%	
Opening Balance	-	-	-
Addition	7.30	3.00	10.30
Total	7.30	3.00	10.30
Less : Depreciation	1.10	0.30	1.40
WDV at end of Year	6.21	2.70	8.91
Additions During The Year	-	-	-
Total	6.21	2.70	8.91
Less : Depreciation	0.93	0.27	1.20
WDV at end of Year	5.27	2.43	7.70
Additions During The Year	-	-	-
Total	5.27	2.43	7.70
Less : Depreciation	0.79	0.24	1.03
WDV at end of Year	4.48	2.19	6.67
Additions During The Year	-	-	-
Total	4.48	2.19	6.67
Less : Depreciation	0.67	0.22	0.89
WDV at end of Year	3.81	1.97	5.78
Additions During The Year	-	-	-
Total	3.81	1.97	5.78
Less : Depreciation	0.57	0.20	0.77
WDV at end of Year	3.24	1.77	5.01

REPAIR & MAINTENANCE: Repair & Maintenance is 2.5% of Gross Sale.

PROJECTIONS OF PROFITABILITY ANALYSIS

PROJECTED PROFITABILITY STATEMENT					(in Lacs)
PARTICULARS	1st year	2nd year	3rd year	4th year	5th year
Capacity Utilisation %	40%	45%	50%	55%	60%
SALES					
Gross Sale					
Byadgi Chilli Powder	58.79	70.82	82.80	95.60	109.77
Total	58.79	70.82	82.80	95.60	109.77
COST OF SALES					
Raw Material Consumed	28.80	34.13	39.84	45.94	52.42
Electricity Expenses	2.40	2.76	3.17	3.65	4.02
Depreciation	1.40	1.20	1.03	0.89	0.77
Wages & labour	11.94	13.85	15.24	17.06	18.43
Repair & maintenance	1.47	1.77	2.07	2.39	2.74
Packaging	1.18	1.42	1.66	1.91	2.20
Cost of Production	47.18	55.13	63.01	71.84	80.57
Add: Opening Stock /WIP	-	1.10	1.29	1.47	1.68
Less: Closing Stock /WIP	1.10	1.29	1.47	1.68	1.88
Cost of Sales	46.08	54.94	62.83	71.64	80.36
GROSS PROFIT	12.71	15.87	19.97	23.97	29.41
	21.62%	22.42%	24.12%	25.07%	26.79%
Salary to Staff	5.64	6.15	7.07	7.78	9.33
Interest on Term Loan	0.56	0.49	0.35	0.21	0.08
Interest on working Capital	0.38	0.38	0.38	0.38	0.38
Rent	3.60	3.96	4.36	4.79	5.27
selling & adm exp	1.18	1.42	1.82	2.15	2.33
TOTAL	11.35	12.39	13.98	15.31	17.38
NET PROFIT	1.36	3.48	5.99	8.65	12.02
	2.31%	4.92%	7.24%	9.05%	10.95%
Taxation	-	-	0.33	0.88	1.76
PROFIT (After Tax)	1.36	3.48	5.66	7.77	10.27

BREAK EVEN POINT ANALYSIS

BREAK EVEN POINT ANALYSIS					
Year	I	II	III	IV	V
Net Sales & Other Income	58.79	70.82	82.80	95.60	109.77
Less : Op. WIP Goods	-	1.10	1.29	1.47	1.68
Add : Cl. WIP Goods	1.10	1.29	1.47	1.68	1.88
Total Sales	59.89	71.00	82.98	95.81	109.98
Variable & Semi Variable Exp.					
Raw Material Consumed	28.80	34.13	39.84	45.94	52.42
Electricity Exp/Coal Consumption at 85%	2.04	2.35	2.70	3.10	3.41
Wages & Salary at 60%	10.55	12.00	13.38	14.90	16.66
Selling & administrative Expenses 80%	0.94	1.13	1.46	1.72	1.86
Interest on working Capital	0.379018	0.379018	0.379018	0.379018	0.379018
Repair & maintenance	1.47	1.77	2.07	2.39	2.74
Packaging	1.18	1.42	1.66	1.91	2.20
Total Variable & Semi Variable Exp	45.35	53.17	61.48	70.34	79.67
Contribution	14.54	17.83	21.50	25.46	30.31
Fixed & Semi Fixed Expenses					
Electricity Exp/Coal Consumption at 15%	0.36	0.41	0.48	0.55	0.60
Wages & Salary at 40%	7.03	8.00	8.92	9.94	11.10
Interest on Term Loan	0.56	0.49	0.35	0.21	0.08
Depreciation	1.40	1.20	1.03	0.89	0.77
Selling & administrative Expenses 20%	0.24	0.28	0.36	0.43	0.47
Rent	3.60	3.96	4.36	4.79	5.27
Total Fixed Expenses	13.18	14.35	15.50	16.81	18.29
Capacity Utilization	40%	45%	50%	55%	60%
OPERATING PROFIT	1.36	3.48	5.99	8.65	12.02
BREAK EVEN POINT	36%	36%	36%	36%	36%
BREAK EVEN SALES	54.30	57.14	59.84	63.25	66.35

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		4.36	5.35	7.01	8.78
Add:- Own Capital	1.40				
Add:- Retained Profit	1.36	3.48	5.66	7.77	10.27
Less:- Drawings	2.00	2.50	4.00	6.00	9.00
Subsidy/grant	3.61				
Closing Balance	4.36	5.35	7.01	8.78	10.04
Term Loan	5.04	3.78	2.52	1.26	-
Working Capital Limit	3.45	3.45	3.45	3.45	3.45
Sundry Creditors	0.67	0.80	0.93	1.07	1.22
Provisions & Other Liab	0.40	0.50	0.60	0.72	0.86
TOTAL :	13.92	13.86	14.50	15.27	15.58
<u>Assets</u>					
Fixed Assets (Gross)	10.30	10.30	10.30	10.30	10.30
Gross Dep.	1.40	2.60	3.63	4.52	5.29
Net Fixed Assets	8.91	7.70	6.67	5.78	5.01
Current Assets					
Sundry Debtors	1.96	2.36	2.76	3.19	3.66
Stock in Hand	2.54	2.99	3.46	3.97	4.50
Cash and Bank	0.51	0.81	1.61	2.33	2.41
TOTAL :	13.92	13.86	14.50	15.27	15.58

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	1.40				
Net Profit	1.36	3.48	5.99	8.65	12.02
Depreciation & Exp. W/off	1.40	1.20	1.03	0.89	0.77
Increase in Cash Credit	3.45	-	-	-	-
Increase In Term Loan	5.67	-	-	-	-
Increase in Creditors	0.67	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	3.61				
TOTAL :	17.94	4.91	7.26	9.81	13.09
<u>APPLICATION OF FUND</u>					
Increase in Fixed Assets	10.30				
Increase in Stock	2.54	0.45	0.47	0.51	0.53
Increase in Debtors	1.96	0.40	0.40	0.43	0.47
Repayment of Term Loan	0.63	1.26	1.26	1.26	1.26
Drawings	2.00	2.50	4.00	6.00	9.00
Taxation	-	-	0.33	0.88	1.76
TOTAL :	17.43	4.61	6.46	9.08	13.02
Opening Cash & Bank Balance	-	0.51	0.81	1.61	2.33
Add : Surplus	0.51	0.29	0.80	0.73	0.07
Closing Cash & Bank Balance	0.51	0.81	1.61	2.33	2.41

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	2.75	4.68	6.70	8.66	11.04
Interest on Term Loan	0.56	0.49	0.35	0.21	0.08
Total	3.31	5.17	7.05	8.87	11.11
<u>REPAYMENT</u>					
Instalment of Term Loan	0.63	1.26	1.26	1.26	1.26
Interest on Term Loan	0.56	0.49	0.35	0.21	0.08
Total	1.19	1.75	1.61	1.47	1.33
DEBT SERVICE COVERAGE RATIO	2.79	2.96	4.38	6.03	8.33
AVERAGE D.S.C.R.	4.83				